

PALESTINE*

EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS 2017

* This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual position of the Member States on this issue.

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KEY EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS IN PALESTINE

Restrictions on trade, access to natural resources and the freedom of movement on the part of the Israeli authorities continue to be perceived as the biggest limitation to economic growth and improved living standards in Palestine. High population growth, while positive from a demographic perspective, continues to put pressure on social services. With a constant stream of young people entering the labour market and a weak economy and labour market, unemployment is growing, affecting young people and young women in particular. The absorption capacity of the public sector is limited and the private sector remains too weak to stimulate employment. Moreover, the difficult macroeconomic and political situation pushes many Palestinians to migrate.

Educational attainment is increasing, however this does not translate into better employment and social outcomes. Reform of technical and vocational education and training (TVET) is under way, with an ongoing review of governance mechanisms. Following the re-establishment of the Higher Council for TVET, a Development Centre has been set up to support the Council in the implementation of the TVET reform by taking over operational and expertise functions. A director has been appointed, but the Centre has not yet been allocated human and financial resources.

In October 2017, the Government decided to transfer the Vocational Training Centres (VTCs) from the Ministry of Labour to the Ministry of Education and Higher Education (MEHE). The decision alters the governance framework of the TVET sector and may change TVET provision in Palestine.

In February 2017, the Government launched the Cooperative Sector Strategy, underlining the important role cooperatives for Palestinian communities. The Strategy is built around three main pillars: promoting the institutional environment to enable the cooperative movement to grow and develop, improving the financial and organisational performance of cooperatives and expanding cooperatives into new sectors such as the environment, recycling and renewable energy. The strategy highlights the need to invest in cooperative education and literacy amongst youth and to explore the potential of technology industry for both, youth and women.

1. Key demographic and economic characteristics

Palestine has one of the highest population growth (2.6% in 2017) and fertility rates (4 children per women) in the Middle East and North Africa, though both indicators have declined over the past decade.² The population of the West Bank and the Gaza Strip was 4.8 million in 2016 (4.2 million in 2011). In addition, 1.4 million Palestinians live inside Israel and 5.6 million in exile.³ Despite a slight reduction since 2011, young people (15–24 age group) comprised 36.8% of the total population in 2016, making for one of the youngest populations not only in the region but also in the world. While population growth is positive, it puts enormous pressure on social services (education, health and housing) and the labour market.

The World Bank classifies the Palestinian economy as a lower middle-income economy. GDP growth is severely constrained by political instability and difficulties in the progress of the peace process, which result in strong fluctuations. Since 2000, GDP growth has ranged from extremely negative during periods of political instability (-12% in 2000-2012) to very positive (7.9% in 2011, 12.4% in 2015), slowing down to 4.1% in 2016.

The structure of the economy is oriented towards services, which made up 73.3% of GDP in 2015, followed by the industry (22.5%) and the agriculture (4.2%). The Palestinian economy is largely dominated by small and family-owned enterprises. Some 82% of Palestinians are employed by micro, small and medium-sized enterprises.⁴ 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 Palestinian government has developed a national export strategy and nine sectoral export strategies (stone and marble, fresh fruits and vegetables, olive oil footwear and leather, furniture, processed meat, textile and garment, ICT, and tourism). In each sectoral strategies, the skills component is the focus of a specific chapter. Nevertheless, the complex political situation puts severe restrictions on Palestinian economy and its foreign trade relations.

Generally speaking, unleashing the potential of the Palestinian private sector would require alleviating Israeli restrictions on access to land, natural resources (e.g. water) and exports, as well as freedom of movement. Moreover, the business environment is not favourable. Palestine is situated very low in the World Bank's Ease of Doing Business index, ranking 140 out of 190 economies in 2016 (169 for opening a business). The main issues to be addressed are expanding land registration to reduce the price of land and simplifying the legal and regulatory environment, which is a complex mix of Jordanian, British Mandate and Palestinian laws. In addition, the education and training system does not provide the economy with the number of technicians and skilled workers it needs.⁵

The difficult economic and labour market situation, characterised by a very low job creation, pushes many Palestinians towards migration. This pressure translates into a growing demand for higher education, as most see a university degree as the best route to work in Europe or the Gulf countries.

² <http://worldpopulationreview.com>

³ UNDP_WPP15

⁴ International Finance Corporation, *Micro, small and medium-sized enterprises country indicators*, IFC/World Bank, Washington, DC, 2014

⁵ World Bank, 'Stagnation or revival? Palestinian economic prospects', *MENA Knowledge and Learning Quick Notes Series*, No 61, World Bank, Washington, DC, 2012

2. Education and training

2.1 Trends and challenges

Palestinians attach a high importance to education. Historical trends, together with the pressure of migration have generated a national eagerness for higher education. University-level (ISCED 5-6) educational attainment among the active population continues to increase, from 19.8% in 2010 to 23.6% in 2016. Despite the positive trends in medium-skills attainment, the majority of the population remains low skilled (60.4 % in 2016).

The real size of vocational education and training (VET) in Palestine is difficult to assess. Enrolment in what is defined as technical and vocational education and training (TVET) remains very low, mainly due to its poor image. VET students accounted for only 2% of upper secondary students in 2015, and only 0.4% of all secondary students. Commercial schools, which are no longer classified as part of the TVET sector, have been attracting increasing numbers of students over the past 10 years. If they are included to ensure comparability with other countries, the share of TVET of secondary education would increase substantially.

Vocational training centres (VTCs) are considered as non-formal education and are therefore not included in statistics on the share of VET students. Many VTC programmes target students at the age of 16 and are considered an alternative to vocational schooling. If private (NGO-type) TVET providers were also included in the calculation, the share of TVET would be even larger. The sector has the potential to become stronger if resources are provided to respond to the increasing demand for such training. Currently VTCs have a limited absorption capacity and cannot meet the demand. In 2013, VTCs in the West Bank and Gaza accepted 3,957 out of a total of 9,710 applicants. This very high demand for VTC courses is stimulated by the practical training delivered in VTCs, which is broadly seen as a good complementary training to the more theoretical education received in general education, universities and colleges.

The strong efforts of national stakeholders and international actors (EU, GIZ, BTC and others) to improve the effectiveness of the TVET sector has not yet had a real impact in terms of increased TVET enrolments. However, it is setting the agenda for the future by improving the quality of TVET in order to increase its attractiveness and convince policy makers to invest more in it so as to meet the increase in demand.

Monitoring and evaluation mechanisms in the TVET sector have been historically weak. The Ministry of Education collects information on its own students, but undertakes little analysis for policy purposes. Monitoring and evaluation units are active at both secondary and tertiary levels, however monitoring is limited to few indicators identified in the latest multi-annual education strategy. To address this weakness a group of international partners (ETF, GIZ, BTC) have started to support TVET stakeholders in establishing a national monitoring and evaluation system for TVET. This initiative is currently focusing on establishing the technical components of the monitoring and evaluation function, such as indicators and processes for gathering and analysing data. A monitoring framework was presented to the key stakeholders in 2017, but it has not yet been approved. It sets out clearly which indicators and sub-indicators should become part of the standard monitoring policy at all TVET levels. The progress of the initiative has been slowed by the lack of a clear governance framework and lack of impetus on the part the involved Ministries. The decision on establishing a Development Centre, as a secretariat for the Higher TVET Council, should provide clarity as to the best governance model for the monitoring and evaluation function.

Continuing vocational training (CVT) has not been given due attention. It also faces several weaknesses, related to its limited relevance to labour market needs, lack of quality assurance and a lack of structured links with formal education.

2.2 Education and training policy and institutional setting

TVET in Palestine is mainly delivered as part of initial education, following ten years of basic education. The vast majority of training is provided by public services through variety of channels:

- Non-formal vocational education and training, provided by VTCs run by the Ministry of Labour (although the Cabinet has recently decided to move them to the MoEHE) and some NGOs. The 12 VTCs managed by the Ministry of Labour provide short courses of 6-12 months' duration for young people under 25. The non-formal nature of these programmes does not offer VTC graduates any pathway to re-enter formal education and access tertiary education.
- Secondary vocational education (grades 11–12), provided by the Ministry of Education and Higher Education. Enrolment in vocational streams (around 9,900 in 2011) represents only about 6.6% of the total numbers in secondary education. Vocational schools provide two-year vocational educational programmes in both applied and academic streams. Only students graduating from the academic streams can sit the general secondary education examination or 'Tawjihi'⁶ to access higher education in college or university.
- Technical education provided by community and university colleges in the form of two-year programmes (grades 13-14), leading to a diploma.
- Second chance training for young people, provided by the Ministry of Social Affairs and some NGOs.
- Further training and retraining for adults, provided by NGOs, continuing education departments at higher education institutions, various other governmental agencies, professional employer and employee associations, and companies (in the form of in-service training).
- Non-formal TVET education for the refugee population. The UNRWA has its own vocational training centre and provides post-secondary TVET education through its own college.

The Palestinian stakeholders have been trying to set up a clear and effective governance model to overcome the long-standing fragmentation of TVET. After the unsuccessful attempt to establish a TVET Agency some years ago, they decided to change their approach and opt for a more gradual and 'lighter' process. A first crucial step was the revitalisation of the Higher TVET Council. While a TVET Agency would have meant a major transfer of responsibilities and authority in the sector, the Higher Council leaves the current responsibilities of the different stakeholders unaltered, adding a layer of coordination between them. This move, however, seems to be positive, given the strong commitment that has already been demonstrated by all the key private and public actors to cooperate and formulate common policies. Following this strategic change at the end of 2015, rapid progress is being made and the legal frameworks for the Higher Council and for its Executive Board are in preparation. In September 2017, the Development Centre, a technical arm of the Higher Council was officially established. It will provide consulting services, research, monitoring and evaluation. It will also develop relevant tools and standards in line with the directives and policies of the Higher Council and its Executive Board. There is a plan to allocate two people from each of the key TVET stakeholders: Ministry of Education and Higher Education (MoEHE), Ministry of Labour (MoL) and Federation of Chambers of Commerce. When the structure is effectively operational, it is expected to have a major impact on the TVET sector, as it will become the driving force and national regulator of all TVET-related policies, reforms and activities in Palestine.

⁶ Tawjihi is an entry examination for the university education

In October 2017, the Cabinet decided to transfer the Vocational Training Centres (VTCs) from the Ministry of Labour to the Ministry of Education and Higher Education. This decision is opposed by the Ministry of Labour and could be still reversed. From a governance perspective, the establishment of the Development Centre might be put at risk. At the same time, the VTCs could become part-time secondary VET schools, enlarging the offer of formal VET provision at the expense of non-formal continuing training.

As regards TVET reform, there is slow but continuous development of new core processes (competence based education, partnerships with private sector, quality assurance, importance of CVT, etc.). The complexity of the situation in Palestine and the limited capacity to run the revised TVET system have not led to immediate and sustainable results. The national stakeholders still lack the capacity to run the revised processes autonomously, but there is evident commitment to sustain the outcomes of international processes and to continue reforms. This is an important step forward compared to the past. Moreover, the work-based learning (WBL) model implemented at all levels of TVET education with the support of the Belgian Development Agency (BTC) is very successful. The model has been positively accepted by both providers and employers. Initial doubts about the sustainability of such model in a country with a vast majority of micro and small enterprises have been dispelled and the WBL model has been formally established in both the MoEHE and MoL.

The decentralised Tracer Study model supported by the EU-funded GEMM initiative and implemented by the ETF with the support of BTC and GIZ has not been scaled up yet. The network of monitoring and evaluation focal points (one per provider) has not become operational due to decreasing ownership, in parallel to the overall slowdown of TVET reform. The initiative of the Federation of Chambers of Commerce, supported by the Köln Chamber of Commerce, has led to the establishment of TVET units in different governmental chambers with the aim of assessing the relevance of the competences of TVET graduates on entering the world of work. Compared to other internationally supported initiatives, both projects had better prospects of sustainability, as the staff in charge of the tracer studies and the employers' survey are already working in the organisations concerned and are not paid by donor projects. However the tracer studies initiative has to deal with a more volatile environment and will probably need additional external support to scale up and become a fully nationally owned process. These initiatives are crucial because they aim, among other things, to demonstrate the effectiveness of the reforms that the TVET sector has been undergoing in recent years. The idea is to use the positive results of these tools to enhance the attractiveness of the TVET sector, disseminate the results to the wider public and lobby with high-level policy makers on the importance of expanding the sector.

The attempt to set up a systemic monitoring and evaluation function for the TVET sector with the support of ETF, BTC and GIZ had mix results. The main outcome of the initiative in 2017 has been the finalisation and formal approval of a monitoring framework (including a list of indicators to be monitored on a regular basis). However the processes (data gathering, evidence creation, analysis, informing policy makers and review of indicators) have not been reviewed yet. The establishment of the Development Centre could provide a new start for the initiative. Indeed one of the first units to be established should be that in charge of the M&E of the TVET system.

The national TVET strategy has developed a new vision for a unified system with lifelong learning as one of its key pillars. However, in implementing the strategy, CVT had not been chosen as a priority. It seems, however, that policy makers are beginning to understand the key importance of continuous competence development. The development of CVT has been included as a component in the new EU-funded TVET programme, and the Ministry of Labour has launched a campaign for evening courses held at VTCs specifically for adults. This increased focus on CVT has led to the approval of a new Adult Education Strategy in 2016, which should further support the creation of a lifelong learning system with a strong CVT component.

3. Labour market and employment

3.1 Trends and challenges

The challenging macroeconomic context seriously affects labour market outcomes. Though labour market participation has increased (45.8% in 2016, against 43% in 2011), this does not translate into higher employment. Activity and employment rates are particularly low for women (19.3% and 10.7% respectively). The labour market is highly gender-segmented. Employment data show a very wide gender gap, reaching 45 percentage points in 2016. Women are able to access a very limited number of low-growth sectors of the economy, which are unable to absorb new female labour market entrants. The problem is compounded by cultural resistance (families are not willing for women to travel) and a lack of social policies (e.g. childcare). In addition, micro and small enterprises are reluctant to hire women. This leads to a persistently high rate of female unemployment in recent years. Aggregate unemployment is very high (26.9% in 2016) and increasing for both, men and women (22.2% and 44.7%), with female unemployment growing dramatically from 2011 by 13.3 percentage points. Youth unemployment is also high (41.7% of unemployment rate for 15-24), reaching a dramatic figure of 65.9% among young women. Poor labour market outcomes for young people combined with high early school leaving lead to a large proportion of young people not in employment, education or training (NEETs), reaching 32.3% in 2016.

Major efforts on the part of the Palestinian authorities and individuals to increase access to higher levels of education have had a limited effect on employment. The overall unemployment rate for highly skilled people (52.2% in 2016) is significantly higher than for other skills levels. While it has been decreasing over recent years (58.7% in 2011), it demonstrates the limited capacity of the economy to create high quality jobs. While tertiary education significantly increases female activity and employment, it also raises unemployment, which confirms the weak performance labour market and the greater vulnerability of educated women.

As a result of Palestine's particular historic, political and economic situation, its labour market is highly segmented not only by gender, generation, but also geographically and administratively, as well as along public-private and formal-informal lines. The geographic and administrative segmentation between the West Bank, the Gaza Strip and Israel is very pronounced and poses a major constraint on growth. Each area operates with its own labour market characteristics, labour demand and wage levels. Compared to the West Bank, the Gaza Strip has done markedly worse on all measurable labour market indicators, with higher unemployment, lower activity and employment rates, lower wages and a smaller private sector. However, the differences between the situations of Palestinians in the domestic labour market and those working in Israel are even more pronounced. The number of Palestinians working in Israel and the settlements has grown recently, reaching close to 120,000, according to the ILO.⁷ Some of them work illegally, informally or by illegally buying work permits. Lack of jobs and possible higher salaries are the main reason for such a high outflow. The many Palestinians crossing the border every day are challenged with strict controls at the check points. In addition, 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's employers' willingness to employ Palestinians, as their presence on the job can not be assured.

The public sector is still an important employer, comprising 21.6% of total employment in 2016. However, its capacity is currently subject to limitations. Until 2011 it had an annual growth of 5% and absorbed a large number of unemployed youth in order to reduce the risks of instability. However, in the framework of the Palestinian National Development Plan, public employment has been capped to

⁷ ILO, The situation of workers of the occupied Arab territories. Report of the Director General 106 Session, 2017

a net increase of 3,000 jobs per year, mainly affecting the education and health sectors. Entrepreneurship is seen as a possible solution for unemployment, but it would need an enabling environment and investment in developing entrepreneurial capacities. Currently, self-employment accounts for 30.5% of total employment (2016). The Palestinian labour market is also negatively affected by the large informal sector, accounting for 62% of total employment. Transition from the informal to the formal sector is extremely limited. The World Bank calculated that in 2014 about 81.2% of the Palestinian labour force (both formal and informal) did not contribute to any social security scheme.

Data on the labour market are gathered mainly through two sources: labour force surveys carried out every six months by the Palestinian Central Bureau of Statistics and the public employment offices. The employment offices were previously offered limited services to Palestinians, mainly the provision of work permits for Israel. They were transformed into 'one-stop shops', providing a more comprehensive package of services, including career guidance, TVET-related services, job searches, and job application support. In 2011, four employment offices were transformed in this way and an additional five offices followed in 2013. An information system was established in all active one-stop shops in 2012. However, challenges in gathering labour market information and skills needs persist. Many organisations and research centres, such as the Palestine Trade Centre (PalTrade), carry out labour market studies to identify trends and help employers. These studies, however, do not go deep enough to analyse the skills needs of the workforce. There is a lack of capacity among stakeholders who could take on such responsibilities. With the exclusion of the Palestinian Central Bureau of Statistics, which employs high-level researchers, the other stakeholders do not have technical staff to implement skills anticipation methodologies. Financial sustainability is lacking. Almost all initiatives in the area of labour market monitoring and skills anticipation are carried out in the framework of international projects. The government until now has been resistant to allocating resources to new initiatives.

3.2 Employment policy and institutional setting

Employment is a priority and the policy is guided by the National Employment Strategy (NES) 2011–2013, which is still a reference document. NES was developed through a comprehensive process of sector assessment with the involvement of all stakeholders, and is linked to the economic strategy (for job creation), the TVET strategy (for the skills requirements of enterprises), planning and social development (for social development and assistance), and the youth and women strategies (for higher activity and employment rates). An action plan and implementation plan for the NES establishes the main steps necessary to reach the strategy's objectives:

- Establishing social partnerships through activation of the socio-economic council, TVET councils and community-based training, among other things;
- Creating a public employment agency to implement active labour market policies (ALMPs), managing a labour market information system and a career guidance system;
- Revitalising the Palestinian Fund for Employment and Social Protection, which was created in 2003;
- Attracting renowned multinational private employment agencies;
- Creating a general commission for regulating cooperatives;
- Enhancing cooperation between the employment agency, TVET, the employment fund and employers' organisations.

Only some of these actions have been implemented. The Palestinian Fund for Employment and Social Protection has been revitalised and provides active labour market measures (see below). However, mechanisms to gather national resources have not been established, and the fund is currently working through donor contributions. Other more ambitious actions, like the establishment of the Employment Agency have remained on paper.

The Palestinian Decent Work Programme 2014–2016, jointly developed by the International Labour Organisation (ILO) and the Palestinian government, is an important policy document that lays down objectives for economic development and employment. It also foresees the commitment of the ILO to ensuring regular school-to-work transition surveys (last one on 2015) and to supporting the Palestinian government in establishing of the Know about Business (KAB) methodology at system level.

The latest major development has been the introduction of a minimum wage. The paradox is that Palestine has a very high cost of living (almost the same as Israel), but wages are usually aligned to those of Jordanians.

In February 2017, the Government launched the Cooperative Sector Strategy, underlining the important role cooperatives play in providing livelihoods to people and communities in Palestine. The Strategy is built around three main pillars: promotion of the institutional environment to enable the cooperative movement to grow and develop, improvement of the financial and organisational performance of cooperatives and expansion of cooperatives into new sectors such as the environment, recycling and renewable energy. The strategy highlights the need to invest in cooperative education and literacy amongst young people and explore the potential of technology industry for both young people and women.

The institution responsible for employment policies is the Ministry of Labour. It deals with the employment sector in close partnership with other stakeholders involved in TVET and employment (Ministry of Education and Higher Education, Federation of Chambers of Commerce).

Four Local Employment and Training (LET) councils contribute to identifying skills demand. These four councils can be considered a success story, in Nablus and Hebron in particular, representing the first attempt to set up regular and structured cooperation between TVET providers, the world of work and government at local level. 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 (skills needs analysis, assessment of proposals, advisory role for the projects, etc.). Beyond the bounds of these donor initiatives, however, the councils have suffered from a lack of resources.

As mentioned above, the one-stop shops (OSSs) provide Palestinians with a much wider range of services than the old public employment offices. One-stop shops deliver career guidance and counselling services encompassing vocational guidance, employment counselling, guidance on self-employment and small enterprise creation, industrial relations, and job placement for jobseekers, graduates, unemployed people, dropouts and others. The career guidance role is completely new and has been very much appreciated by the one-stop shops' target group. However, the job matching function has been less successful. Companies are reluctant to enrol in the labour market information system due to fiscal concerns, and the most used tools for job matching are informal private websites. Overall, OSSs have a strong element of institutional and financial sustainability (they are funded from national resources rather than on a project basis), which must be considered a significant achievement, as they create a very fertile ground for sound skills identification and skills anticipation policies. Some of these institutional developments and tools still need time to become effective and, in some cases, it is not clear to what extent the national stakeholders are ready to run these systems autonomously.

Active labour market policies (ALMPs) are provided by both public and private actors. The Palestinian Fund for Employment and Social Protection is responsible for different forms of ALMPs.

- It assists with job placements for graduates in the private sector for six months of employment by subsidising 50% of their pay;
- It supports self-employment and micro-enterprise creation to integrate Palestinians from the settlements after the boycott of settlement work;
- It empowers female entrepreneurship in deprived and marginalised areas through business grants and support to cooperative associations;
- It implements self-employment and cooperative projects targeting people with disabilities, ex-detainees, settlement workers and vocational and academic graduates through cooperation with the Palestine Credit and Development Body (FATEN).

ALMPs are also delivered by the UNRWA and various Palestinian associations (the most important being the Welfare Association, the Sharek Youth Forum and the Education for Employment Fund). Most of these programmes focus on job creation through subsidies and support to young entrepreneurs.

Vocational guidance and career counselling services are considered a priority for TVET reform. These services have been significantly improved both in TVET providers and in the one-stop shops. An overall national system for career guidance and counselling is under development with the support of GIZ. Career guidance in TVET institutions has been significantly strengthened, and some of the changes, for instance the establishment of career guidance units in universities, have become systemic and sustainable. Career guidance services for adults are provided by the one-stop shops as part of the transformation of employment offices.

Overall, important results are being achieved with the support of international partners such as GIZ, the ILO and others, but the challenge of sustainability remains in terms of the capacity of Palestinian actors and financial resources. Employment policies are managed by the Ministry of Labour, which has limited capacity and suffers from a high degree of instability. At the same time, considering the complexity of this country, changes cannot be expected in the short term. An invaluable positive impact is the buy-in of policy makers to key concepts and principles: the need to guide students in their transition to the labour market, the need to gather information on LM trends and demand for skills, the importance of the coordination of all the different ALMPs are all becoming accepted by national stakeholders.

ANNEXES

Statistical annex Palestine

This annex reports annual data from 2011 and 2016 or the last available year.

Indicator		2011	2016
1	Total Population (000)	4,169 ⁽¹⁾	4,817 ⁽¹⁾
2	Relative size of youth population (age group 15-24) (%)	39,0 ⁽¹⁾	36,8 ⁽¹⁾
3	Youth Dependency ratio (%)	75.8	70.0
4	Old-age Dependency ratio (%)	5.0	5.2
5	Global Competitive Index	Rank	N.A.
		Score	N.A.
6	GDP growth rate (%)	7.8	4.1
7	GDP per capita (PPP) (current international \$)	2665.0	2943.4
8	GDP by sector (%)	Agriculture added value	6.9
		Industry added value	23.4
		Services added value	69.8
9	Poverty headcount ratio at \$2 a day (PPP) (%)	M.D.	M.D.
10	Gini index (%)	M.D.	M.D.
11	Educational attainment of active population (aged 25-64 or 15+) (%)	Low ⁽²⁾	63.6
		Medium	15.1
		High	21.3
12	Gross enrolment rates in secondary education (%)	83,9	83.0 (2015)
13	Share of VET students in secondary education (%)	0.39	0.4 (2015)
14	Gross enrolment rates in upper secondary education (%)	74,5	66.2 (2015)
15	Share of VET students in upper secondary education (%)	1.87	2.0 (2015)
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.
		Mathematics	N.A.
		Science	N.A.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	M.D.
		Male	M.D.
		Female	M.D.
18	Early leavers from education and training (age group 18-24) by sex (%) ⁽³⁾	Total	34,1
		Male	41.5
		Female	24.9
19	Activity rates by sex (aged 15+) (%)	Total	43,0
		Male	68,7
		Female	16,6
20	Employment rates by sex (aged 15+) (%)	Total	34.0
		Male	55.5
		Female	11.9

		Total	20,9	26.9
21	Unemployment rates by sex (aged 15+) (%)	Male	19,2	22.2
		Female	28,4	44.7
22	Unemployment rates by educational attainment (aged 15+) (%)	Low ⁽⁴⁾	20.5	24.2 (2015)
		Medium	16,7	20,3 (2015)
		High	24,8	31,8 (2015)
		Total	35,7	41.7
23	Youth unemployment rates by sex (aged 15-24) (%)	Male	32,0	22.2
		Female	53,7	65.9
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)		50.3	32.4
25	Long-term unemployment rate (aged 15+) (%)		M.D.	11.8 (2014)
26	Incidence of self-employment (%)		33.3	30.5
27	Share of the employed in a public sector (%)		22.5	21.6
28	Employment by sector (%)	Agriculture	11,9	7.4
		Industry	25,7	29.9
		Services	62,4	62.7
29	Employment in the informal sector ⁽⁵⁾		55.4	62.0
30	Proportion of people aged 15–24 not in employment, education or training (NEETs), by sex (%)	Total	27,3	32.3
		Male	21,1	26.0
		Female	33,9	38.7
31	Public expenditure on education (as % of GDP)		1.6	1.3 (2014)
32	Public expenditure on education (as % of total public expenditure)		M.D.	M.D.
33	Skill gaps (%)		N.A.	5,8 (2013)
34	The share of SMEs in GDP (%)		M.D.	M.D.
35	The share of SMEs in employment (%) ⁽⁶⁾		82.0 (2007)	M.D.

Last update: 29/08/2017

Sources:

Indicators 1, 2, 11, 18, 19, 20, 21, 23, 24, 27, 28, 29, 30 – *Palestina National Statistica Office (PCBS)*

Indicators 3, 4, 6, 7, 8 – *World Bank, World Development Indicators*

Indicators 12, 13, 14, 15, 31: *UIS UNESCO*

Indicator 16, 33 - *OECD*

Indicators 22, 25, 26 – *EUROSTAT*

Indicator 35 – *International Financial Corporation*

Legend:

N.A. = *Not Applicable*

M.D. = *Missing Data*

Notes:

⁽¹⁾ *estimations*

⁽²⁾ *Includes no schooling*

⁽³⁾ *provisional data*

⁽⁴⁾ *refers to ISCED 0-1, does not include no schooling*

⁽⁵⁾ *Informal employment*

⁽⁶⁾ *up to 99 employees*

Annex: Indicator 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, legal or registered residents can be considered.
2	Relative size of youth population (age group 15-24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3	Youth Dependency ratio (%)	The ratio of younger dependents (people younger than 15) to the working-age population (those in the 15–64 age group).
4	Old-age Dependency ratio (%)	The ratio of older dependents (people older than 64) to the working-age population (those in the 15–64 age group).
5	Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape providing inside into the drivers of countries' productivity and prosperity. It expressed as scores on a 1 to 7 scale, with 7 being the most desirable outcome.
6	GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.
7	GDP per capita (PPP) (current international \$)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population, and converted to international dollars using purchasing power parity (PPP) rates.
8	GDP by sector (%)	The share of value added from Agriculture, Industry and Services.
9	Poverty headcount ratio at \$2 a day (PPP) (%)	The percentage of the population living on less than \$2.00 a day at 2005 international prices.
10	Gini index (%)	Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11	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.
12	Gross enrolment rates in secondary education (%)	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.
13	Share of VET students in secondary (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET)
14	Gross enrolment rates in upper secondary education (%)	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.
15	Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET)
16	Low achievement in reading, maths and science – PISA (%)	The share of 15-years-olds falling to reach level 2 in reading, mathematics and science.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	The share of persons aged 25–64 who stated that they received education or training in the four weeks preceding the (LFS) survey.
18	Early leavers from education and training (age group 18-24) by sex (%)	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 (LFS) survey. Lower secondary education refers to ISCED 1997 level 0–3C short for data up to 2013 and to ISCED 2011 level 0–2 for data from 2014 onwards.
19	Activity rates by sex (aged 15+) (%)	Activity rates represent the labour force as a percentage of the population of working age.
20	Employment rates by sex (aged 15+) (%)	Employment rate represents persons in employment as a percentage of the population of working age.
21	Unemployment rates by sex (aged 15+) (%)	Unemployment rate represents unemployed persons as a percentage of the labour force.
22	Unemployment rates by educational attainment (aged 15+) (%)	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)

	Description	Definition
23	Youth unemployment rates by sex (aged 15-24) (%)	Youth unemployment rate represents young unemployed persons aged (15-24) as a percentage of the labour force (15-24).
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25	Long-term unemployment rate (age 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26	Incidence of self-employment (%)	The share of self-employed as a proportion of total employment. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27	Share of the employed in a public sector (%)	The share of employed in a public sector as a proportion of total employment.
28	Employment by sector (%)	The share of employed in Agriculture, Industry and Services.
29	Employment in the informal sector	Share of persons employed in the informal sector in total non-agricultural employment.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group and sex who is not employed and not involved in further education or training.
31	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. Both types of transactions together are reported as total public expenditure on education.
32	Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a 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. Both types of transactions together are reported as total public expenditure on education.
33	Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34	The share of SMEs in GDP (%)	The share of value added from small and medium sized businesses (SMEs).
35	The share of SMEs in employment (%)	The share of persons employed in small and medium sized businesses.

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