

PALESTINE*

EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS 2019



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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT (SEPTEMBER 2018–AUGUST 2019)

With the economy stalling on the back of continuing restrictions, and with Palestine facing a severe financial crisis, the prospects for Palestinians are grim¹. A new government was formed in April 2019 and 17 new ministers were appointed. The former Ministry of Education and Higher Education (MoEHE) was split in two ministries: the Ministry of Education (MoE) and the Ministry of Higher Education and Research (MoHE), and two new ministers were appointed. The Ministry of Labour (MoL) also has a new minister in place. This has had an impact on the functioning and governance of the technical and vocational education and training (TVET) sector, which has become increasingly fragmented.

Through a decision of the Council of Ministers in May 2019, a ministerial committee was formed to develop a vision to promote the TVET sector and to establish a functioning governance system. Between 2018 and the first half of 2019, the Development Centre led the revision of the 2010 TVET strategy and the drafting of the TVET law. Work is still in progress, and although the government is giving high priority to TVET, it is unclear when it will be able to adopt these two important strategic documents.

During 2018 the former MoEHE devoted particular attention to the quality and relevance of higher education, including TVET programmes. In 2018 the government adopted the new Law of Higher Education. New regulations are being developed and the Higher Education Council is being restructured, as stipulated by the new law.

Bridging the gap between the demands of the labour market and the supply of the education sector (in particular TVET) is a priority for the Palestinian government. To increase the quality and relevance of the TVET sector, efforts have been made to establish more structured cooperation between companies and TVET schools and colleges. The work-based learning (WBL) and apprenticeship system is being implemented, but needs further mainstreaming to cover all levels and all vocational education and training (VET) schools.

The former MoEHE launched the Curriculum Development Standard Process as a National Standard; more than 45 new curricula covering a large field of occupations in Palestine have been developed and upgraded. To raise awareness of the TVET sector, from the academic year 2018/19 vocational subjects were introduced in general education (grades 7–9) and the VET track was introduced in the 10th grade of general secondary schools.

In April 2018 the International Labour Organization (ILO) and Palestine embarked on the second Palestinian Decent Work Programme, for the period 2018–2022.

¹ World Bank, Economic Monitoring Report, April 2019.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Palestine has one of the highest population growth rates (2.65% in 2019) and fertility rates (4.06 children per woman) in the Middle East and North Africa, although both indicators have declined over the past decade². The population of Palestine was 4.8 million in 2018 (4.27 million in 2013). In addition, 1.5 million Palestinians live inside Israel and 5.6 million in Arab countries³. The youth population (aged 15–24) was estimated to account for 34.8% of the working-age population (aged 15–64) in 2018. Thus, Palestine has one of the youngest populations not only in the region but also in the world.

This population growth puts enormous pressure on social services (education, health and housing) and the labour market. Demographic projections made by the United Nations Population Fund (UNFPA) in 2016 found that Palestine sits on the cusp of significant changes in its demographic make-up. The population is expected to double to 9.5 million by 2050, despite a drastic reduction in fertility from 4.06 children per woman in 2019 to a projected 2.17 in 2050. By 2050 the Palestinian economy is expected to have 3.8 million potential workers, up from 1.3 million in 2016. This will require an increase of 72 000 new jobs per year⁴. The difficult economic and labour market situation, characterised by very low job creation, pushes many Palestinians towards migration.

The World Bank classifies Palestine as a lower middle-income economy. Real gross domestic product (GDP) growth in the Palestinian economy was barely positive in 2018 owing to a steep deterioration in Gaza and a slowdown in the West Bank. Gaza's economy has been kept afloat in recent years by large transfers including donor aid and spending through the budget of the Palestinian Authority (PA), both of which amounted to 70–80% of Gaza's GDP. However, these two sources have significantly declined recently, resulting in economic activity in Gaza shrinking by 8% in 2018. In the West Bank, real growth declined to around 2% in 2018, lower than its average in previous years. Under a baseline scenario that assumes a continuation of the Israeli restrictive regime and the persistence of the internal divide between the West Bank and Gaza, private sector activity is not expected to pick up and real GDP growth of the Palestinian economy is projected to hover around 0.5–1.6% between 2019 and 2021. This growth level implies a yearly decline in real per capita income of around 2–3%. Inflation will remain subdued with inflation hovering around 2% in the period 2019–2021⁵.

Palestine is currently facing a severe fiscal crisis. The decision of the Israeli government in February 2019 to make unilateral deductions from clearance revenues of USD 138 million to offset estimated payments made by the PA to families of 'martyrs and prisoners' has led the PA to reject these transfers altogether. Given that these transfers represent 65% of the PA's revenues, such a decision has resulted in severe cuts in current spending, including on wages. In October 2019 this situation is still not resolved and will negatively affect economic growth in 2019⁶.

² <http://worldpopulationreview.com>

³ Palestinian Central Bureau of Statistics, Palestine in figures, March 2018: <http://www.pcbs.gov.ps/Downloads/book2362.pdf>

⁴ https://www.un.org/unispal/wp-content/uploads/2018/04/ILOSTUDY_040418.pdf

⁵ <https://www.worldbank.org/en/country/westbankandgaza/publication/economic-update-april-2019>

⁶ World Bank, Economic Monitoring Report to the Ad Hoc Liaison Committee, April 2019.

The structure of the economy has substantially deteriorated since the 1990s. Investment has been clearly diverted to the service sector at the expense of agriculture and manufacturing, which have historically been the sectors in which a large proportion of the Palestinian workforce was employed. The service sector accounted for 62.9% of GDP in 2018, followed by industry (30.7%) and agriculture (6.2%)⁷. The Palestinian service sector is mostly made up of traditional service subsectors, which are less labour-intensive and less dynamic than the agricultural and manufacturing sectors, and are characterised by a limited capacity to raise productivity through technological innovation. These trends have led to a lack of jobs for those entering the workforce, and to stubbornly high rates of unemployment⁸.

The Palestinian economy is largely dominated by small and family-owned enterprises. Some 82% of Palestinians are employed by micro, small and medium-sized enterprises⁹. Small enterprises in the very large informal sector are an important source of job creation, which nevertheless remains limited.

The Palestinian government has developed strategies to enhance national competitiveness in industry, agriculture, housing and tourism as levers of economic development. All these sectors, however, need better-qualified human capital. Through the work of the Palestine Trade Centre (PalTrade), the government has developed one national export strategy and nine sectoral export strategies (stone and marble; fresh fruit and vegetables; olive oil; footwear and leather; furniture; processed meat; textile and garments; information and communications technologies (ICT); and tourism). In each sectoral strategy, the skills component is the focus of a specific chapter. Nevertheless, the complex political situation puts severe restrictions on the Palestinian economy and its foreign trade relations.

Unlocking the potential of the Palestinian private sector would require the alleviation of Israeli restrictions on access to land, natural resources (e.g. water), exports and freedom of movement. Moreover, the business environment is not favourable. West Bank and Gaza has a low ranking in the World Bank's Ease of Doing Business Index¹⁰, ranking 116th out of 190 economies in 2019.

Within the overall context of the occupation and the related challenges associated with improving economic performance, Palestine continues to be heavily reliant on donor aid receipts in the form of external direct budget support. However, over the past five years there has been a steady decline in the provision of donor aid¹¹ and it is expected that this trend will continue in the coming years. The EU needs to fill the gap following last year's decision of the US to seriously cut funding from the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNWRA).

⁷ Palestinian Bureau of Statistics, 2019.

⁸ https://www.un.org/unispal/wp-content/uploads/2018/04/ILOSTUDY_040418.pdf

⁹ International Finance Corporation, *Micro, small and medium-sized enterprises country indicators*, IFC/World Bank, Washington, DC, 2014.

¹⁰ <http://www.doingbusiness.org/en/rankings>

¹¹ https://www.ilo.org/wcmsp5/groups/public/---ed_mas/--program/documents/genericdocument/wcms_629011.pdf

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Over a third of Palestinian communities in the West Bank (Area C) lack a primary school, forcing children to travel or walk long distances to reach the nearest school¹². Other issues include the shortage of physical infrastructure and restrictions on movement. In the Gaza Strip, armed conflict and the resulting damage and destruction of facilities, the Israeli blockade and the internal Palestinian divide have severely disrupted services, including the ability to conduct regular educational activities. At the same time, the school-age population is expected to increase in the coming years as a result of demographic changes. In fact, the number of students in Gaza is projected to increase from 630 000 in 2015 to 1.2 million in 2030. To meet this demand, 900 additional schools and a significant increase in the number of teachers will be required¹³.

Although 5.3% of GDP was allocated to financing the education sector in 2017, funding of education is heavily reliant on foreign aid. In recent years, Palestine has faced a funding crisis as a result of cuts to foreign aid. This has led to significant reductions in public sector budgets and, in particular, salaries.

The latest statistics show that in 2016, 96.93% of the population of Palestine was literate. The youth literacy rate (aged 15–24) was even higher, at around 99% for both males and females¹⁴. However, the labour force is relatively low skilled. According to 2018 data, 58.1% of the adult population (aged 25–64) have attained only a low level of education, 21.3% a medium level and 20.6% a high level.

The Palestinian general education system consists of pre-school education; compulsory basic education or primary education divided into the preparatory stage (grades 1–4) and the empowerment stage (grades 5–10); secondary education (general, technical and vocational secondary education covering grades 11–12); higher education (grades 13–14); and non-formal education.

School enrolment among Palestinians is generally high, with a gross enrolment rate of 95.25% in primary education and 85.12% in secondary education in 2017. Despite economic hardship, young people continue to prioritise higher education: the gross enrolment rate of students in tertiary education in 2017 was high, at 42.25%¹⁵.

The TVET situation in Palestine is difficult to assess because of the fragmentation of TVET providers, which include the government (MoE, MoHE, MoL and Ministry of Social Development), UNWRA, non-governmental organisations (NGOs) and private VET providers. In general, enrolment in TVET remains very low, mainly because of its poor image. VET students accounted for only 2.6% of upper secondary students in 2017. However, if commercial schools (which are no longer classified as part of the TVET sector) are included to ensure comparability with other countries, the share of TVET in secondary education increases substantially. Furthermore, vocational training centres (VTCs), which operate under the auspices of the MoL, are considered to be providers of non-formal education and are therefore not included in VET student statistics. Many VTC programmes target students at the age

¹² https://www.ochaopt.org/sites/default/files/factsheet_booklet_final_21_12_2017.pdf

¹³ <http://documents.worldbank.org/curated/en/324951520906690830/pdf/124205-WP-PUBLIC-MAR14-5PM-March-2018-AHLC-Report.pdf>

¹⁴ <http://documents.worldbank.org/curated/en/324951520906690830/pdf/124205-WP-PUBLIC-MAR14-5PM-March-2018-AHLC-Report.pdf>

¹⁵ <http://uis.unesco.org/country/PS>

of 16 and are considered an alternative to formal education. If private (NGO-type) TVET providers were also included in the calculation, the share of TVET would be even larger.

The TVET sector has the potential to become stronger if resources are used more efficiently. The VTCs that currently offer non-formal training have limited absorption capacity and have to turn some students away, while most vocational schools are not used to their full potential as there are no classes in the afternoons. As a result of effective cooperation between ministries, it has been agreed that VTC programmes can be offered in the vocational school classrooms in the afternoons.

The TVET sector in East Jerusalem is particularly challenging owing to the continuously deteriorating situation as a consequence of the Israeli illegal occupation policies against the Palestinian Jerusalemites in the city. In 2020, on behalf of the European Commission, the ETF will carry out a comprehensive study of the TVET sector in East Jerusalem with the aim of identifying options for future EU support in the sector.

2.2 Education and training policy and institutional setting

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. The National Policy Agenda identifies the key changes that need to be made to improve the quality of education: greater alignment of TVET and higher education institutions with labour market needs; upgraded and expanded TVET infrastructure and facilities; and enhanced scientific research capacity.

Sectoral strategies have been developed within the framework of this agenda and the Sustainable Development Goals 2020. The Education Sector Strategic Plan 2017–2022, developed by the former MoEHE, is considered to be the current strategic working document. It comprises three strategic goals: ensuring safe, inclusive and equitable access to quality education at all levels of the system; developing a student-centred teaching and learning pedagogy and environment; and enhancing accountability and results-based leadership, governance and management.

The MoE and the MoHE are responsible for managing public schools, colleges and universities and have regulatory overview of those run by the private sector, which are attended by 67.08% of all students. UNWRA oversees 24.07% of all students in general education; the private sector oversees 8.85%¹⁶. The private sector is providing an increasing number of education services and is funded by charities, religious groups, private enterprises and individuals.

The Palestinian education system is subject to political, financial and physical constraints and is vulnerable to many variables that cannot be controlled. The most vulnerable places in the West Bank are Area C and East Jerusalem, where Israel exercises full control over the land and the people. In these places, the ministries rely on the international donor community to provide education to Palestinian students and to support teachers.

The National TVET Strategy (2010) presents a detailed action plan, addressing legislation, financing, the relevance of skills to labour market needs, stakeholder engagement, qualifications frameworks,

¹⁶ Ministry of Education and Higher Education, *Palestine 2020: A learning nation. Education Development Strategic Plan, 2014–2019*, February 2014.

teacher training, and quality development and assurance, including internal and external evaluation. In terms of TVET reform, slow but continuous progress is being made in important processes (e.g. competence-based education and WBL). However, the complexity of the situation in Palestine and the limited capacity to operate the revised TVET system have not led to immediate and sustainable results. The national stakeholders still lack the capacity and resources to run the processes autonomously, but they are clearly committed to sustaining the outcomes of international processes and to continuing reforms, and some positive results have been achieved.

The government recognises the importance of raising awareness about the TVET sector by integrating vocational education into general education. As of the school year 2018/19, all general schools in grades 7–9 are introducing three vocational subjects in each grade. This means that each pupil will be introduced to nine vocational subjects. In the same school year, the vocational track was introduced for 10th grade students, and 56 secondary schools opened 65 classes for the 10th grade vocational track. Seventeen vocational units were opened in secondary schools to ensure that vocational education is available in most geographic areas. These efforts have led to an increase of students in TVET schools. In the school year 2018/19, the share of VET students rose to 4.1%.

The WBL model implemented with the support of Enabel (Belgian development agency) at all levels of TVET (vocational schools, colleges, universities) is considered to be successful. In 2017, 83 WBL initiatives were successfully launched in the West Bank and Gaza. Forty-four TVET institutions signed agreements with over 200 companies relating to a wide range of technical vocations that are in high demand in the labour market¹⁷. According to the Monitoring and Evaluation Report published by the former MoEHE¹⁸, 22.8% of students in vocational schools participated in internships or practical training in the labour market in 2016 (the target for 2019 is 31%). The WBL model has been positively received by both providers and employers. In August 2018 the MoL and the former MoEHE approved the WBL strategy for the period 2018–2022.

The governance of the TVET system is rather complex owing to the fragmentation of TVET providers and services in Palestine. This fragmentation worsened after the approval of the new government in April 2019, when the MoEHE was split into two ministries. The main actors in VET governance and policymaking are now the MoE, the MoHE, the MoL and their supervised authorities. The current governance structure, with the Higher Council of TVET supported by the Executive Council and the Development Centre, is under revision. The new ministerial committee formed in May 2019 is assessing different scenarios for setting up a new governance structure that would enhance cooperation and coordination among different stakeholders. The new TVET law that is currently being drafted should include the functioning of the new governance structure.

Historically, monitoring and evaluation mechanisms in the TVET sector have been weak. To address this weakness, the ETF, in cooperation with GIZ (German development agency) and Enabel, supported the key TVET stakeholders in establishing a national TVET monitoring and evaluation framework. On the basis of this framework, the former MoEHE amended its monitoring system by including new indicators. However, this monitoring system covers only TVET schools under the ministry's supervision. Work still needs to be done, in particular by the MoL, to establish a fully functioning monitoring and evaluation system that covers the whole TVET sector. A systematic tracer system is needed at institutional and national level for tracking TVET graduates' employment situation

¹⁷ https://www.enabel.be/sites/default/files/private_sector_development_in_the_palestinian_territory.pdf

¹⁸ General Directorate of Educational Planning, Ministry of Education and Higher Education, monitoring and evaluation system for the third Education Development Strategic Plan (EDSP III 2014–2019), *Annual report 2016*.

to inform policymakers about skills mismatches and gaps. In this respect, in 2018 the ETF, GIZ and Enabel cooperated to carry out a tracer study for VET graduates of the short training programmes offered by GIZ and Enabel. Some recommendations and lessons learnt from this tracer study can be drawn for the future. The Torino Process 2019 is currently ongoing with a high level of ownership and commitment. It is led by the MoL. Different focus groups are taking place with many different stakeholders to monitor and evaluate the TVET sector in Palestine. The final Torino Process Report 2019 will be published by mid-2020.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

As a result of Palestine's particular historical, political and economic situation, its labour market is highly segmented, not only by age and gender, but also geographically and administratively, as well as along public–private and formal–informal lines. The geographic and administrative separation between the West Bank, Gaza Strip and Israel is very pronounced and poses a major obstacle to growth. Each area operates with its own labour market characteristics, labour demand and wage levels. Compared to the West Bank, the Gaza Strip performs markedly worse for all measurable labour market indicators, with higher unemployment, lower activity and employment rates, lower wages and a smaller private sector. Moreover, the differences between the situations of Palestinians in the domestic labour market and those working in Israel are even more pronounced.

The challenging macroeconomic context seriously affects labour market outcomes. Between 2000 and 2016 the working-age population in Palestine increased by 83% to almost 2.93 million, or about 61% of the total Palestinian population. However, the working-age population remains largely inactive, particularly in the case of women and young people¹⁹. The total activity rate is relatively low (46.4% in 2018) and the female activity rate is one of the lowest in the world, at 20.7% in 2018. Employment rates are also very low (32.1% in 2018), particularly for women (10.1% in 2018). Major structural obstacles hinder women's entry into the formal labour force. These include a lack of affirmative 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.

Alongside weak employment and labour force participation trends, unemployment is very high. It rose from 23.3% in 2013 to 30.8% in 2018. This is the highest level recorded in the past 15 years, and is also the highest unemployment rate among the 170 countries and territories in the world for which current estimates are available²⁰. Female unemployment is particularly high and has been continuously increasing. The female unemployment rate reached 51.2% in 2018, up from 35.1% in 2013.

Youth unemployment is also very high (46.7% in 2018 for those aged 15–24), reaching a dramatic figure of 75.2% among young women. The recent available data shows that the situation in the Gaza Strip is particularly worrying, with a youth unemployment rate (aged 15–24) of 71.8% (92.2% for young women) in 2018. This means that almost two-thirds of young people in Gaza have no income. In the

¹⁹ https://www.un.org/unispal/wp-content/uploads/2018/04/ILOSTUDY_040418.pdf

²⁰ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/--relconf/documents/meetingdocument/wcms_629263.pdf

West Bank, the youth unemployment rate is 29.9%, 25.7% for men and 55.3% for women²¹. Overall in Palestine, poor labour market outcomes for young people combined with a high level of early school leaving have led to a large proportion of young people not being in employment, education or training (NEETs). The NEET rate in 2018 was 33.4%.

Major efforts on the part of the Palestinian authorities to increase access to higher levels of education have had a limited effect on employment. The overall unemployment rate for highly skilled people (36.6% in 2018) is significantly higher than for other skills levels and has been increasing in recent years (29.8% in 2013), which demonstrates the limited capacity of the economy to create high-quality jobs. A school-to-work transition survey conducted by the ILO in 2014 found that higher education actually correlated with unemployment among both young men and young women (aged 15–29). It also found that the rate of unemployment increased with each incremental addition of education level for both young women and young men.

The service sector is the largest employer, providing jobs to 62.9% of the labour force in 2018; 30.7% of the labour force was employed in industry and 6.3% in agriculture. Entrepreneurship is seen as a possible solution for unemployment, but it would need an enabling environment and investment to develop entrepreneurial capacities. Self-employment currently accounts for 30.3% of total employment (2018). The Palestinian labour market is negatively affected by the large informal sector: one-third of employed people work informally.

According to the ILO, the number of Palestinians working in Israel and the settlements has been growing recently and totals almost 120 000²². Some of them work illegally, informally or using illegally purchased work permits. The lack of jobs and potentially higher salaries are the main reasons for such a high outflow. Palestinians working in Israel or in the settlements are heavily affected by the political situation. In crisis periods, physical access to Israel is restricted, making it impossible for Palestinians to work. This also affects Israeli employers' willingness to employ Palestinians, as their presence cannot always be ensured.

3.2 Employment policy and institutional setting

In terms of employment policies, the latest strategic document is the ILO's Second Decent Work Programme 2018–2022, which aims to support the State of Palestine's National Policy Agenda (2017–22): Putting Citizens First. It is also aligned with the Labour Sector Strategy 2017–2022 and the Social Protection Sector Strategy 2017–2022.

The Labour Sector Strategy is a key planning document establishing strategic goals for the labour sector, such as reducing unemployment, developing TVET, empowering cooperatives, strengthening the sector's institutional capacities and reforming the legal framework. Importantly, it also signals Palestine's intention to promote decent work by establishing a well-developed labour administration system; enhancing tripartism; and promoting freedom of association and social dialogue as a means of developing and regulating the labour sector. This strategy is built on an extensive partnership between the national labour administration system and its multiple governmental and non-governmental partners.

²¹ Palestine Central Bureau of Statistics, *Labour Force Survey 2018, annual report*, April 2018.

²² International Labour Office (ILO), *The situation of workers of the occupied Arab territories. Report of the Director-General 106 Session*, ILO, Geneva, 2017.

The National Youth Strategy 2017–2022, launched by the Higher Council for Youth and Sport in 2016, identifies economic empowerment, poverty alleviation, and education and training as strategic areas of intervention. However, the Youth Strategy has still not been endorsed by the government. The Cooperative Sector Strategy (February 2017) underlines the important role of cooperatives in providing livelihoods for people and communities in Palestine, as well as the need to invest in cooperative education and literacy for young people and to explore the potential of the technology industry to increase employment opportunities.

The institution responsible for employment policy is the MoL. It deals with the employment sector and works in close partnership with other stakeholders, such as the MoE, MoHE and the Federation of Chambers of Commerce. The MoL provides a range of employment services through its employment offices. There are 16 employment offices in the West Bank and 5 in Gaza. With support from GIZ, eight of the West Bank offices have been transformed into ‘one-stop shops’ that offer a comprehensive career guidance package including vocational guidance and employment counselling, in addition to guidance on self-employment and small enterprise creation, job search and job application support and information, and work permits to work in Israel. While significant capacity has been developed within the network of one-stop shops, several challenges remain. These include a lack of qualified personnel, limited capacity for networking with employers owing to a lack of transport facilities, and a lack of clarity regarding roles and responsibilities.

The Palestinian Fund for Employment and Social Protection (PFESP) is designated by the Council of Ministers as the national umbrella institution for all employment, job creation and entrepreneurship development programmes implemented in Palestine. It delegated responsibility to the MoL, instructing all entities concerned to provide details of their ongoing active labour market policies (ALMPs) to the PFESP and to coordinate all future programmes with the fund. Several stakeholders within and outside government have expressed concern that expanding the mandate of the PFESP not only risks duplicating several of the MoL’s mandated functions, but also places a huge responsibility on the PFESP and sets high expectations, which may not be met given both the difficult context and the fund’s nascent institutional experience²³.

The PFESP is a semi-independent, autonomous body that implements ALMPs: support for entrepreneurship development through business start-up loans; support for entrepreneurship development through business incubation and acceleration; labour market training using work practice (on-the-job training) and job insertion strategies; and private sector employment incentives through wage subsidies to employers. The PFESP has a strategic plan in place for enhancing and scaling up its ongoing programmes, as well as identifying new programmes that could effectively create employment and stimulate job-rich economic growth. New services to be added include one-stop shops for entrepreneurs, which will provide them with all the services and advice they need to be ready for financing and incubation.

UNRWA and various Palestinian associations (the most important being the Welfare Association, the Sharek Youth Forum and the Education for Employment Fund) also provide ALMPs through programmes that focus on job creation. These programmes provide subsidies and support to young entrepreneurs. About 20 community-based organisations and non-profit organisations also deliver employment programmes in the West Bank and Gaza. These programmes usually target women, university students, new graduates and, to a lesser degree, other categories of unemployed people.

²³ https://www.un.org/unispal/wp-content/uploads/2018/04/ILOSTUDY_040418.pdf

They can be classified in three categories: training and capacity-building programmes; on-the-job training and internship programmes; and online job search and training programmes.

In general, there is a lack of mechanisms to monitor and evaluate ALMPs, which undermines their effectiveness and accountability. ALMPs in both the West Bank and Gaza are fragmented, often with similar goals and overlapping objectives and target groups. They are not always coordinated, and are implemented by different organisations or funded by different donors. As much of the donor aid flows to civil society organisations, the NGO sector in Palestine is the most important sector for providing social and employment services.

Local Education and Training (LET) councils were established by the MoL with the support of GIZ. Each council comprises representatives from the government, the private sector and civil society. The objectives of the councils are to enhance social dialogue and foster local employment initiatives. Their main role is to maintain links and communication between different employment stakeholders and supporting partnerships. Eleven councils currently operate in the West Bank and one in Gaza. To date, the LET councils have been very active in international initiatives (e.g. the EU-funded TVET support programme) in which they have been given a specific role (e.g. skills needs analysis, assessment of proposals and advising on projects). Beyond these donor initiatives, however, the councils suffer from a lack of resources.

An overall national career guidance and counselling system is being developed with the support of GIZ. Career guidance in TVET institutions has improved significantly, and a number of systemic and sustainable changes, for instance the establishment of career guidance units in universities, have been made. Career guidance services for adults are provided by the one-stop shops.

The Palestinian Labour Market Information System (LMIS) operates under the umbrella of the MoL. The LMIS is divided into four subsystems: population (demographic and labour data); education (higher education, formal and non-formal education, technical and vocational education, vocational retraining); enterprises (unmet needs, dismissals, firms, skills, sectors, work experience); and labour market (unemployment, jobseekers, vacancies and filled vacancies). However, the LMIS is not functioning well because of the MoL's inability to keep the system updated owing to a lack of resources and a weak collaboration with stakeholders.

Labour market data is gathered mainly from two sources: labour force surveys carried out every six months by the Palestinian Central Bureau of Statistics (PCBS), and information gathered through the one-stop shops. In addition, many organisations and research centres, such as PalTrade, carry out labour market studies to identify trends and help employers. However, these studies do not go deep enough to analyse the skills needs of the workforce. There is a lack of capacity among stakeholders to implement skills anticipation methodologies. Financial sustainability is also lacking. Almost all initiatives in the area of labour market monitoring and skills anticipation are carried out within the framework of international projects. To date, the government has not allocated resources to new initiatives.

The EU Delegation is coordinating the results-oriented framework (ROF) for the labour market and education sector within the framework of the EU Joint Strategy 2017–2020 'Towards a democratic and accountable Palestinian State'.

PALESTINE: STATISTICAL ANNEX

Annex includes annual data from 2013, 2017 and 2018 or the last available year.

	Indicator	2013	2017	2018	
1	Total Population (,000) ⁽¹⁾⁽²⁾	4,277.1	4,682.7	4,793.7	
2	Relative size of youth population (age group 15-24, %) ⁽¹⁾⁽²⁾	36.7	35.5	34.8	
3	GDP growth rate (%)	2.2	3.1	0.9	
4	GDP by sector (%)	Agriculture added value	4.1	M.D.	M.D.
		Industry added value	20.2	M.D.	M.D.
		Services added value	63.4	M.D.	M.D.
5	Public expenditure on education (as % of GDP)	5.3	5.3	M.D.	
6	Public expenditure on education (as % of total public expenditure)	M.D.	M.D.	M.D.	
7	Adult literacy (%)	96.3	96.9 (2016)	M.D.	
8	Educational attainment of adult population (aged 25-64 or 15+) (%)	Low ⁽³⁾	61.1	59.5	58.1
		Medium	21.6	21.1	21.3
		High	17.3	19.4	20.6
9	Early leavers from education and training (aged 18-24) (%)	Total	31.6	29.9	30.7
		Male	38.1	38.6	39.8
		Female	23.8	18.5	18.8
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	70.8	67.5	M.D.	
11	Share of VET students in upper secondary education (ISCED level 3) (%)	1.9	2.6	M.D.	
12	Tertiary education attainment (aged 30-34) (%)	25.1	31.2	33.7	
13	Participation in training/lifelong learning (aged 25-64) (%)	Total	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.
14	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	N.A.	N.A.
		Mathematics	N.A.	N.A.	N.A.
		Science	N.A.	N.A.	N.A.
15	Activity rate (aged 15+) (%) ⁽⁴⁾	Total	43.7	45.7	46.4

	Indicator	2013	2017	2018	
		Male	69.3	71.6	71.5
		Female	17.4	19.2	20.7
16	Inactivity rate (aged 15+) (%) ⁽⁴⁾	Total	56.3	54.3	53.6
		Male	30.7	28.4	28.5
		Female	82.6	80.8	79.3
17	Employment rate (aged 15+) (%) ⁽⁴⁾	Total	33.5	32.7	32.1
		Male	55.2	54.9	53.6
		Female	11.3	9.9	10.1
18	Employment rate by educational attainment (% aged 15+) ⁽⁴⁾⁽⁵⁾	Low	30.3	30.2	29.3
		Medium	25.4	24.6	24.4
		High	54.6	49.3	48.0
19	Employment by sector (%) ⁽⁴⁾	Agriculture	10.6	6.7	6.3
		Industry	27.4	30.2	30.7
		Services	62.0	63.1	62.9
20	Incidence of self-employment (%) ⁽⁴⁾		32.0	29.6	30.3
21	Incidence of vulnerable employment (%) ⁽⁴⁾		25.7	23.1	23.2
22	Unemployment rate (aged 15+) (%) ⁽⁴⁾	Total	23.3	28.4	30.8
		Male	20.4	23.2	25.0
		Female	35.1	48.2	51.2
23	Unemployment rate by educational attainment (aged 15+) (%) ⁽⁴⁾⁽⁶⁾	Low	21.1	24.4	28.1
		Medium	17.2	24.5	26.8
		High	29.8	35.8	36.6
24	Long-term unemployment rate (aged 15+) (%) ⁽⁴⁾		9.3	12.2	14.3
25	Youth unemployment rate (aged 15-24) (%) ⁽⁴⁾	Total	41.3	44.7	46.7
		Male	37.2	38.7	40.4
		Female	65.2	70.8	75.2
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%) ⁽⁴⁾	Total	31.4	33.2	33.4
		Male	24.3	27.7	27.9
		Female	39.0	39.0	39.2

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Sources:

Indicator 1, 2, 8, 9, 12, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 - Palestinian Central Bureau of Statistics (PCBS).

Indicators 5, 7, 10, 11, – UNESCO, Institute for Statistics

Indicators 3, 4 – The World Bank, World Development Indicators database

Notes:

(1) Estimations

(2) Revised Estimated based on the final results of Population, Housing and Establishments Census, 2017.

(3) Includes no schooling

(4) Data from 2010 revised according to the results from population, housing and establishments' census, 2017; there is a break in series in year 2015 due to the adaptation to the new definition of employment (adaptation to 19th resolution of the International Conference of Labour Statisticians).

(5) Low: ISCED 0-2, does not include "no-schooling"; Medium: ISCED 3-4; High: ISCED 5-6 (from ISCED 97 classification);

(6) Low: ISCED 0-1; Medium: ISCED 3-4; High: ISCED 5-6 (from ISCED 97 classification);

Legend:

N.A. = Not Applicable

M.D. = Missing Data

Indicators' definitions

	Description	Definition
1	Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, countries may report legal or registered residents.
2	Relative size of youth population (age group 15-24) (%)	This is the ratio of the youth population (aged 15-24) to the working-age population, usually aged 15-64 (74)/15+.
3	GDP growth rate (%)	Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2010 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.
4	GDP by sector (%)	The share of value added from Agriculture, Industry and Services. Agriculture corresponds to ISIC divisions 1-5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3 or 4.
5	Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
6	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a percentage of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfer to private households and enterprises). Both types of transactions together are reported as total public expenditure on education.
7	Adult literacy (%)	Adult literacy is the percentage of population aged 15 years and over who can both read and write with understanding a

	Description	Definition
		short simple statement on his/her everyday life. Generally, 'literacy' also encompasses 'numeracy', the ability to make simple arithmetic calculations.
8	Educational attainment of adult population (25-64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group. This is usually measured with respect to the highest educational programme successfully completed which is typically certified by a recognized qualification. Recognized intermediate qualifications are classified at a lower level than the programme itself.
9	Early leavers from education and training (age group 18-24) (%)	Early leaving from education and training is defined as the percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the survey. Lower secondary education refers to ISCED 1997 levels 0-2 and 3C short (i.e. programmes with duration less than 2 years) for data up to 2013 and to ISCED 2011 levels 0-2 for data from 2014 onwards.
10	Gross enrolment rates in upper secondary education (ISCED level 3) (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
11	Share of VET students in upper secondary education (ISCED level 3) (%)	Total number of students enrolled in vocational programmes at a given level of education (in this case upper secondary education), expressed as a percentage of the total number of students enrolled in all programmes (vocational and general) at that level.
12	Tertiary education attainment (aged 30-34) (%)	Tertiary attainment is calculated as the percentage of the population aged 30–34 who have successfully completed tertiary studies (e.g. university, higher technical institution). Educational attainment refers to ISCED 1997 level 5–6 up to 2013 and ISCED 2011 level 5–8 from 2014 onwards.
13	Participation in training/lifelong learning (age group 25-64) (%)	Lifelong learning refers to persons aged 25–64 who stated that they received education or training in the four weeks preceding the survey (numerator). The denominator consists of the total population of the same age group, excluding those who did not answer the question on participation in education and training. The information collected relates to all education or training, whether or not it is relevant to the respondent's current or possible future job. If a different reference period is used, this should be indicated.
14	Low achievement in reading, maths and science – PISA (%)	Low achievers are the 15-year-olds who are failing level 2 on the PISA scale for reading, mathematics and science.
15	Activity rate (aged 15+) (%)	The activity rate is calculated by dividing the active population by the population of the same age group. The active population (also called 'labour force') is defined as the sum of employed and unemployed persons. The inactive population consists of all persons who are classified as neither employed nor unemployed.

	Description	Definition
16	Inactivity rate (aged 15+) (%)	The inactivity/out of the labour force rate is calculated by dividing the inactive population by the population of the same age group. The inactive population consists of all persons who are classified as neither employed nor unemployed.
17	Employment rate (aged 15+) (%)	The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.
18	Employment rate by educational attainment (% aged 15+)	<p>The employment rate is calculated by dividing the number of employed persons by the population of the same age group. Employed persons are all persons who worked at least one hour for pay or profit during the reference period or were temporarily absent from such work. If a different age group is used, this should be indicated.</p> <p>Educational levels refer to the highest educational level successfully completed. Three levels are consider: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)</p>
19	Employment by sector (%)	This indicator provides information on the relative importance of different economic activities with regard to employment. Data is presented by broad branches of economic activity (i.e. Agriculture/Industry/Services) which is based on the International Standard Industrial Classification of All Economic Activities (ISIC). In Europe, the NACE classification is consistent with ISIC.
20	Incidence of self-employment (%)	The incidence of self-employment is expressed by the self-employed (i.e. Employers + Own-account workers + Contributing family workers) as a proportion of the total employed.
21	Incidence of vulnerable employment (%)	The incidence of vulnerable employment is expressed by the Own-account workers and Contributing family workers as a proportion of the total employed.
22	Unemployment rate (aged 15+) (%)	The unemployment rate represents unemployed persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months).
23	Unemployment rate by educational attainment (aged 15+) (%)	The unemployment rate represents unemployed persons as a percentage of the labour force. The labour force is the total number of people who are employed or unemployed. Unemployed persons comprise those aged 15–64 or 15+ who were without work during the reference week; are currently available for work (were available for paid employment or self-employment before the end of the two weeks following the reference week); are actively seeking work (had taken specific

	Description	Definition
		steps in the four-week period ending with the reference week to seek paid employment or self-employment, or had found a job to start later (within a period of, at most, three months)). Educational levels refer to the highest educational level successfully completed. Three levels are consider: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)
24	Long-term unemployment rate (aged 15+) (%)	The long-term unemployment rate is the share of unemployed persons since 12 months or more in the total active population, expressed as a percentage. The duration of unemployment is defined as the duration of a search for a job or as the period of time since the last job was held (if this period is shorter than the duration of the search for a job).
25	Youth unemployment rate (aged 15-24) (%)	The youth unemployment ratio is calculated by dividing the number of unemployed persons aged 15–24 by the total population of the same age group.
26	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The indicator provides information on young people aged 15–24 who meet the following two conditions: first, they are not employed (i.e. unemployed or inactive according to the ILO definition); and second, they have not received any education or training in the four weeks preceding the survey. Data is expressed as a percentage of the total population of the same age group and gender, excluding the respondents who have not answered the question on participation in education and training.

LIST OF ABBREVIATIONS

ALMP	Active labour market policy
GDP	Gross domestic product
ICT	Information and communications technologies
ILO	International Labour Organization
ISCED	International Standard Classification of Education
ISIC	International Standard Industrial Classification
LET	Local Education and Training
LMIS	Labour Market Information System
MoE	Ministry of Education
MoEHE	Ministry of Education and Higher Education
MoHE	Ministry of Higher Education and Research
MoL	Ministry of Labour
NEET	Not in employment, education or training
NGO	Non-governmental organisations
PA	Palestinian Authority
PalTrade	Palestine Trade Centre
PCBS	Palestinian Central Bureau of Statistics
PFESP	Palestinian Fund for Employment and Social Protection
PISA	Programme for International Student Assessment
ROF	Results-oriented framework
TVET	Technical and vocational education and training
UNFPA	United Nations Population Fund
UNWRA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
VET	Vocational education and training
VTC	Vocational training centres
WBL	Work-based learning

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