



Youth in the Occupied Palestinian Territory: Almost Thirty Percent of Palestinian Human Capital is at Risk!

By Mounir Kleibo



Youth is the crucial time of life when young people start realizing their aspirations, assuming their economic independence, and finding their place in society. But, as we all know, the global job market crisis has greatly exacerbated the vulnerability of young people - the occupied Palestinian territories being no exception - in terms of: (i) higher unemployment, (ii) lower-quality jobs for those who find work, (iii) greater labor-market inequalities among different groups of young men and women, (iv) longer and more insecure school-to-work transitions, and (v) increased detachment from the labor market.

According to the latest PCBS statistics,¹ the percentage of youth in Palestine amounts to thirty percent of the total population (estimated at 4.68 million), 37.4% of which are adolescents aged fifteen to nineteen years, and 62.6% youth aged twenty to twenty-nine years. The sex ratio among youth is 104.1 males per 100 females.

Hence, youth in Palestine is an indispensable human capital at risk. With an unemployment rate of more than 20% for over a decade, youth in Palestine remain severely affected by a lack of opportunities, which is why a large proportion of young men and women are resorting to emigration to find work outside the territory, which significantly impacts on the families left behind.

To characterize the specific youth crisis and to support policymakers in designing effective instruments to support the transition of young people into employment, the International Labor Organization (ILO) has developed a School-to-Work Transition Survey (SWTS), a household survey of young people aged fifteen to twenty-nine. The first round



Photo by Rashed Daraghme.

SWTS was carried out in 2013 and a second round is ongoing, carried out in cooperation with the Palestinian Central Bureau of Statistics (PCBS). The results can serve as the principal tool both for monitoring the impact of the youth-employment crisis and for assessing the success of employment policies and programs.

Origins of the Crisis in Figures

Too many young people are not benefiting fully from the education system. 20.9% of the youth population - 55.2% of the youth who were beyond school age - had no education at all and almost another third of them (31.7%) had finished their education at the basic level only.¹¹ This means that, in total, more than one-half of Palestinian youth beyond school age had not reached the secondary level of education.

The rate of both men and women who had left school early was also a high: 33.1% of men and 23.5% of women had left school before achieving their *tawjihi* degree (high school diploma). Nearly nine out of ten school drop-outs (88.4%) completed at most the basic level of education with the main reasons for leaving school early being failure in examinations and having no interest in education. The latter reason implies a sense of defeatism on the

part of young people who feel that investing in their education does not bring them a sufficient rate of return in terms of job opportunities. The SWTS results showed that as many as 46.4% of young working Palestinians were undereducated for the work that they were doing. These under-qualified workers were concentrated in sales occupations, agriculture, crafts, and machine operations. Under-education can have a negative impact not only on the productivity of the worker, and therefore the output of the enterprise,



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but also, on a more personal level, on the young worker's sense of security.

Youth unemployment rates at the level of 37.7% are among the highest in the region; and long-term unemployment affects more than half of the unemployed youth. More than half of the young women in the OPT (West Bank and Gaza combined) were unemployed, a rate that was almost double that of young men (54.8% and 32.4%, respectively).

ⁱⁱⁱ The unemployment rate of 55.8% among youth (of both genders) in Gaza (compared to 26.1% in the West Bank) was among the highest in the world, which provided strong evidence that the labor market in the OPT was barely functioning and that a young person in the OPT may be unemployed for a very long period of time. The share of youth unemployed for more than two years was 32.2% of the overall population (31.0% for young men and 35.0% for young women). If measured as seeking work for one year or longer, long-term unemployment impacted more than half (56.7%) of the unemployed youth (about 18.26% of the overall OPT population). Persistent and high unemployment can have adverse long-term consequences for young adults, including a higher risk of future unemployment, a prolonged period of unstable jobs, and a potentially depressed income growth (ILO, 2010), while also increasing the likelihood that prospective employers may harbor negative perceptions of the young jobseeker whom they consequently may consider unemployable.

The School-to-Work-Transition Survey furthermore revealed that youth unemployment rates increased with educational attainment: the unemployment rate of a recent university graduate was 1.5 times that of a young person with no education (47.0% and 31.2% of the unemployed youth respectively), which indicates that the skills level required by the labor market was not particularly high

While unemployment may be higher among the better educated, evidence nevertheless shows positive returns for investing in an education, since, in case of employment, a degree facilitates access to the "better" jobs and leads to increased wages.

and that young people who did invest in long-term education faced a long queue for the few professional jobs available. This may be due to the fact that highly educated people are keen to reap the benefits of the funds and time they invested in education and are willing to spend more time looking for the right job. At the same time,

however, the results confirm the clear deficiency of job opportunities for the most educated young graduates. In fact, while 31.0% of unemployed youth were seeking professional occupations and 75.0% of surveyed students stated a preference for a future career as a "professional", only 13.1% of the employed youth were engaged in professional occupations. However, this is not to say that investment in education does not pay off: There were clear signs in the SWTS results that young people with higher levels of education had a better chance of obtaining better quality employment. Youth with tertiary education were more likely than youth with lesser education to find a stable job rather than having to resort to temporary or self-employment.

The labor-force participation rate for youth in the OPT is very low with

38.5% and shows a wide gender gap: 61.8% of young men compared to only 15.6% of young women are working.

To give a wider perspective, the ILO estimated the global participation rate of youth (aged 15-24) in the labor force for 2013 to be at 47.4% (55.3% for young men and 39.0% for young women) (ILO, 2014). In the OPT, the inactivity rate (as the inverse to the labor participation rate) was remarkably high for young women at 84.4%, compared to 38.2% for young men. Also, the reasons for inactivity differed between the sexes: young men were almost exclusively inactive due to engagement in school (of the male youth population 3.4% were inactive non-students and 28.2% were inactive students); whereas young inactive women were mostly either currently students or inactive non-students - who were likely to be looking after a

Photo by Naji Naji.



household (41.5% inactive students and 31.0% inactive non-students). Such a sizable share of young women who are neither participating in the labor force, nor involved in education or training impacts negatively on the productive potential of the country.

Direct transitions from education to employment were dominant; but youth who gained stable or satisfactory employment only after repeated attempts, spent a long time in job search, an average of 31.8 months.

Besides school attendance, discouragement was another reason for inactivity, whereby a person was available to work but not actively seeking work because they felt the search would be futile. Overall, the share of discouraged youth in the labor force was 9.3%. Given the high youth unemployment rates in the territory, it is not overly surprising to find that discouraged youth were largely concentrated in Gaza, making up 18.1% of the youth labor force compared to 4.2% in the West Bank. Specific reasons included: not knowing how or where to seek work; inability to find work matching his/her skills; disappointing experience, meaning that previous searches for work had not been successful; feeling too young to find work; and the sense that no jobs were available in the area.

The youth labor market in the occupied Palestinian territory is profoundly influenced by gender issues. As mentioned above, 84.4% of young women remained outside the labor force, with only one-half (54.4% for

inactive young women) of them citing studying and/or training as reasons (compared to 81.1% for inactive young men). And the high levels of inactivity among young women persisted despite their recent gains in access to education. A good number of the few young women who did work were employed in the public sector (41.7% in public administration, education and health, compared to 5.4% of male workers). For both young women and men, the rate of unemployment increased with each incremental addition of education level. The unemployment rate of female university graduates reached as high as 64.3%, double the male rate of 31.1%. These numbers hint at a significant lack of high-skilled professional posts available in the territory, and they show that the few jobs that exist tend to go to young men in preference over young women.

In 2013, only a minority of young Palestinians (22.6%) had completed their labor-market transition to stable and/or satisfactory employment (38.9% of young men and 6.6% of young women). Nearly half the employed young Palestinians (45.6%) had not started the transition to a stable and/or satisfactory employment (29.0 per cent of young men and 62.1% of young women); while 31.8% of youth remained in transition (29.0% of young men and 62.1% of young women), and the numbers of young employees that remained in transition were 32.2% for men and 31.3% for young women. Unemployment was the main reason for an incomplete transition (74.0% of all youth in transition were unemployed); one fifth (20.8%) of in-transition youth were not actively seeking employment, which left only at 5.3% youth who remained in transition because of their engagement in non-satisfactory, temporary, or self-generated employment.

Of the above mentioned (22.6%) youth who had completed their



Photo by Nudra Sbail.

labor market transitions, 36.0% had transited directly from school to their stable and/or satisfactory job. Another third (35.4%) experienced a spell of unemployment (generally 19.5 months) before completing the transition, with the average transit time being 31.8 months (more than 2.5 years), which includes the time spent in unsatisfactory employment. The 31.8% of youth that remained

in transition spent an extremely long period of time in search of stable and/or satisfactory work with an average of 55.6 months (and counting). It is not an easy time to be a young person in the labor market today. The hope is that, with the education sector being given a priority on the national reform agenda, the government's commitment to improving education is reflected as an interest at the highest level. The



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continuous support of the international community to the education sector, through the UN system and other donors, as well as the support of employers in the private sector can provide the assistance needed to effectively help young women and men make a good start into the world of work.

Conclusion:

Even though education is not a panacea and does not in itself create jobs, having a higher level of education or a high

skills base still significantly improves the chance of a young person to eventually obtain stable and satisfactory employment. The higher educated also have less of a chance of being inactive. The analysis shows that although the more educated are subjected to less employment opportunities, yet, once the transition period has been passed, the resulting employment is of a better quality, better paid, and more sustained. Keeping young people motivated to stay in school, especially young women, and improving the quality of education and training (e.g.

Technical and Vocational Education and Training (TVET) reform) will not only create opportunities of better equality among the young population, it will also raise the productive potential of the country. According to a very recent study performed by the Palestinian NGO AWRAD, any TVET reform should take into consideration the following recommendations: modularize curriculums at Vocational Training Centers (VTCs) so that students are able to enroll in courses most fitting to their levels; promote self-learning methods and lobby to tie them to the TVET Portal,

i.e. similar to the portal of the German International Agency for Development (GIZ); continue work on the ongoing National Qualification Framework for TVET programming; expand the definition of labor market segmentation; establish a mechanism and set aside funding for the establishment of career counseling; combat the negative stigma associated with vocational degrees; analyze variations in employability by training specialization; and develop national indicators that measure and track changes.^{iv}

Less than one-half of young males are working (41.8%) and employment of young females is negligible at 7.1%; among those who do work, more than nine in ten are working informally, seven in ten have no written contract, only one in three paid workers receives benefits such as paid sick leave or annual leave, and six in ten young workers are engaged in jobs that do not match their level of qualifications. It becomes a must to continue strengthening the existing efforts to regularize informal businesses through awareness raising, business development services, self-employment grants, credit lines for small business start-ups, and labor inspection; and policy makers should create a system of incentives to invest in the improvement of the working conditions of young people, incentives that can facilitate their transitions from temporary to stable jobs and from the informal to the formal economy; furthermore, the enforcement of labor laws and of collective agreements could help protect young workers in the more disadvantaged sectors, and therefore must be encouraged and monitored.

Unemployment is a top concern; overall 37% of the young labor force is unemployed (the rate among young women is 54.8%, among young men 32.4%, and 47% among young university graduates). One third of unemployed youth seek to be “professionals.” In order to move forward, the education system must be

aligned with the demands of the labor market, and demand-side solutions are needed to generate additional jobs for young professionals. This requires coordinated policy efforts to support aggregate demand through pro-employment macroeconomic policies and efforts to remove gender biases in workplaces in order to expand the occupational range for young women.

With only 6.9% of young workers in own-account work and long queues for those seeking paid employment, an obvious policy response is to try to attract more young people to engage in entrepreneurship as an option. More young entrepreneurs should be encouraged through training, while initiatives that have proven effective should be replicated. For example, entrepreneurship courses can be introduced in school curricula and enterprise development programs can be expanded; but still more might need to be done to raise the attractiveness of entrepreneurship as a career option for young people. Promotional campaigns around success stories of young entrepreneurs might help to raise the awareness and attractiveness of self-employment.

As employers require that workers show work experience in order to be hired, short-term internship programs can be helpful for youth to access the labor market, and employers may be more willing to take on young people when subsidies are offered in the way of tax breaks or other financial incentives. Helping employers to link investment in young people and the

training of their young staff to their business strategy is an area that could be expanded. Establishing an enabling environment for the successful implementation of employment- and labor-market interventions for young people requires bipartite (workers and employers federations) and tripartite cooperation (workers, employers, and government). The government, employers' organizations, and trade unions of the OPT have a role to play by fulfilling their own specific mandates and through concerted and joint efforts for the promotion of decent work for youth in the country. Additionally, policies should be developed around enhancing employability by: (i) providing core skills to unskilled youth with low levels of formal education, (ii) involving employers in the identification of skills standards and related training needs, (iii) linking training and work in ways that follows good examples in the region, and (iv) advocating for quality education, vocational training, and lifelong learning. These efforts include enhancing the role of institutions and agencies that deal with employment services, directing them towards the coordinated policy efforts needed to support aggregate demand through pro-employment macroeconomic policies, and to foster growth engines also in higher value-added services or industries.

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Major source:

Tareq Sadeq, Sara Elder, (2014), *Labor market transitions of young women and men in the Occupied Palestinian Territory*, Youth Employment Programme: Employment Policy Department, ILO, Geneva.

ⁱ Palestinian Central Bureau of Statistics (PCBS) on the Eve of International Youth Day, 8 December 2015.

ⁱⁱ Palestinian Central Bureau of Statistics, (2013), *Labor Force Survey Results*.

ⁱⁱⁱ PCBS, Labor Survey, (2013).

^{iv} The Belgian Development Agency, (6 July 2015), *Qualitative Research on Recruitment Processes of TVET Graduates in Palestine*.