



State of Palestine

# THE TORINO PROCESS 2012

## PALESTINE

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# EXECUTIVE SUMMARY

Palestine has a clear vision for standardising its technical and vocational education and training (TVET) sector. Its objective is to integrate all educational sectors and providers and ensure their relevance to labour market needs. The TVET strategy is the policy document that provides direction and a timeframe. Palestine takes a holistic approach to reform. It aims to ensure the complementarity of all components within a specific legal context. This will be formalised by TVET legislation and anchored in the Palestinian national qualifications framework.

The vision is being implemented quickly at an operational level. Many reforms have been designed, tested and scaled up to national level. Good cooperation exists among the main stakeholders, in particular the Ministry of Education and the Ministry of Labour. Both ministries are committed to reforming the TVET system.

Two TVET strategy objectives have not yet been successfully addressed. The first is the establishment of a strategic framework of governance for the system. The strategy contains clear proposals but none of these are implemented. The TVET strategy refers to a “national governance structure to develop, organise, coordinate and drive the entire system”<sup>1</sup>. It goes on to describe a two-tier governance structure with a Higher Council for TVET providing political and strategic leadership and a TVET Executive Board “entrusted with the total implementation responsibility for the TVET system in Palestine”<sup>2</sup>. None of these has ever worked. The Higher Council for TVET has not met since 2005. Political resistance to modifying the top level of the governance structure is the main obstacle to TVET reform. No positive developments are currently in sight. High-level governance is an even more crucial issue since the split in the education ministry. With the creation of a Ministry of Education (in charge of vocational schools) and a Ministry of Higher Education (in charge of technical colleges), the governance framework has become more challenging.

The second strategy objective that has not yet been addressed is the proper coordination of all development activities implemented in the TVET sector by the donor community. This has always been difficult due to the high number of actors involved and their failure to cooperate among themselves. Another difficulty is that the Palestinian authorities do not have a key role in facilitating this cooperation. Standardised core processes are being implemented as part of the TVET governance system and as an instrument to coordinate international intervention. Several steps forward have been taken in this regard. Both the Ministry of Education and the Ministry of Labour are establishing specific initiatives to bring donors together. The predominance of a single donor in the TVET sector (German International Cooperation, GIZ) is an advantage. It helps the Palestinian authorities to channel the various donor projects within the framework of the TVET strategy and to support the ministries in adopting a broader and more coordinated approach to donors. An official donor coordination group has been selected but is not yet in place.

The Palestinian authorities have limited management responsibilities when it comes to the implementation of projects, which donors often delegate to international agents. The ministries believe that they would be more successful in leading the processes if they had additional resources.

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<sup>1</sup> German Technical Cooperation/Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), *Revised National TVET Strategy*.

<sup>2</sup> Ibid.

One of the key priorities of the TVET strategy is to make TVET relevant to the labour market. This has not been the case to date. An old-fashioned system of school management and curriculum revision with limited school autonomy and contact with the social partners has made it difficult for the TVET sector to adapt to changes in the labour market. This is very evident in the problems experienced by TVET in increasing the range of courses for potential public servants in the education and health sector. Demand has increased significantly in both sectors. The importance of relevant TVET is crucial since the existence of appropriate skills is considered one of the main drivers in exploiting the Palestinian private sector's potential. Another driver is the creation of an enabling business environment. Palestine currently ranks very low in the World Bank's index of ease of doing business (131 out of 185 countries). The main issues to be addressed are to increase land registration to reduce the price of land in areas A and B and to simplify the legal and regulatory environment, which at the moment is a complex mix of Jordanian, British Mandate and Palestinian laws.

The TVET strategy has a sound and coherent approach for increasing the flexibility of the TVET sector and its capacity to review and adapt the range of programmes it offers. Most of these reforms are currently being implemented and their impact will be evaluated in the medium term. The most important reforms include:

- the adoption of the Palestinian national occupational standards
- a review of qualification concepts
- the development of a specific process for producing new curricula which is based on the occupational standards
- the development of a learning outcomes approach that is compatible with the national qualifications framework reform launched in 2012

The reform also aims to provide TVET institutions with increased autonomy and make TVET more relevant to the labour market. The additional flexibility for TVET institutions should also help to expand a very poor adult learning and continuing vocational education system.

One of the most difficult challenges faced by the Palestinian authorities in reforming the TVET sector is how to increase its enrolment rate. Over the years, this has regularly been the lowest in the Mediterranean region and among the lowest in the world. It increased in recent years from 4% to 6%, but is still far from the optimal level needed to provide the skilled workers and technicians required by the labour market.

Students choose a general education for a number of reasons, most of them common to the other southern Mediterranean countries. In Palestine, TVET was always perceived as a dead end that did not allow students to continue their studies at higher education level or to engage in lifelong learning after graduation. Much has been done to change this perception and data shows that the problem has been solved to a large extent. A recent study (Al Zaroo, 2009) showed that 51% of male graduates and 57% of female vocational secondary school graduates for the years 2004 to 2006 went on to higher education in colleges or universities. However, the lack of a lifelong learning perspective is still a reality. A number of reforms related to the Palestinian national qualifications framework and the strengthening of the continuing vocational education system are tackling this issue.

In addressing the problem of social inclusion, the Palestinian authorities' main aim is to tackle the situation of refugees and residents in area C. Almost half of the total Palestinian population, around 40.9%, are refugees. The United Nations Relief and Works Agency for Palestinian Refugees (UNRWA) works specifically with this population group. This institution is independent of the Palestinian public system. Because it has greater autonomy, it has been more successful in ensuring better employability of the students entering the labour market. Between 200 and 300 students

graduate from each UNRWA vocational training centre and technical college in Ramallah each year. However, despite the effectiveness of UNRWA training centres, refugees who do not live close to the TVET institutions have problems accessing them. UNRWA has developed training programmes which can be delivered outside the TVET institutions. These programmes are taught directly in the areas where isolated populations live. The UNRWA system is already partially linked to the national Palestinian educational system. This connection should be enhanced by the new national qualifications framework. The support provided by the TVET system to people living in area C has been much more limited. Despite the building and mobility restrictions imposed by the Israeli government in area C, more could be done to support mobility for residents or to deliver training courses in area C. This support could be provided by sending teachers and trainers to local villages in the area to deliver courses which are not equipment-intensive or which could use existing equipment owned by family businesses in the locality.

In terms of internal efficiency of the TVET system the main two problems identified are the low cost-efficiency of the system and its little relevance to the needs of the labour market. Little progress has been made in tackling the former problem. One of the main causes is the limited autonomy of schools, e.g. regarding budgetary issues. Another is the overall rigidity of the system, which prevents the creation of potential efficiencies, income-generating activities and complementarity among TVET providers. A positive response to this concern has been the scaling up of the apprenticeship programme, which is now open to all TVET institutions. The TVET strategy provides for a reform of the rules concerning the management of TVET institutions. No reforms have been initiated on this issue. The EU-funded programme, which supports innovative projects devised by consortia of TVET institutions and private sector representatives, shows the potential efficiencies that could be achieved if schools were more autonomous. These projects have been praised by all the participant actors, including the three ministries involved. They should lead the way for the scaling up of similar more flexible approaches to the management of TVET institutions.

The lack of relevance to labour market needs has been tackled by a number of reforms. National occupational standards have been established. New core processes for curriculum development and teacher training have been developed. Development of a national qualifications framework began in March 2012 and it will bind together these processes. The private sector is involved in the various developments. Its challenge is to take a leading role in delivering labour market needs analysis to support the reform and continuous updating of TVET provision. Social partners like the Palestinian Federation of Industries, the Federation of Palestinian Chambers of Commerce, Industry and Agriculture and the Palestinian General Federation of Trade Unions are not in a position to play this leading role. However, they are increasingly interested in and aware of what they can do. They are also developing the necessary capacities to take on such a role.

Various policy makers have made a major effort to address these weaknesses. The revised TVET strategy provides a clear framework for the different policy actions. Internal and external actors (GIZ, EU/ETF, Swiss Agency for Development and Cooperation (SDC)) have come together to develop solutions for the same problems. Education quality has been boosted strongly as a result of these initiatives. However, two key challenges remain.

The first is the scaling up of best practices and successful pilots to national institutional level. Although this is the clear intent of many of the initiatives, and policy makers have signalled a clear commitment, significant challenges regarding financial and political sustainability still lie ahead. The lack of coordination at top policy level and the lack of official endorsement, in the form of legislation or regulation governing TVET, provided by the Higher Council for TVET are particularly problematic.

The second issue is that the overall performance of the TVET system has never been properly assessed. Quality is not clearly defined. There is no system to measure or ensure quality at the

provider level or at the system/policy level. Quality is becoming a higher priority. A number of activities have been designed to improve the system but have not yet been implemented. As part of its education development strategic plan, the Ministry of Education has set clear measurable targets and indicators and monitors progress on an annual basis. A number of targets related to the quality of TVET have been identified. They must be achieved by the end of 2012. These are input quality indicators, however, and they do not provide adequate evidence regarding the quality of the training process and outputs.

Two main issues negatively affect governance of the TVET system, which remains weak despite the high volume of reforms being implemented in the sector.

The first issue is the fragmentation of the system and the absence of a unified leadership. The fragmentation has increased with the creation of the new Ministry of Higher Education, and poses a serious threat to the efficient management of the TVET sector.

The second issue is the lack of financial and human resources, which raises the issue of the sustainability of the reforms and the role of international donors. The lack of human resources is the most dangerous as it affects not only future sustainability but also the role played by the Palestinian authorities in the implementation of TVET reforms. The Palestinian stakeholders, in particular the Ministry of Education and Higher Education and the Ministry of Labour, have played a crucial role in designing the TVET strategy. They should also take the lead in its implementation. They have the political will and the capacity to do it, but the lack of human resources is a serious problem. The action plan for the implementation of the TVET strategy is very ambitious. It contains 83 different lines of action to be performed within a limited timeframe (2010 to 2013). GIZ is the main donor involved in TVET and plays an important role in cooperating on a daily basis with the Palestinian authorities.

Palestinian policy makers should discuss possible intermediate solutions with the donors. They should put forward their concerns about the limited resources at their disposal and the difficulties they have in following up the reform initiatives.



# 1. VISION FOR VET SYSTEM DEVELOPMENT

Palestine has a clear vision for the vocational education and training (VET) system and shapes its TVET sector reform to turn the vision into reality. Progress is constant and there are many success stories. Nevertheless, some resistance still remains to the impact on high-level governance and the coordination of donors.

Palestinians attach great importance to education. Education is their only passport to the future and their main asset in a hostile environment. "The commitment to the education sector is illustrated by the fact that education accounts for more than 30% of the Palestinian Reform and Development Plan proposed budget support for recurrent expenditures and approximately 20% of donor support requested for the public investment programme. Education expenditure as a percentage of GDP increased from 5.3% in 2000 to 7.6% in 2003 and 7.8% in 2010" (Palestinian Authority, 2007).

The country's vision for TVET is clearly presented in a national TVET strategy. This strategy is one of 23 sectoral strategies included in the Palestinian National Plan 2011-2013 (Palestinian Ministry of Planning and Administrative Development, 2009).

The TVET strategy, revised in 2010, has an ambitious dual role to play:

- to provide a strategic framework for reforms and a clear model for efficient strategic governance;
- to ensure coordination of all development activities implemented in the TVET sector by the donor community.

To date, little has been done at the strategic level; some success has been achieved with regard to coordination.

The governance structure envisaged in the strategy is still in place, but is not active. The Higher Council for TVET (Ministry of Education and Higher Education, Ministry of Labour, the social partners, UNRWA, Ministry of Economy and Ministry of Social Affairs) exists formally but has not met since 2005. This lack of coordination among the highest political representatives blocks key elements of the decision-making process, such as the establishment of a TVET agency. This was planned in a previous version of the TVET strategy and would be welcomed by all main actors at an operational level. To date, however, political instability has been a key factor in limiting strategic decisions.

This lack of strategic leadership has a negative impact on the sustainability of ongoing reforms. Considering the scale of the existing development projects, it is difficult to ensure the legal basis for reforms through the approval of new TVET legislation. The Higher Council for TVET should have the legal authority to ensure the sustainability of the reforms. Changes in the TVET system are currently implemented by means of ministerial regulations. TVET legislation would be the appropriate tool to ensure an overarching legal framework, but this has not yet been developed. The three ministries more active in the TVET system (MoE, MoHE, MoL) urgently need to reach agreement on this issue.

The TVET strategy has had a positive impact at the operational level. It serves as a tool to coordinate the very high number of development initiatives launched by the different donors and coordinated by the Ministry of Education and the Ministry of Labour. Policy makers within the Ministry of Education and Higher Education and the Ministry of Labour have been able to force a partial alignment of all new initiatives to the specific strands of the TVET strategy. The significant impact of donors' aid is one of the main opportunities/challenges of the TVET reform process in Palestine. A huge number of support initiatives and actors (more than 20 donors) are involved. On the one hand, this is clearly a positive situation, especially since Palestine has had very limited options for investing in development and

infrastructure since the financial crisis of 2010. On the other hand, the presence of so many donors poses serious challenges to the coordinating role which should be played by the Ministry of Education, the Ministry of Higher Education and the Ministry of Labour. The situation improved slightly in recent years due to three main factors.

- The Ministry of Education and Higher Education and Ministry of Labour launched initiatives to bring together all donors. The Ministry of Education and Higher Education, the Ministry of Finance and the league of donors reached an agreement with 15 out of 70 active organisations. The Ministry of Labour is trying to apply a similar model with the support of GIZ.
- There is greater cooperation and coordination among donors in the area of TVET. EU donors in particular consult more widely with one other and coordinate their efforts to a greater extent.
- With the launch of the national qualifications framework, Palestinian policy makers have an additional and more imposing tool for coordinating TVET support initiatives. The national qualifications framework will be the reference point for establishing official core processes (such as curriculum development, teacher training and quality assurance), which should provide guidance for all international projects.

Despite several positive developments, the situation is still difficult, e.g. approximately 60 organisations work in the area of job creation but do not cooperate with the Ministry of Labour. This is considered a drawback of the system as it prevents public authorities from planning and implementing reforms properly. These issues limit the implementation of the TVET strategy.

However important objectives are still reached thanks to good cooperation between Palestinian policy makers and GIZ and the key role played by the Ministry of Education and the Ministry of Labour in aligning these to the TVET strategy objectives. Some of the TVET strategy objectives have been achieved using a bottom-up approach rather than through coordinated and strategic planning.

The social partners have no common vision for TVET. They are increasingly involved in policy actions linked to the TVET sector and are willing to play a role. Although they share a similar view of the role of TVET in Palestinian society and lobby for similar requests, they have not yet developed a common approach.

## 2. EXTERNAL EFFICIENCY: ADDRESSING ECONOMIC AND LABOUR MARKET NEEDS

This section addresses the relevance of the TVET sector with regard to labour market needs, traditionally a weakness of the Palestinian TVET sector. Reforms target this issue, and time is expected to show a positive impact. Several factors currently affect TVET relevance and its effectiveness in meeting labour market needs:

- the significant role of the informal sector;
- the structure of the economy, which is dominated by small businesses and micro-enterprises;
- the limited control over land;
- administrative burdens caused by the occupation.

This analysis will also highlight two trends using specific evidence: the particular and limited role of females and the difference in economic and social development in the West Bank and Gaza caused by the profound impact of the political and economic situation in Gaza.

Palestine had a population of 4,152,000 in 2012. The country has the highest population growth rate (2.7% in 2012) in the Mediterranean region, but it has declined from 3.3% in the last decade. The fertility rate also reflects this high growth rate (4.6 children per woman). The proportion of the population under 14 years (42.4% in 2012) is one of the highest in the region and in the world. This puts enormous pressure on existing social services (schools, health and housing) and the future need for jobs. The absorption capacity of the Palestinian labour market has not increased in the last ten years and this fast population growth led to high unemployment of more than 22% between 2005 and 2010. The current unemployment rate is now slightly lower (21% in 2011). Given the limited possibilities offered by the labour market, the main beneficiary of the new workforce has been the public sector.

The global Palestinian population numbers 11.2 million. At the end of 2011, more than half of all Palestinians (50.1%) lived abroad. These included Palestinian refugees living in neighbouring Arab countries (Syria, Jordan, Egypt, Libya, Lebanon and Iraq). Palestinian emigrants are generally well qualified, 7.2% of them are university graduates. The need to look for job opportunities outside their own country is one of the reasons why students consider university attendance and graduation to be important.

Economic growth continued in the West Bank and Gaza in 2011, despite a slowdown in the West Bank. The projected growth rate for 2012 is 6.2% (5% in the West Bank and 12% in Gaza). Once again, the public sector is driving growth (accounting for 1.8% of the 5.8% growth rate in the first three months of 2011 in the West Bank and 3% of the 25.7% growth rate in Gaza). In the West Bank, the other growth sector has been the manufacturing sector (also accounting for 1.8% of the 5.8% growth rate). In Gaza, the construction sector has been a huge driver of growth (accounting for 11.9% of the 25.8% growth rate)<sup>3</sup>.

The main reasons behind the limited economic growth are the effect of the Palestinian government's fiscal crisis and the lack of significant new easing of Israeli restrictions. It is now clear that "sustainable

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<sup>3</sup> World Bank, Stagnation or Revival? Palestinian Economic Prospects, March 2012

economic growth and an end to the fiscal crisis will require unleashing of the Palestinian private sector's potential.<sup>4</sup>

Two things need to happen first.

- An enabling business environment must be created. Palestine currently ranks very low in the World Bank's index of ease of doing business (131 out of 185 countries; 177 when it comes to opening a business). The main issues to be addressed are to increase land registration to reduce the price of land in areas A and B and to simplify the legal and regulatory environment, which is currently a complex mix of Jordanian, British Mandate and Palestinian laws.
- More relevant skills must be provided for the labour market and the number of technicians and skilled workers must be increased.

The employment structure in the Palestinian labour market changed significantly following the economic crisis that occurred between 2000 and 2002. Between 2000 and 2005, employment in the industrial sector fell from 34% to 25.9%. This was compensated for by a growing services sector, where employment increased from 52.3% to 59.5%<sup>5</sup>. Since then, the employment rate in the various sectors has not changed significantly. Employment in agriculture decreased from 14.6% (2005) to 11.4% (2011), employment in the industrial sector (25.9% in 2011) and the services sector (62.7% in 2011) increased only slightly.

One of the main constraints to growth in both the industrial and the agricultural sector is the problem of access to land. Industries must pay a very high price for land in areas A and B due to its limited availability and the large share of land earmarked for residential purposes. In area C, building restrictions prevent the establishment of new industries over more than 60% of West Bank land. Agricultural companies are based mainly in area C and face similar limitations in terms of building permits and movement restrictions. These have delayed the development of a modern food-processing industry. There is huge potential for development in the internal market as the share of domestic products that are consumed is below 60%. The agricultural sector is based almost entirely in area C. There are no TVET institutions in this area and this has led to a severe shortage of skilled workers with the capacities needed to support the modernisation of the agricultural sector.

The Palestinian economy is dominated by small businesses and micro-enterprises. According to the definition used by the Palestinian Central Bureau of Statistics (PCBS), 90.5% of companies are micro (with fewer than four employees) and 8.38% are small (with fewer than 20 employees). During Torino Process workshops, representatives of chambers of commerce stated that the majority of these small companies look for unskilled and semi-skilled workers in order to pay lower wages. This situation could be addressed using four different tools.

- The establishment of a minimum wage. Trade unions and employer representatives spent a considerable period of time negotiating this issue. According to a final agreement announced in October 2012, a minimum wage is to be introduced on 1 January 2013: NIS 1,450 (€300) per month, NIS 65 (€13.50) per day and NIS 8.50 (€1.80) per hour. The establishment of a minimum wage could be an incentive for small companies to look for workers with higher qualifications.
- The use of lobbying by policy makers and social partners to underline the importance of skills development for enterprises.

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<sup>4</sup> Ibid.

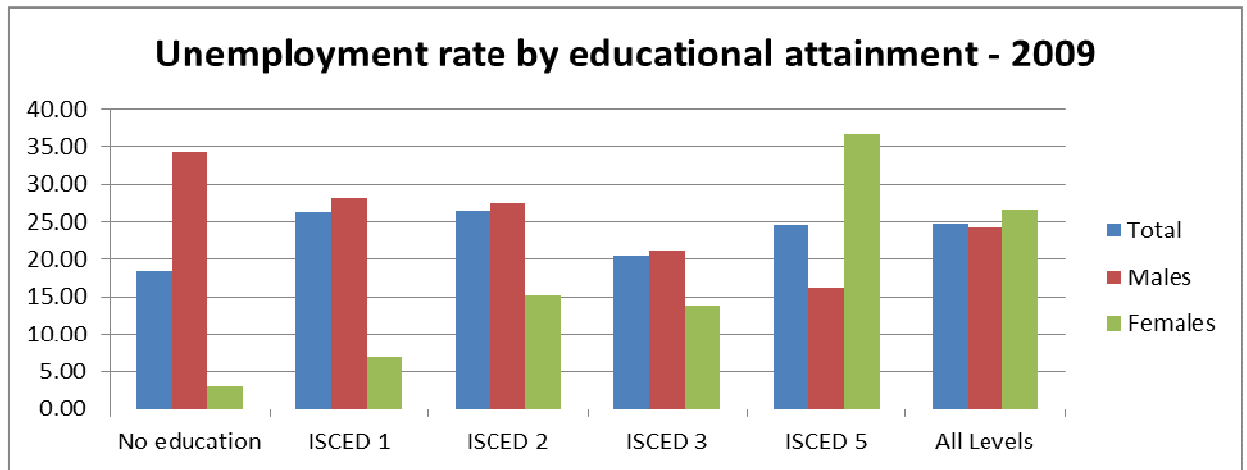
<sup>5</sup> Palestinian Central Bureau of Statistics (PCBS), 2010

- The establishment of a national qualifications framework, which aims to support lifelong learning, enhance continuing vocational training and ensure recognition of prior learning.
- The provision of governmental support for the development of SMEs, the scaling up of family businesses and the regularisation of informal companies.

The public sector currently employs 22.8% of the population (15.7% of the population in the West Bank and 39.7% of the population in Gaza). Public sector employment is increasing mainly in the education and health sectors. This is because a high birth rate and population growth of 3.0% are leading to an ever-increasing demand for public services. This places immense pressure on the basic social services infrastructure, especially public schools and health facilities (PCBS, 2012).

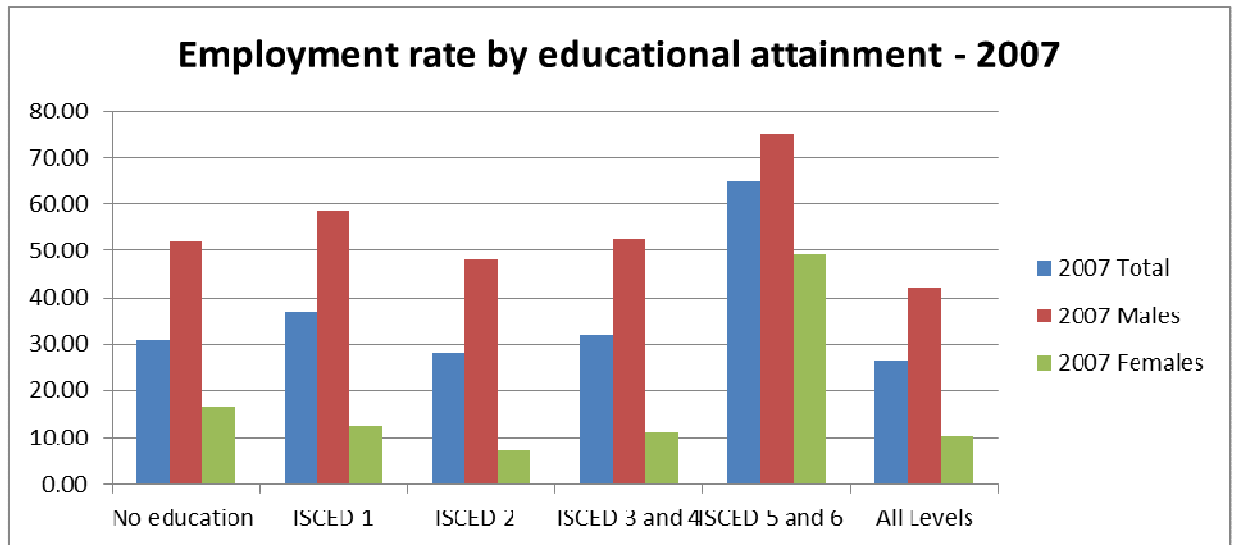
Recent statistical data (PCBS, 2011) shows that the labour force participation rate in 2011 in Palestine was 44.7% (70.9% for males and 17.4% for females). The rate in Gaza, at 40.0% (66.0% for males and 13.0% for females), is much lower than in the West Bank.

**Figure 1**



Source: Palestinian Central Bureau of Statistics, 2010. Labour Force Survey 2000-2009

**Figure 2**



Source: Palestinian Central Bureau of Statistics, 2008. Labour Force Survey 2000-2007

Employment in Palestine is affected by two main factors: gender disparities in activity rates and educational attainment. Looking at the unemployment rate (Palestinian Authority, 2009), we can see that the major efforts undertaken by the Palestinian authorities and by individuals to increase access to the higher levels of education have had a limited effect on employment. The overall unemployment rate for people with a higher education degree (24.5%) is higher than for those with a secondary diploma (20.4%). Graduates of third-level institutions suffer the disadvantages of an overly academic education and the resistance of a labour market dominated by SMEs to recruiting more expensive human resources.

If we look at the gender-disaggregated data, the message is less clear. The high unemployment rate of third-level graduates is due mainly to the female unemployment rate (36.6%). This is much higher than the female unemployment rate at the other educational levels. This is also due to the very limited female activity rate, which is only significant at third level (71.3%) compared to the overall female activity rate (16.3%). Overall, it can be claimed that higher education still offers a promising future for Palestinian males (the male unemployment rate decreases with education), due to the predominant role of the public sector in the employment structure. Expanding education and public administration bodies require employees with third-level education and this reduces the unemployment rate for this specific target group.

The data clearly shows that third-level education significantly increases the female activity rate, but it does not succeed in providing enough jobs for women. This has two important consequences: most employed females have a degree (with the exception of females working in agricultural family businesses) and female graduates face specific entry problems in the labour market. Specific policies addressing these problems could have a big impact on the employment situation in the country.

The natural structure of the Palestinian labour market and the inability of the formal sector to absorb employees have led to an expansion of the informal sector. According to a project implemented by the Palestinian Central Bureau of Statistics with the support of the International Labour Organisation (ILO), the figures for the informal sector in Palestine are particularly high:

- 37% of all enterprises are informal;
- 45% of all private sector enterprises are informal;
- the informal sector accounts for 28.2% of total employment;
- the value added by the informal sector represents 8% of GDP;
- 56% of employees are unprotected, as they are informally employed (50% in formal enterprises, 50% in informal enterprises).

This results in a series of negative effects on the development of appropriate skills needed by the labour market.

- In general, informal companies are more reluctant to prioritise the skills development of their own employees.
- The position of informal companies on several issues, including skills development, is not represented or is only partially represented by the employers' organisation.
- Active labour market policies usually target formal companies or formal employees, ignoring a large proportion of the Palestinian economy.

Policy makers should not underestimate the major role played by the informal economy. They should develop active labour market policies that include the informal economy. The social partners and chambers of commerce should play a more active role in trying to expand their services to more informal companies.

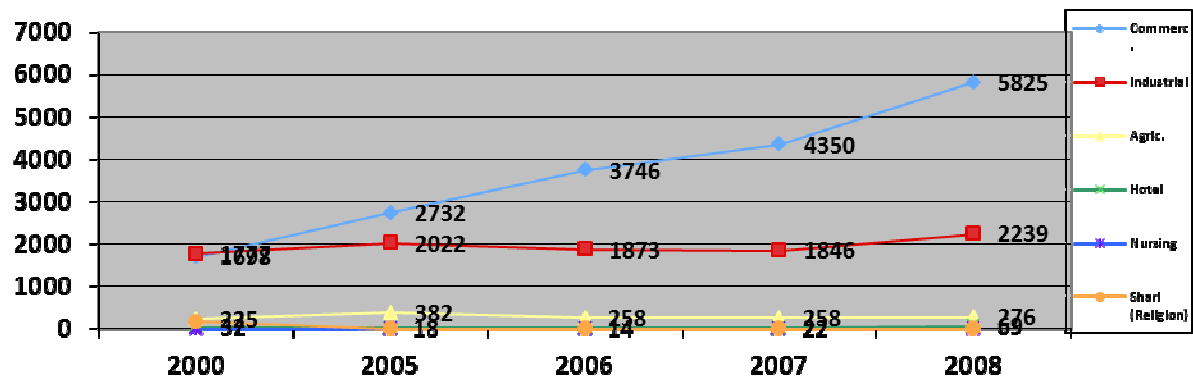
The TVET system has not succeeded in addressing these challenges for a number of reasons. It has provided the economy with mainly low-end, low-quality skills. The specialisations in vocational training and vocational education offered by the Ministry of Labour varied very little in the 2000s (Table 1). Significant positive or negative changes in trends can be identified only in recent years in two or three subjects that depend heavily on modern technology (refrigeration/TV) or are driven by demand (hairdressing). The same applies to training offered by the Ministry of Education and Higher Education, with the exception perhaps of the large expansion in commercial education for girls (Figure 3). However, the education and training offered does not meet the needs identified earlier in the areas of public sector education and health. Nor does it benefit the self-employed in the informal economy or the services, agriculture or tourism sectors as potential leading economic sectors in the future.

**Table 1: Ministry of Labour vocational training centre graduates**

Specialisation	00	05	06	07	08	09	10	11	12
Executive secretary	201	305	266	155	220	226	220	158	214
Hairdressing	121	131	108	117	92	131	313	174	184
Sewing	77	58	57	50	57	69	64	61	72
General electricity	18	23	44	48	43	58	70	95	97
Lathing & machining	12	15	25	14	17	20	9	9	9
Carpentry	39	59	47	37	53	55	63	38	50
Aluminium & metalwork	99	144	121	119	113	97	96	108	83
Air conditioning & refrigeration	20	14	28	14	15	13	42	61	63
Car body paint	10	14	10	5	8	8	0	0	0
Car electricity	22	33	39	32	37	34	41	73	87
Radio & TV	7	24	22	16	18	18	13	11	0
Office equipment maintenance	0	12	0	9	0	26	28	21	28
TOTAL									

Source: Ministry of Labour, 2010 (special statistics)

**Figure 3: Ministry of Education and Higher Education vocational secondary school students**



Source: Ministry of Education and Higher Education, 2010

The main problems are that historically there were no structural mechanisms in place to identify skill and training needs in the labour market and the existing information was not used systematically to inform VET planning. The TVET system is rigid and does not have the flexibility to be more responsive. Traditional non-modular curricula are used, making it difficult to change and adapt rapidly. Choices for opening or closing specialisations are highly centralised. They are also severely constrained by the budget and human resource ramifications of such choices, particularly among public training providers. Training staff have no opportunities to interact with businesses and industry or to remain up to date with the latest pedagogical and technological innovations. Managers are generally not empowered to respond effectively to needs in a timely fashion.

The TVET strategy targets these main weaknesses and provides for a new and holistic system to link VET and the labour market. Several reform projects are targeting this area. National occupational standards have been adapted. New methodologies to develop qualifications will be devised as part of the future national qualifications framework. New curriculum development processes will be embedded within this new coherent system. Given that the national qualifications framework is still at an early stage of development, it is too early to see how these reforms will affect the relevance of TVET to the labour market. Visible results can be expected in the coming years.

In line with the TVET strategy, a labour market information system has been set up in all employment offices in the different governorates. Its purpose is to monitor the labour market. It will play a crucial role in linking the outputs of the TVET system with the labour market. It is also designed to inform the TVET system and support it in reviewing the programmes offered.

In terms of adult training, very little is done at the level of formal TVET institutions. Most adult training is provided by the continuing education departments of universities and by a wide range of non-formal civil society and for-profit institutions. Again, the limited autonomy of TVET institutions is one of the main reasons for the poor performance of the system. School directors have the power to develop continuing education programmes on school premises. However, they have little incentive to do so as almost all funds generated by these activities go back to the Ministry of Finance. The TVET strategy tackles school autonomy and new regulations are expected to be published in the near future.

A new TVET project supported by the European Union (EU) was launched in 2011. It is piloting the same approach advocated in the revised strategy. This means adopting a bottom-up approach to re-engineer TVET institutions in three governorates to provide programmes relevant to the local labour market, working in partnership with businesses and industry and promoting higher levels of autonomy. The results to date have been very satisfactory. They have helped to convince policy makers of the importance of cooperation between TVET and the economic sector at local and school level.



The TVET strategy prioritises the involvement of the private sector. The Palestinian Federation of Industries, Federation of Palestinian Chambers of Commerce, Industry and Agriculture and Palestinian General Federation of Trade Unions are the social partners which are regularly involved in all new developments concerning the TVET sector. The social partners (Federation of Palestinian Chambers of Commerce, Industry and Agriculture) became involved when the national TVET strategy was formulated. However, their representation was quite limited in number and was outnumbered by governmental institutions and ministries.

To aid implementation of the TVET strategy, the social partners must contribute to each component of the strategy. For example, they participate in the local employment and TVET councils, they support schools which want to implement apprenticeship schemes, they are part of the national qualifications framework working group and they play a role in the labour market information system.

Their presence in these initiatives increases the relevance of the TVET offering to the labour market. It also aids their own capacity building which should allow them to play a more active role in the future. The social partners currently do not play a leading role in these reforms and the effectiveness of their involvement is limited by several factors.

- Historically, the social partners had a limited role in discussions on key economic issues, which were dominated by political considerations. Consequently, the social partners believed that their participation was mainly a formal requirement.
- The social partners are aware of the social responsibility of the private sector, including its support for TVET sector development. However, this is not always high on the agenda of the social partners or their affiliates. For example, trade unions and the federation of industries are currently engaged in complex negotiations about a minimum wage.
- The structure of the Palestinian economy, which is dominated by small businesses and micro-enterprises and includes a significant number of informal companies, makes it difficult for the employers' organisation to be fully representative of the business world. This means that the needs of a large number of enterprises are ignored.
- The social partners need to develop the required technical expertise in human capital development issues, which would allow them to take a more assertive and proactive role in TVET reform.

Another example of private sector involvement is the cooperation between TVET institutions and individual companies. This has occurred on several occasions. UNRWA for example, has been involved in a number of projects for the purpose of modernising curricula. The companies establish specific agreements with the TVET institutions. They provide them with clear inputs for curriculum reform and clearly identify the skills they need. In some cases, they also supply up-to-date equipment for training students who are at the initial education stage or who are engaged in continuing vocational education.

Overall, the TVET strategy contains a very sound and effective plan to increase the relevance of the TVET sector to the labour market. All the components of this plan have been implemented or are currently being implemented. The effect of these activities will be visible in the medium to long term. Some of the reforms are more sensitive (e.g. school autonomy) and will probably require appropriate TVET legislation to ensure their systemic implementation. The main risk with TVET reform is that it runs smoothly as long as implementation remains at an operational level but problems arise when changes affect the highest governance level of the system.



### **3. EXTERNAL EFFICIENCY: PROMOTING EQUITY AND ADDRESSING SOCIAL DEMANDS FOR EDUCATION AND TRAINING**

This section addresses equity and social demands in Palestine. These are affected by three main elements. Two of these are social and political in nature (refugees and residents of area C) and one is specifically related to the TVET sector (limited attractiveness of TVET).

Historically, TVET had a negative reputation in Palestine as being a second-choice education system, mainly for lower achievers. This resulted in a very low enrolment rate – regularly the lowest in the Mediterranean region and one of the lowest in the world. The enrolment rate has increased in recent years from 4% to 6%, but is still far from the optimal level needed to provide the skilled workers and technicians needed by the labour market.

Students choose a general education for a number of reasons, most of them common to the other southern Mediterranean countries. In Palestine, TVET was always perceived as a dead end that did not allow students to continue their studies at higher education level or to engage in lifelong learning after graduation.

The perception that TVET students have no opportunities at higher levels of education is not justified. Over the last decade, several universities began to accept vocational education graduates of the apprenticeship scheme to study on their programmes. Even graduates of the applied vocational stream can sit for an additional examination within two years of graduation. Passing this examination enables them to pursue higher education. A recent study (Al Zaroo, 2009) showed that 51% of male graduates and 57% of female vocational secondary school graduates for the years 2004 to 2006 were continuing higher education in colleges or universities. The system is almost fully closed however to graduates of the non-formal TVET system, including graduates of the Ministry of Labour and UNRWA vocational training centres. Only 4.5% of Ministry of Labour vocational training centre graduates continued to higher education between 2004 and 2006. The national qualifications framework is expected to open the door to higher educational levels thanks to its focus on integration and accessibility.

The perception of limited development through adult training is based on the fact that continuing vocational education opportunities are limited and no system is in place to validate knowledge gained in the workplace.

A wide range of activities have been undertaken to improve the attractiveness of TVET at national and institutional levels. Public awareness campaigns are conducted, in some cases using radio and TV, to raise awareness and highlight the important role played by TVET in the lives of individuals, especially young people. Vocational guidance and career counselling are provided to varying degrees. Potential trainees and their families can find out more about TVET institutions at open days and on guided visits. However, the lack of reliable and updated data on the status of graduates makes it difficult for TVET institutions to make their case.

A recent comparative study (Sultana, 2008) on the Mediterranean region, including Palestine, indicated that most career guidance services are still in their infancy for a number of inter-related economic, social, cultural and political reasons. Despite various barriers, Palestinians have made substantial progress in this field. Work in academic schools, TVET institutions, employment offices and in informal youth settings supported by GIZ, the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the United States Agency for International Development (USAID), is

becoming more systematic, relevant and sustainable. Although not regulated by legislation, career guidance is strongly embedded in the proposed TVET system envisaged in the national TVET strategy. A concept paper for a comprehensive and integrated career guidance and counselling system, developed with the support of GIZ, is waiting for a final decision at ministerial level.

At a more structural level, Palestinian policy makers are implementing a wide range of reforms within the framework of the TVET strategy. These reforms should improve the TVET sector's image, facilitate students in climbing the qualifications ladder at the initial education stage and facilitate vertical and horizontal permeability and permeability throughout the working life with the establishment of an effective lifelong learning system.

The establishment of a national qualifications framework is at the heart of these reforms. This is designed to link the different segments of the Palestinian educational system and enable students and workers to advance, regardless of their current qualifications or career. This would mean that the training courses offered by the Ministry of Labour and the Ministry of Social Affairs would not be considered dead ends for low achievers in initial education. It would also ensure that secondary/third-level TVET institutions would be better linked to the academic track (although this is not the main goal of TVET programmes). The development of a series of complementary reforms should support the establishment of an effective system of lifelong learning. A procedure for recognising prior learning will be established as part of the national qualifications framework. The revised governance rules concerning the autonomy of TVET institutions should motivate directors to increase the range of continuing vocational education programmes that they offer.

In 2011 and 2012, modern teacher training and train-the-trainer programmes developed by the Palestinian Authority in cooperation with GIZ introduced new teaching methodologies in TVET institutions. Teachers and trainers are now exposed to learner-centred, participatory learning processes. It is expected that the trainers who have mastered the new pedagogical methodologies will ensure the sustainability of the training programmes. The revised standard process for curriculum development and the new formats for action-oriented and competence-oriented curricula will form the basis for integrating technical, social, human and methodological competences into TVET programmes. This is a precondition for lifelong learning.

The first main social inclusion problem is the high number of refugees. Refugees represent a significant proportion of the overall population in Palestine. According to UNRWA statistics, 727,471 refugees were present in the West Bank and 1167,572 in Gaza in 2012. UNRWA works with refugees separately through its own TVET system. Until recently, this was independent of the Palestinian public system. Because it had greater autonomy, it was more successful in ensuring better employability of the students entering the labour market, mainly at lower educational levels. Between 200 and 300 students graduate from each of the UNRWA vocational training centres and the technical colleges in Ramallah each year. However, despite the effectiveness of UNRWA training centres at these levels, refugees who do not live near the centres still have problems accessing TVET institutions. UNRWA recently developed training programmes which can be delivered outside the TVET institutions. These programmes are taught directly in the areas where isolated populations live. The recently launched educational strategy and UNRWA's internal TVET strategy will have a national focus to ensure that they are also acknowledged by the governmental system and certificates. The internal reform has started and is supported by GIZ.

The second main social inclusion challenge concerns the people living in area C, which has a total population of 113,710. The residents of area C have a younger age profile compared to other areas. Households in area C are larger and poorer (six people per family compared to 5.5 people in areas A and B). They are far more likely to experience poverty or extreme poverty. According to the Palestinian Central Bureau of Statistics, the poverty rate is 23.1% in area C compared to 18.1% in areas A and B.

Extreme poverty is rated as 14% in area C compared to 8% in areas A and B. The TVET system does not meet the needs of this segment of the population. Young people and adults have no access to offices/centres where they can learn or start a profession and work in it. The vocational training centres are far away and hard to get into because of the expense involved, including travel costs. Competition for places in the small number of institutions is strong. Women and girls have an even lower chance of continuing their education or vocational training because they usually need separate, gender-segregated schools. Many young people, especially young females, are forced to leave school early to help support their families. Focus group discussions reveal that training is provided mostly by non-governmental organisations (NGOs). They work mainly in the areas of empowerment, gender and business start-up, with little impact or sustainable results on the ground. In some cases, NGOs ask for residents' contributions, some without prior needs assessment. There is little follow-up of activity. Despite the building and mobility restrictions imposed by the Israeli government in area C, more could be done to support mobility for residents of area C. This support could be provided by sending teachers and trainers to local villages in the area to deliver courses which are not equipment-intensive or which could use existing equipment owned by family businesses in the locality.

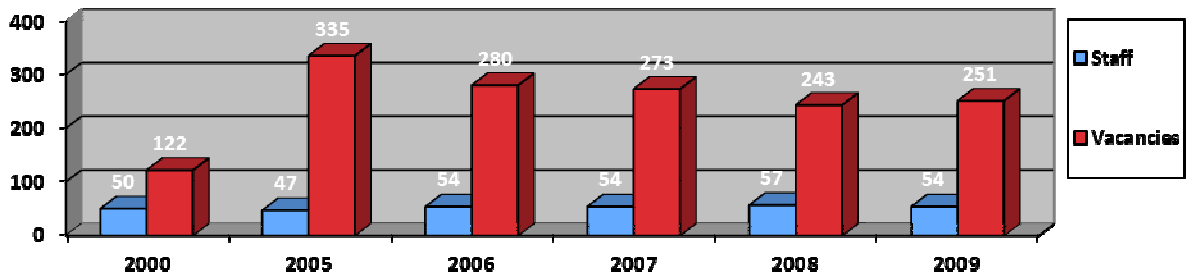
Overall, the TVET system has been relatively successful in addressing the social challenges shaping the demand for skills. However, some of these challenges are linked to macroeconomic and political factors that TVET can do little to change.

The diverse spectrum of TVET providers in Palestine has enabled the provision of services to various disadvantaged groups in a specialised and effective manner. Ministry of Social Affairs centres provide social rehabilitation services. A variety of civil society centres cater for poor people and orphans. The diversity of the TVET system is an advantage in training. However, confusion arises among employers and students regarding the inconsistent outputs of the system. These result from the fragmentation caused by different providers delivering similar programmes and qualifications but with great variety in quality, training period and training outcomes.

The TVET system has been relatively successful in providing learning opportunities for the young and the most vulnerable. However, it has been less successful in providing opportunities for skill upgrading, active citizenship and personal development. The system provides few opportunities for those already in employment and for unemployed adults to upgrade their skills. In 2006, the TVET system in Palestine provided basic training for around 10,000 people and continuing training for around 25,000 people (3% of the labour force).

Enhancing labour market information has been a priority for the Palestinian government for more than a decade. The results have been quite limited so far. Although labour market data is available, it is incomplete and cannot be easily used for decision making. A great deal of effort and funding has been invested in the public employment offices. They were established in 1998 by the Ministry of Labour with the assistance of the International Labour Organisation and the Palestinian Central Bureau of Statistics, yet these offices fail to provide useful data on unemployment or employment vacancies. There are no benefits or incentives for unemployed people or business people to use their services. Data provided by the Ministry of Labour reveals that around 50 employees work in these offices. Very few vacancies are registered (Figure 4). This weakness has been the main reason for the development of the new labour market information system, which is expected to address the problem.

**Figure 4: Employment office staff and registered vacancies**



Source: Ministry of Labour, 2010 (special statistics)

The numbers of unemployed people registered with these offices (years in brackets) were 132,932 (2005), 35,499 (2006), 9,653 (2007), 12,898 (2008) and 10,867 (2009). The larger numbers registered in 2005 and at the beginning of 2006 are due to the implementation of an emergency employment programme between 2004 and 2006. Over the past ten years, a series of initiatives was launched to deal with ad hoc unemployment emergencies. Both the Ministry of Labour and UNRWA activated programmes to retrain young and adults. These were unstructured initiatives reacting to the situation and achieved limited success.

The progressive implementation of VET and employment strategies has led to a more coherent and structured vision for improving employment. An example of this holistic approach is the labour market information system. It was established in 2012 in all employment offices and all relevant employment office staff are trained to use it. Initial data on the impact of the establishment of the system is expected to be available in late 2012. The real impact of the reform initiatives in TVET and the employment sector will only be apparent in the years to come. This applies particularly to the labour market information system as informal job mediation has always been the norm in Palestine. The indications are positive: this initiative is already scaled up to national level and is not limited to pilot projects. In addition to the labour market information system, the employment offices also provide services through a one-stop shop, which has received positive feedback from users.

## 4. INTERNAL QUALITY AND EFFICIENCY OF INITIAL AND CONTINUING VET DELIVERY

This section addresses the quality of TVET provision. We begin by looking at the success and constraints of TVET reform in raising the internal quality and efficiency of the TVET sector. The evidence shows that reforms cover every aspect of quality (teacher training, curricula, delivery methodologies). All aspects are coherently developed to facilitate their integration into a national qualifications framework. A holistic approach shapes all ancillary processes to fit the new concept for a qualifications system. The two main problems affecting the quality of the Palestinian TVET system remain its limited cost-effectiveness and lack of relevance to labour market needs. Several reform projects are addressing these issues.

As of 2012, the Palestinian TVET system offers five levels of qualification delivered by a broad spectrum of providers. This structure will serve as the backbone for the establishment of a national qualifications framework. The launch event for developing the national qualifications framework took place in March 2012.

The first level of **semi-skilled workers** is delivered in the non-formal TVET track by a wide range of vocational training centres offering short-term training programmes (less than one year). These include 12 Ministry of Labour vocational training centres (seven in the West Bank and five in Gaza), 13 Ministry of Social Affairs rehabilitation centres (eight in the West Bank and five in Gaza) and a large number of private/NGO, for-profit, employer and other public training institutions. Except for Ministry of Labour vocational training centres (with 906 graduates in the West Bank in 2009), no adequate up-to-date statistics are available regarding the number of graduates from these centres. The total is estimated to be over 5,000 annually.

The second level of **skilled workers** is also delivered in the non-formal TVET track by four UNRWA vocational training centres (two in the West Bank and two in Gaza) and around ten private/NGO training institutions. Again, no adequate up-to-date statistics are available regarding the number of graduates from these centres. The total is estimated to be over 1,500 annually.

The third level of **craftspeople** is delivered in the formal TVET track by the Ministry of Education. In 2009, there were 18 secondary vocational training institutions (13 public Ministry of Education and Higher Education and five private centres; 15 in the West Bank and three in Gaza) with a capacity for 8,059 students and 4,021 graduates.

The fourth level of **technicians** is delivered in the formal TVET track by the Ministry of Higher Education. In 2009, there were 25 colleges and university colleges with a capacity for 19,275 students and 5,638 graduates. It is worth noting that these numbers include students and graduates of all colleges and university colleges and not only those who have received a technical education in the TVET system.

The fifth level of **specialists** is delivered at university colleges and universities and is currently not considered part of the TVET system.

Further training and retraining of adults is offered in the non-formal TVET track by a variety of providers. These include continuing education departments at colleges and universities.

The output of skilled workers and craftspeople from entry-level basic training institutions is quite small. It does not exceed 5,500 graduates per year. At the same time, higher education produces more than 25,000 graduates annually.



The proposed national qualifications framework should be based on eight levels. Level 1 represents unskilled workers; levels 2 to 5 correspond to the existing qualification levels from skilled workers to technicians; levels 6 to 8 are subdivisions of the former specialist qualification level, in line with the Bologna reform structure.

The main problems affecting the internal quality of the TVET sector have not changed since 2010, when an analysis was carried out as part of the Torino Process. Several policy actions were launched in the last two years, which should have a positive impact in the medium to long term.

The main problems can be clustered around two main axes: the lack of cost-effectiveness in the TVET sector and the limited relevance of TVET provision to labour market needs caused by inefficiencies and low-quality provision.

The TVET sector is not cost-effective for a number of reasons:

- Low utilisation of facilities. Establishing and maintaining a TVET institution with rapidly changing technology is very expensive. The majority of TVET institutions in Palestine are used only in the mornings and are closed for several months of the year, including three months in the summer. Some solutions (double shifts) applied elsewhere are difficult to implement due to limited freedom of movement. More should be done to ensure greater efficiency in the use of facilities. In the last two years no real progress has been made regarding this critical point.
- Limited services provided by schools to the private sector. The provision of specific services to private citizens or companies is allowed and in some cases does take place, e.g. car repair. However, this is the exception rather than the rule. Several factors, such as limited school autonomy and outdated equipment, are serious obstacles to expanding these types of services.
- Limited use of alternative modalities of TVET provision. Apprenticeship schemes and work-based learning systems are a structured part of TVET provision in most western countries. They have proved to be a valuable solution in reducing costs in the TVET sector. Specialisations which are taught through these training modalities significantly limit equipment costs for the schools.
- Two other efficiency problems are specific to the Ministry of Labour vocational training centres. The first is the low use of information and communications technologies (ICT) at all levels of TVET provision. The second is the dropout rate, although this is not a constant problem as it depends greatly on the year (20.9% in 2009/2010, 4.4% in 2010/2011 and 6.2% in 2011/2012). The second problem is not shared by Ministry of Education vocational secondary schools, where the dropout rate was only around 2.4% in 2007/2008.

No significant policy actions have been taken over the last two years to address the lack of efficiency in the use of facilities. The key causes (rigidity of the system, limited autonomy of schools) have not been subject to reform. However, the former Ministry of Education and Higher Education and GIZ successfully piloted a form of apprenticeship scheme. It is now scaled up to national level, accredited by the former Ministry of Education and Higher Education and can be used by all TVET institutions. The first graduates are already studying at universities. This project was implemented in close cooperation with the Federation of Palestinian Chambers of Commerce. It is definitely a step in the right direction towards reducing costs in the TVET sector. Other positive effects include improving the balance in skills supply and demand and enhancing the image of TVET in the eyes of the private sector.

The limited relevance of TVET to the labour market is caused by inefficiencies and a low quality of provision. Employers complain about the poor quality and irrelevance of training, saying that TVET graduates lack key employable functional and extra-functional skills. A study (Al Zaroo, 2009) revealed that 44% of employed graduates, 42% of training providers and 60% of employers believed that the



training received at secondary vocational schools was inadequate. The list below contains some of the key issues affecting the lack of relevance of TVET provision and the action taken in the last two years to deal with it.

- Use of occupational standards. Like most Arab countries, Palestine refers to the Arab Standard Classification of Occupations (AOC) when assessing the labour market. This is an important tool which acts as a reference for national development and supports the integration of the Arab labour markets. Unfortunately, up to 2011, the AOC model had not been adapted to the local context in Palestine to serve as one of the building blocks of the TVET sector. Curricula and qualifications were neither derived from nor linked to the standards. This had a clear negative impact on the relevance of the educational offering to the labour market. In 2011, in line with the TVET strategy, Palestinian policy makers started to tackle this deficiency. With the support of GIZ, they began to develop the Palestinian Occupational Classification (POC) based on the AOC.
- The relevance of curricula to labour market needs and use of key competences. Traditional, non-modular curricula are used, making it difficult to change and adapt rapidly. Choices for opening or closing specialisations are highly centralised. They are also severely constrained by the budget and human resource ramifications of such choices, particularly among public training providers. Skills such as critical thinking, problem solving, teamwork, entrepreneurship, social and life skills need to be developed and incorporated into curricula to increase employability. Compliance with international standards can only be ensured by applying modular training directed at complex tasks that gradually enhance knowledge and skills. Students trained in a module based on a complex, occupation-related task will be qualified to fully complete an assignment independently. This issue is also one of the main priorities of the TVET strategy. Since 2011, two ministries (Ministry of Education and Ministry of Labour) have conducted a number of projects, supported by Belgium Technical Cooperation and GIZ. The aim of these projects is to establish a competency-based curriculum development methodology. GIZ support is particularly focused on the process of establishing a national qualifications framework. It identifies curriculum development as one of the core processes of the TVET sector. With the establishment of a national qualifications framework, curriculum development will be linked to other core processes (the development of occupational standards, the development of qualifications, quality assurance). The social partners have been involved in these reform projects and they will be assigned specific roles within these core processes.
- Another important policy action is the EU-funded pilot programme. Its aim is to support TVET institutions in delivering more market-oriented training that equips Palestinians with the qualifications required by the labour market. This was launched in 2011 in three governorates. It is based on a bottom-up and decentralised approach where consortia of schools and private sector representatives jointly develop specific reform projects that are relevant to the local context.
- In 2012, the Swiss Agency for Development and Cooperation (SDC) initiated a project implemented by GIZ. Its aim is to develop existing TVET institutions into specialised centres of competence. These centres will then provide students with TVET programmes at least two educational levels (permeability), serve local industry with further education and training, provide measures for unemployed people (lifelong learning), offer teachers and trainer training for other non-specialised TVET institutions and support the ministries in curriculum development and quality assurance.
- Teacher training for key competences. To date, no system exists for qualifying TVET trainers, teachers and other staff, either pre-service or in-service. Trainers are either graduates of colleges and universities or, less frequently, trained within business and industry. Teachers have the technical knowledge about their field but are never exposed to pedagogical theories, approaches and methodologies. This has a clear negative impact on the development of students' key competences and life skills. To address this deficiency, the Palestinian authorities, supported by GIZ, launched a massive teacher training programme for around 350 teachers within the last two

years. A train-the-trainer component is also included to ensure the future sustainability of the programme. In 2011, the Ministry of Education, Ministry of Labour and the National Institute of Educational Training began to pilot a school-based, in-service, teacher training model for TVET teachers. The European Training Foundation (ETF) supports this policy action. By 2014, it should lead to the establishment of a cost-effective mechanism to provide TVET teachers with the appropriate pedagogical tools. A GIZ-supported human resources development system has been approved by the ministries and is being implemented. It will help to identify training demand for all staff in TVET institutions, safeguard quality measures and function as an agency between national and international providers and the demand side in the ministries.

- Alternative teaching modalities, apprenticeship schemes. These are very effective mechanisms in ensuring that students get labour market-oriented skills and competences. Classroom-based learning negatively affects students' employability. At the end of their studies they lack the flexibility and key competences needed in the workplace. Palestinian policy makers are eager to pilot apprenticeship schemes. Inspired by the German dual system and supported by GIZ, they launched a specific project in the tourism and car mechanic sectors in 2005. Everyone involved considered the pilot to be a success. In 2012, the model was approved. It is now accredited by the former Ministry of Education and Higher Education and interested schools can apply to take part.

Policy makers are striving to address these weaknesses. The revised TVET strategy provides a clear framework for the different policy actions. Internal and external actors (GIZ, EU, SDC, ETF) are working together to find solutions for the above-mentioned problems. This work has greatly enhanced the quality of education provided. Nevertheless, two major challenges remain.

The first is the scaling up of best practices and successful pilots to national, institutional level. Although this is the clear intent of many of the initiatives and policy makers have signalled a clear commitment, significant challenges regarding financial and political sustainability still lie ahead. Resources allocated to TVET are scarce and given the current financial crisis they are unlikely to be increased. The Higher Council for TVET is responsible for the institutional sustainability of the initiatives. The financial limitations are important arguments for bundling international efforts, which is sometimes necessary for the development and sustainability of reforms.

The second issue is that the overall performance of the TVET system has never been properly assessed. Quality is not clearly defined. There is no system to measure or ensure quality at the provider level or the system/policy level. Quality indicators defined in policy documents are formulated mainly as input quality indicators. They do not provide adequate evidence regarding the quality of the training process and outputs. As part of its education development strategic plan, the Ministry of Education has set clear measurable targets and indicators and monitors progress on an annual basis. Targets related to TVET quality to be achieved by the end of 2012 include:

- Updatable competency-based modular curricula will be produced by the end of 2012 for at least 10 TVET occupations. The relevance of graduate competencies to local labour market needs must be ensured.
- Occupation analysis will be conducted for 19 TVET occupations by mid-2009.
- Training will be provided for 340 members of the academic staff in the TVET system on the new competency-based modular curricula.
- Equipment and educational resources in 105 TVET laboratories and 66 workshops will be upgraded on a yearly basis.

One of the few exceptions to the lack of assessment is the UNRWA skills validation programme, which aims to ensure that the outputs of its training programmes are in line with international and local qualification standards.

While the TVET strategy has ambitious plans for establishing quality assurance mechanisms, these have not been yet implemented. A quality management system will be adopted as an integral part of the TVET system to ensure that outcomes are relevant to labour market needs and to ensure the employability of TVET graduates. This will be done with the effective and efficient use of available resources and according to unified quality standards. To ensure the quality of the system, the TVET examination scheme will be decentralised for all TVET qualifications. It will follow a predefined examination system in which the private sector and external experts will be involved. TVET examinations will combine practical and theoretical assessments and will evaluate knowledge, skills and attitudes. Students who pass these exams will be granted licences or be eligible to move to a higher TVET level. A comprehensive occupational testing system, the granting of licences to individuals and workplaces for on-the-job practice and performance and skill-level tests to measure the competencies needed to achieve the desired outcomes are also planned.



## 5. GOVERNANCE INCLUDING FINANCING OF THE INITIAL AND CONTINUING VET SYSTEM AND INSTITUTIONAL CAPACITIES FOR CHANGE

This section covers the existing governance model in the TVET sector, the reform objectives, the ongoing activities and the main challenges which prevent the system from being effective.

Two main elements are evident from the analysis of the governance matrix (see Annex 1).

- The governance of the system is fragmented and it lacks unified leadership.
- There is a lack of financial and human resources which raises the issue of the sustainability of the reforms and the role of international donors.

The TVET system is fragmented and TVET is offered by a wide range of providers. This fragmentation leads to inefficient use of scarce resources at system level as several TVET providers compete with each other to offer the same specialisations in the same geographic area with varying standards. Community/technical colleges are run by the Ministry of Higher Education, UNRWA and public and private institutions. Following the institutional reshuffle in May 2012, the Ministry of Education has overall responsibility for all vocational schools. The newly created Ministry of Higher Education is in charge of technical colleges. The schools themselves are run by the Ministry of Education and Higher Education and various NGOs.

UNRWA colleges and vocational training centres are supervised by UNRWA's vocational and technical department in the UNRWA education office (in Amman, Jordan). Ministry of Labour vocational training centres are supervised by the directorate general for vocational training at the ministry.

The fragmentation has increased with the creation of the new Ministry of Higher Education. This poses an additional challenge to the efficient management of the TVET sector, particularly in light of the inactivity of the Higher Council for TVET. To date, cooperation among the main actors (Ministry of Education and Higher Education and Ministry of Labour) has been positive from an operational perspective. However, this cooperation is based more on the personal initiative of key policy makers and cannot be considered sustainable in the long term in a more complicated framework.

All actors involved in the TVET sector at an operational level – from delivery of education to policy design – agree on the need to establish a single authority (possibly a TVET agency) to manage the sector.

The TVET strategy refers to a “national structure to develop, organise, coordinate and drive the entire system”<sup>6</sup>. It goes on to describe a two-tier governance structure with a Higher Council for TVET providing political and strategic leadership and a TVET Executive Board “entrusted with the total implementation responsibility for the TEVT system in Palestine”<sup>7</sup>. None of these has ever worked. The Higher Council for TVET has not met since 2005. Political resistance to modifying the top level of the governance structure is the main obstacle to TVET reform. No positive developments are currently in sight. Discussions are continuing about drafting comprehensive TVET legislation to ensure a legal

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<sup>6</sup> See Note 1.

<sup>7</sup> Ibid.

framework for the whole system in line with the directions outlined in the TVET strategy. This would be a very positive step forward, although it could postpone the establishment of a national structure with leading responsibilities.

Palestinian policy makers have identified a lack of financial and/or human resources in several areas in the TVET sector (definition of national VET and employment policies, skills and training needs analysis, definition of qualifications, designing lists of occupations, development/revision of curricula, pre-service and in-service teacher training, school-to-work transition). They have also identified a lack of competence in others (monitoring of VET and employment policies, skills and training needs analysis, pre-service and in-service teacher training and, in some cases, development/revision of curricula and planning of budgets for TVET schools).

A strong capacity building programme across the different TVET strategy components is addressing the lack of competence. Donors' financial support for TVET reform is currently addressing the lack of human and financial resources. Doubts exist as to the future sustainability of the TVET system. The lack of human resources is a particular priority as it affects not only future sustainability but also the role played by the Palestinian authorities in reforming TVET. The Palestinian stakeholders, particularly the Ministry of Education and Higher Education and the Ministry of Labour, have played a crucial role in designing the TVET strategy. They should also take the lead in its implementation. They have the political will and the capacity to do it, but the lack of human resources is a serious problem. The action plan for the TVET strategy implementation is very ambitious. It contains 83 different lines of action to be performed within a limited timeframe (2010 to 2013). GIZ is the main donor involved in TVET and is playing an important role in cooperating on a daily basis with the Palestinian authorities. The Palestinian ministries and other stakeholders could look at several solutions to reduce their difficulties in managing the scale of the reform; the most radical of them come with negative consequences as well.

- Reducing the scope of the TVET implementation plan and postponing some of the reforms would endanger the internal coherence of the strategy and the complementarity of the different core processes.
- Allocating financial resources to hire additional staff in the ministries and/or creating implementing bodies to manage reform projects and the relevant budgets has often created more problems than it has solved. This solution was not sustainable as the additional employees were temporary and the capacity building possibilities for the ministries' regular staff were reduced.

Palestinian policy makers should discuss possible intermediate solutions with the donors. They should put forward their concerns about the limited resources at their disposal and the difficulties they have in following up the initiatives. The way forward entails a broader, donor-coordinated approach, giving other donors the chance to get involved with financial resources. The Palestinian side should have real ownership and play a real leading role in the reform process. Any factors that negatively affect these processes should be tackled without hesitation.

The rigidity of the TVET system and the limited autonomy of TVET institutions are clearly key weaknesses of the sector. The lack of autonomy in particular has serious repercussions on the relevance of TVET to the labour market, the possibility of continuing VET education and the overall cost-effectiveness of the TVET system.

School autonomy has been identified as a priority in the TVET strategy. To overcome the major obstacle to the effectiveness of public TVET institutions, which is their lack of administrative autonomy from central ministries, institutions will have clear mandates based on a more decentralised approach. Their management approach should be democratic, participatory, cooperative and based on

standardised management procedures. This will facilitate decision making on key issues like curricula, financial and personnel management and sectors of involvement, thereby expanding the institutions' capacity to change and adapt.

TVET legislation has been discussed, but no real changes have been made. The more sensitive issue remains the financial autonomy of TVET institutions. It is possible that the final approved reform will be a hybrid solution.

Providing a sustainable financing base for TVET institutions that support better utilisation of TVET facilities and thus address the problem of poor institutional efficiency is a priority. The system is currently heavily dependent on government and donor funding. Although community college students pay for their training, students at public vocational schools and training centres and UNRWA institutions do not pay any fees. NGOs charge for a percentage of the training cost and obtain the rest from donor contributions. Almost all infrastructure and development expenses are covered by the donor community. There is very little, if any, private sector financial support for the TVET system.

Financing is considered of the utmost importance not only to enhance efficiency and quality, but also to establish a sustainable TVET system. Financing requirements will increase significantly, as much greater capacity will be needed and the system will have to be further developed. The discussion has been initiated and will continue based on a concept note on TVET financing jointly elaborated by the ministries and GIZ.

A TVET fund is currently being established. This fund, together with an increase in income-generating activities, should provide the resources needed by the system. It should also facilitate the establishment of more flexible rules for the allocation and management of the resources at school level.

UNRWA and most NGO providers are aware of training costs; other stakeholders know little about this subject. The cost per trainee and public and other TVET expenditure need to be identified and analysed regularly to increase efficiency and to adequately plan financing of the system. It is not clear whether budget allocations for governmental training providers are made based on student numbers or other input or output indicators. In 2011 and 2012, the Ministry of Labour led a pilot exercise facilitated by the ETF on the establishment of an economic account. Its objective was to provide the Palestinian authorities with detailed information on TVET costs. The project is still ongoing and no economic account has been established yet. However, all stakeholders involved acknowledge the importance of this tool and have allocated specific human resources to the completion of the economic account.

The national TVET strategy attaches great importance to the involvement and active participation of all TVET stakeholders in reforming the TVET sector. These include the government, UNRWA, local communities, the private sector, unions, labour market institutions and civil society organisations. The involvement of the various stakeholders will allow for better coordination and less competition, ultimately leading to major efficiency gains. Additionally, involving all training providers in developing and using common standards and quality assurance, unified curricula and testing and validation measures will enable benefits to be drawn from all available resources and not only government resources.

In particular, the private sector is expected to act as a partner in policy making, funding, implementing and participating in cooperative training (apprenticeship), developing programmes and curricula and testing, assessment, monitoring and evaluation. It will also participate in changing the culture in both the TVET system and the labour market for the benefit of mutual cooperation. It will allocate in-house resources for training. It is expected that unions will participate effectively in TVET policy making and implementation and in enhancing TVET in terms of providing decent employment for Palestinian young

people. It will encourage members to participate in retraining and further training programmes, thus enhancing their employment status.

As mentioned before in the external efficiency section, the social partners now play a bigger role in the management of the TVET sector. They have shown interest and commitment in playing a role that is new to them and they look forward to developing the necessary capacities to play this role in the most effective way.



# ANNEX 1 – GOVERNANCE MATRIX

Elements or functions within a VET system	Authority	Competence	Resources	Accountability
	Who are the actors legally in charge of this function? Have roles <sup>8</sup> and responsibilities been adequately defined?	Do actors have the technical competences or what is needed to fulfil this function?	Do actors have adequate financial and human resources or what is needed to fulfil this function?	How are the actors in charge made accountable for the work done?
<b>Policies and legislation</b>				
Defining national VET and employment policies	MOEHE and MOL in cooperation with the private sector	Yes	No, external aid and loans are needed	Direct accountability
Monitoring national VET and employment policies	MOEHE and MOL	No, training for human resources	Yes	Direct accountability
Legislation for VET (both initial and continuing)	Palestinian legislative council and the cabinet	Yes	Yes	Direct accountability
<b>Qualifications and curricula</b>				
National, sectoral or regional skill or training needs analyses	MOEHE and MOL in cooperation with the private sector and UNRWA	No, a methodology of analysis and a sustainable system	No, trained human resources and a budget are needed	Direct accountability
Designing a list of occupations	MOEHE and MOL in cooperation with the private sector and UNRWA and PCBS	Yes	No	Direct accountability
Defining or revising standards/qualifications	MOEHE and MOL in cooperation with the private sector	Yes		Direct accountability
Developing or revising curricula (all kinds)	MOEHE and MOL in cooperation with the private sector and UNRWA	Some	Financial resources and more training for staff	Direct accountability
<b>Teachers and trainers</b>				
Pre-service training and induction of VET teachers	No	No	No, both financial and human resources are needed	Direct accountability
Recruitment of teachers	MOEHE, MOL, UNRWA, NGOs and the private sector	Yes	Yes	Direct accountability
In-service training of VET teachers	No, underdevelopment	Some	No	Direct accountability

<sup>8</sup> Actors could have decision-making, advisory or executive roles.

Teacher appraisal and career development	MOEHE, MOL and UNRWA Teacher appraisal: yes Career development: at the moment, no	Yes	No	Direct accountability
<b>VET providers</b>				
Network of providers of <ul style="list-style-type: none"> <li>▪ initial VET</li> <li>▪ continuing VET</li> </ul>	MOEHE, MOL and NGOs in cooperation with the private sector	Yes	Yes, however more cooperation and commitment are needed	Direct accountability
Planning VET programmes and student numbers	MOEHE, MOL and UNRWA in cooperation with the private sector	Yes, but additional training is needed	Yes	Direct accountability
Planning budgets for vocational schools	MOEHE, MOL, NGOs and UNRWA	Yes, but additional training is needed	Yes	Direct accountability
Dealing with school expenses (managing school budgets)	MOEHE, MOL, NGOs, UNRWA and the private sector (overall very centralised)	Yes	Yes	Direct accountability
<b>Learning materials and equipment</b>				
Learning materials	MOEHE, MOL and UNRWA	Yes	No, financial resources	Direct accountability
Workshop equipment	MOEHE, MOL and UNRWA	Yes	No, financial resources	Direct accountability
<b>Practical learning sites</b>				
Liaison with employers	MOL	Yes	Yes	Direct accountability
Practical training places within companies	MOL	Yes	Yes	Direct accountability
Apprenticeships	MOL and MOEHE	Yes	Yes	Direct accountability
<b>Assessment and certification</b>				
Assessment of students' skills	MOEHE, MOL, UNRWA and NGOs	Yes	Yes	Direct accountability
Issuing certificates	MOEHE, MOL, UNRWA and NGOs	Yes	Yes	Direct accountability
<b>Monitoring and impact</b>				
Monitoring the quality of VET provision	MOEHE, MOL and UNRWA in cooperation with the private sector	Yes	No, MOL	Direct accountability
School-to-work transition surveys or tracer studies for graduates	NGOs, UNRWA and PCBS	Yes	No, both financial and human resources	Direct accountability

<b>Research and innovation</b>				
Research and innovation, including the transfer of innovations from pilot to system level	NGOs	Yes	No, both financial and human resources	Direct accountability
<b>Donor coordination</b>				
Efficient coordination of donors in VET	MOL, MOE, starting now	Yes	No, human resources	Direct accountability



# LIST OF ABBREVIATIONS

AOC	Arab Occupation Classification
ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
GIZ	German International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit)
ISCED	International Standard Classification of Education
MOL	Ministry of Labour
MOEHE	Ministry of Education and Higher Education
NGO	Non-governmental organisation
TVET	Technical vocational education and training
POC	Palestinian Occupational Classification
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNRWA	United Nations Relief and Works Agency for Palestinian Refugees
USAID	United States Agency for International Development
VET	Vocational education and training



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