



Palestinian National Authority
Ministry of Labour

National Employment Strategy

November 2010



with the support of German Technical
Cooperation





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List of abbreviations

ALMM	Active Labour Market Measures
BA	Bundesagentur für Arbeit
CBS IL	Central Bureau of Statistics Israel
CBTSEC	Community Based Training for Self-employment and Enterprise Creation
CCIA	Chamber of Commerce, Industry and Agriculture
CIA	Central Intelligence Agency of the United States of America
GCRC	General Commission for Regulating Cooperatives
GDP	Gross Domestic Product
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
ICT sector	Information & Communication Technology sector
IDF	"Israel Defence Forces"
ILO	International Labour Organisation
LET Council	Local council for Employment and Technical Vocational Education & Training
LMI	Labour Market Information
M&E	Monitoring and Evaluation
MoDA	Ministry of Detainee Affairs
MoEHE	Ministry of Education & Higher Education
MoL	Ministry of Labour
MoNE	Ministry of National Economy
MoPAD	Ministry of Planning & Administrative Development
MoSA	Ministry of Social Affairs
MoWA	Ministry of Women Affairs
MoYS	Ministry of Youth & Sport
NIS	New Israel Shekel
OECD	Organisation for Economic Cooperation & Development
OSS	One Stop Shop
p.a.	Per annum; per year
PBA	Palestinian Businessmen Association
PC	Per capita; per head of the population
PCBS	Palestinian Central Bureau of Statistics
PFCCIA	Palestinian Federation of Chambers of Commerce, Industry and Agriculture
PFESP	Palestinian Fund for Employment and Social Protection
PFI	Palestinian Federation of Industries
PGFTU	Palestinian General Federation of Trade Unions
PPEA	Palestinian Public Employment Agency
PPP	Purchasing Power Parity
TVET	Technical Vocational Education & Training
UNDP	United Nations Development Programme
WTO	World Trade Organisation

1. Foreword by the Minister

With a spirit of national allegiance, and a resolute determination on perseverance, hard working and building on what was established, the Ministry of Labour has been seeking with all its strength and effort to face the challenges that still continue to plague the labour market and the Palestinian economy that has been for ever aspiring for freedom, independence and deliverance from dependency and forced annexation to the Israeli economy, where we stand today united with the social partners, Social and civil society institutions, and all of the stakeholders and those related to the labour market in a tough confrontation in the face of the totality of challenges and constraints established by the occupation in the face of the current socio-economic and labour market development, through the comprehensive and sustainable development that we seek to be grounded in the private sector, which in itself constitutes the nucleus of the Palestinian State, based on our deep faith in our national message and strategic vision announced by Prime Minister Dr. Salam Fayyad, and set to end the occupation and build the independent Palestinian state with Jerusalem as its capital.

The Palestinian Government has designated its strategic vision and announced its political program of ending the occupation and building the state and has planned for an advanced economic and political approach in line with the requirements of the time and the requirements of coexistence and the social and civil hierarchy, through ambitious sectoral plans that integrate and harmonize with the impact and the guidance of the determinants of the Palestinian political project. Thus, the employment strategy has been developed to form part of an integral part of the sectoral plan of the employment sector, and to be the hard core, which includes the components and structures of the labour market in all its ramifications and its links to partnerships with other economic sectors and the social actors in general. Thus, this strategy seeks primarily to strengthen the capacity of the labour market, its structures and organizational components, so that we can raise its efficiency in the organization and development of supply and demand operations, through the creation of a state of alignment and balance between the needs of the market and the outputs of education and technical training, in order to commensurate with the levels of economic growth enough to create necessary and appropriate employment opportunities, and above all this to construct a developed and efficient labour market information system as a guarantee and an essential requirement for the success of this strategy and that vision.

This strategy was not isolated from what the Ministry of Labour has accumulated from experience and knowledge, but came to build and strengthen on what was included in the medium-term employment strategy for the years 2000 - 2004 which has in fact formed one of the main outputs of the Palestinian employment program at that time, and it would form a natural continuation and a creative application of the overall strategy for the employment sector in Palestine. We look forward with hope to make this strategy the most important cornerstone in the components of the sector plan for the employment sector in Palestine, since employment constitutes the main element in the elements of economic and community production, and the most powerful engine of the labour market with its inputs and outputs of trained human resources such as trained employers and job seekers. In order to sort and organize the efforts in the employment sector and to plan and rationalize the resources through operational policies and programs, directed and harmonious, we were keen to make the strategy focus on the advancement, organization and raising the efficiency and operational capacity of the labour market, in a way that is organized and oriented in a comprehensive national policy that is able to develop a good and solid foundation to build a free national economy, independent and free of occupation and dependence, through the collaboration of complementary trilateral cooperation between the social partners who are working on the institutionalized and systematic social dialogue, which paves the way for the private sector to be the nucleus of an independent Palestinian state through a number of topics including:

1. Activating the social partnership through the socio-economic council, and the community-based training project on self-employment and the local councils for employment and vocational and technical training and education.

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2. Create a national public agency for employment.
 3. Re-activate the Palestinian fund for employment and social protection.

For all of this, the Ministry has put the issue of employment as its top priority and the core of its activities, for the sake of putting into act our strategy in finding opportunities for decent and adequate jobs for job seekers from our firm belief that work is a right for every citizen and in a way that contributes effectively in reducing the rates of unemployment and poverty in the Palestinian community, through policies and operational and training programs that enhance the capacity of the labour market and raise its efficiency to a level that balances between the outputs of training and education and the needs of the real market on the basis of sound, comprehensive and sustainable development.

This strategy provided by the Ministry of Labour, with all its good contributions, is in fact the fruit of a mutual effort and cooperation between the Ministry of Labour, all its social partners, including workers, employers and the Government on one hand, and the German House for Technical Cooperation (GTZ) and the International Labour Organization (ILO) on the other.. Through what they offered as generous financial and technical support in order to accomplish this work, which would certainly be appreciated and valued by the ministry until the realization of our goals in the achievement of decent levels of work and abundant employment opportunities that promote the causes of social and economic welfare and political stability. This work wouldn't have been completed in this way of perfection, constructive cooperation, and in this manner that will always be appreciated and a source of pride for us, but for the patronage, support and guidance provided by Mr. President Mahmoud Abbas Abu Mazen and Prime Minister Dr. Salam Fayyad. Therefore, I extend my deep thanks and appreciation to all partners and friends who helped us in preparing and enriching this important document, and in particular the Technical Committee for the preparation of the Employment Strategy, local and international experts, the German House for Technical Cooperation (GTZ), the International Labour Organization (ILO), and all the employees and officials of the ministry whom without them this work wouldn't have seen the light.

We continually look forward to intensify and strengthen the Palestinian- German ties and cooperation in all technical, economic, social, cultural, educational and training areas.

Finally, this strategic plan is a product of the efforts and joint cooperation of all the different institutions, both formal and informal, social partners, relevant agencies related to employment, and the labour market in Palestine, which makes this document a directing and organizing guide not only to the Ministry of Labour, but also to all the related parties on the treatment and meeting the challenges of the phenomena of unemployment and poverty, which haunt the Palestinian community and block the comprehensive development operations that aspire towards the end of occupation and building the institutions of the modern state worthy of our Palestinian people and their sacrifices.

Dr. Ahmad Majdalani
Minister of Labour

2. Executive summary

The Palestinian government has the vast ambition to create the appropriate conditions for a vibrant and profitable business life, high employment, against fair wages and assuring good working conditions, as these are essential conditions for the Palestine state.

There are however many and severe challenges to overcome.

A successful employment strategy needs to be based on strong linkages with the economic strategy. The employment strategy will furthermore be interlinked with many other of the government's socio-economic policies and will in particular focus on possibilities for employment generation and labour market institutions – such as employment services and the TVET system.

In this main goal reversing the perspective for youth – from high unemployment and low paid jobs to a qualitative perspective with career possibilities – has an important place.

Economic indicators in Palestine indicate that the socio-economic conditions are similar to that in low-income developing countries. The level of living, GDP per capita and economic growth rate are low. Palestinian labour markets are suffering from severe and chronic imbalances and thus have a high rate of unemployment. These are due to the low absorptive capacity and the weakness of the Palestinian economy, which resulted from the prolonged obstacles and marginalization policies imposed by the Israeli occupation on the Palestinian economy and labour market.

An analysis of the most important socio-economic indicators is used to determine the starting point for development and the possible scenarios.

A comparison with western countries indicates that a low labour participation rate and high unemployment have a decreasing effect on the population earning money.

In a regional comparison Palestine's position is further clarified:

Regional comparison	Egypt	Jordan	Lebanon	Palestine	Syria
Participation rate 2008 (CIA Factbook)	47	54	56	41	64
Families below poverty line 2009 (CIA Factbook)	20	14	28	59	12
GDP per capita PPP 2009 (US\$, CIA Factbook, PCBS)	4,900	4,800	10,300	1,390	4,700
Unemployment rate 2009	8	13	9	25	9
Population rate >15 y.o. with employment	43	47	51	31	58

All indicators show that Palestine lacks far behind the other Arab states in the region. Again the low labour market participation rate combined with high unemployment is confirmed; on average, other countries have 20% more people with (paid) employment, meaning that for every 10 persons older than 15 years other Arab countries employ 5 persons against Palestine 3 persons. The GDP per capita in other states in the region is at least more than 2 times higher compared to Palestine. Palestine also has – approximately 60% - at least two times more (on average more than three times more) families below the poverty line than other states in the region.

The comparison with Israel is even more shocking, in particular considering the fact that the two countries operate in one economic region:

Fact sheet 2009	Palestine	Israel	Difference
Participation rate	41.5	56.5	Palestine 36% lower
Unemployment rate	24.8	7.8	Palestine 3.2 times higher
Population rate >15 y.o. with employment	31.2	52.1	Palestine 67% lower
GDP per capita (PPP) 2008 (US\$)	1,290	26,600	Palestine 20.6 times less
Average real GDP pc growth p.a. 2005-2009	0.03%	8.88%	Palestine 42% less
Average monthly wage (ILS)	2374	7875	Palestine 3.3 times less
Poverty	59.0	21.6	Palestine 2.7 times more

Furthermore, the number of Palestinian workers in Israel and the settlements dropped – since 1987 with ups and downs – with 107,000 jobs. Meanwhile the employment in Israel grew (in the period 2000-2009 with approximately 700,000 jobs).

In fact, if the level of Palestinian workers in Israel and the settlements would be at the level of 1987 – together with the substitution effects - unemployment, poverty and even economic development wouldn't be such a dominant problem in Palestine.

Moreover, since many years, the number of Israeli's working in Palestine is much higher than Palestinians working in Israel: the Israeli's however do not contribute to the Palestinian economy at all.

Apart from external influences in the development of employment, there are some internal Palestinian characteristics important for employment generation:

- The development of purchasing power is negative, with a loss of 24% in 2009 compared to the base year 2000. The trend is also negative.
- The development of GDP per capita is also negative: a dropdown with 10 points compared to the year 2000. Here too is the trend negative.
- Unemployment in Gaza and youth unemployment are extremely high
- The participation of women on the labour market is extremely low
- Apart from the current levels of participation and unemployment, the Palestinian labour force will grow with at least 1.4 million entrants in 2020 and 2.3 million entrants in 2040
- The structure of employment is vulnerable:
 - o There are many micro-enterprises
 - o The level of informal employment is high
 - o Enterprises focus their activities mainly on the internal Palestinian market
- The development of an effective economic and employment strategy is strongly hindered by restrictions and inconsistent Israeli occupation, related to:
 - o Import & export possibilities; one example: the current ratio "import from Israel" – "export to Israel" is 8:1
 - o Freedom of trade, transportation (time) and the general investment climate
 - o Size of the internal Palestine market
 - o (Free) movement of labour, freedom of contract and equal rights for equal work

Conclusion of all this is:

- Palestine is getting poorer and poorer.
- Palestine is a subject to "pillow suffocation". This is mainly related to the occupation

Palestine needs to get access to other markets in order to:

- Create growth
- Increase employment
- Diminish poverty

Therefore the government strategy should be based on two possible main scenarios:

1. Present status in Palestine continues

This scenario assumes the lack of any progress in the political process and that the present situation remains as it is

2. Palestine is an independent state

Palestine has - as other states – the right to determine and develop its own economic structure and infrastructure, including free trade.

- Economic development, employment promotion and poverty reduction should be the leading items for the Palestinian government, requiring a primary choice for the “build scenario” 2 (but both scenarios will be used)
- The strategy of the Palestinian government shifts from:
 - o “Independence followed by people’s needs” to “Independence through fulfilling people’s needs”
 - o If necessary the “pressure scenario” 1 should be used with all available procedures (WTO, ILO)

Based upon these scenarios, the strategy is directed towards the following focal areas:

- Normalising trade and business positions (The responsibility of Ministry of National Economy)
- Together with normalising labour relations and expanding employment possibilities for Palestinian citizens (The responsibility of Ministry of Labour)
- Building business - and human resources development
- Creating the cooperation, partnerships, infrastructure, measures and facilities to make economic development possible

For these purposes it is imperative to:

- Create a strong, unified cooperation between the ministries involved in socio-economic development
- Create a close social partnership
- Build a government infrastructure enabling:
 - o Labour demand driven TVET, in particular aiming at offering promising (start-) qualifications for youth diminishing the severe level of unemployment
 - o Demand driven employment policy and services
 - o Close cooperation between business and human resources development
 - o Services for enterprises with plans for cross-border cooperation
 - o Services for job seekers with plans for (commuting) cross border employment
 - o Services for enterprises and employees dealing with violations of international regulations

In addition the employment strategy is based on an international focus. Key areas in this respect are:

- To increase competitiveness in terms of:
 - o Flexibility of the labour force, geographic and professional
 - o Skills development
 - o Productivity development
- These measures should be specifically targeted towards younger people

- Organisation of the labour market according to the needs of employers: labour demand orientation
- Investments in education and training, in particular related to the needs of employers
- The development and application of “decent work principles”.

In order to accomplish these changes an intense socio-economic dialogue with social partners (employers organisations and trade unions) is vital. An important condition for success is further that the government is enabled to take charge in guided socio-economic development.

The goals within the reach of the Ministry of Labour are:

- To create a close social partnership
- To build a government infrastructure enabling:
 - o Employers needs employment policy and services
 - o Close cooperation between business - and human resources development
 - o Delivering services for employees with plans for (commuting) cross border employment
 - o Delivering services and support for employees dealing with violations of international regulations.

On this basis **focal areas for institutional development** are to:

1. Establish and promote Social Partnership
2. Establish principles for institutional development
3. Create an Employment Agency and:
 - a. Develop and establish Active Labour Market Measures, with particular attention for competitiveness of younger people on the labour market
 - b. Strengthen the Labour Market Information System
 - c. Implement the career guidance and counselling system
 - d. Attract renown (multinational) private employment agencies
4. Create a smooth cooperation between the Employment Agency, PFCCIA, PFI and the TVET-sector.

3. Introduction

Vibrant and profitable business life normalised employment, against fair wages and assuring good working conditions, are elements one can find in a built state. These elements have become a dream - seemingly far away, in a long gone history - for Palestinian people.

The Palestinian government has the vast ambition to make this dream come true, since employment and income are essential elements of “Ending the occupation – Building the state”.

In order to make the (final) preparations for building the state, the Palestinian National Authority decided to make a two-year overall government plan (2011-2013) in which all strategies for the government policies, related to building the state are integrated and aligned. This employment strategy intends to build further on “A strategy for the development of the labour sector in Palestine” (MoL, December 2009) and will be used as a national strategy under the responsibility of the Minister of Labour.

Creating good conditions for business, a normal level of employment, fair wages and working conditions – comparable with neighbouring countries – will require high levels of energy, patience, perseverance, planning and strategic performance: there are many and severe challenges to overcome.

One of them is pre-conditional and internal: synchronising clocks between economic development and this employment strategy, taking into account that sustainable employment growth is the result of a successful economic strategy. However, these two areas are also interlinked: development of human resources, adapting them to economic needs, is essential to reach the competitiveness needed for economic success.

A focus on economic and social development is also a key towards “Ending the occupation”: who could be against economic and social development of the Palestinian people? Who could be against the striving of the Palestinian government to end poverty and to create sustainable economic development, resulting in high employment and good living conditions: aiming at economic independence is a fundamental right.

3.1. Definition of an employment strategy

As stated above, an employment strategy links strongly with economic development and other strategies for human resources development such as (in particular) the TVET strategy. Evidently these connections have to be elaborated in terms of:

- Possibilities for increasing employment – employment generation and - promotion
- Labour demand driven – business oriented - TVET

An employment strategy interrelates with many other socio-economic policies of the government, in which many other ministries are involved; this strategy will identify these areas for government cooperation in order to pave the path for unified and coordinated government policy.

One other essential area for government cooperation is in TVET, between the Ministry of Education and Higher Education and the Ministry of Labour. The ongoing developments here, detailed in the revised TVET-strategy, specifically address youth – to qualify them for a future with suitable and sustainable employment. This employment strategy is where relevant harmonised with the recently adopted TVET-strategy.

Since the employment strategy in its goals mostly focuses on the private sector, a strong, solid partnership with the private sector – both with employers’ organisations and trade unions – is essential.

Furthermore the development of labour market policies and labour market institutions, such as the employment services, are part of the employment strategy.

The limited two-year timeframe for the execution, together with the current economic and labour market perspective force to prioritise on the above-mentioned more conditional and infra structural provisions. At this stage of the process – given the current uncertain economic developments and the worrying level of

unemployment and income per capita – exercises and / or projections regarding the possible quantitative development of employment, possibly calculated in different scenarios, are not made. These exercises should be part of the results stemming from a foreseen mid-term agreement about the economic and socio-economic development with social partners (employers organisations and trade unions). In this respect a difference should be made between the two-year scope of this employment strategy and its foreseen broader mid-term impact.

3.2. Overall vision: goals of the employment strategy

The main goal of this employment strategy is to create the circumstances (policies, measures, institutions and infrastructure) for growth of employment, leading to diminished poverty. In this main goal, reversing the perspective for youth – from high unemployment and low paid jobs to a qualitative perspective with career possibilities – has an important place.

Analyses of the most important socio-economic indicators are used to determine the starting point for development and the available scenarios.

In order to accomplish that main goal, attention has to be given to the particular circumstances in Palestine, related to the socio-economic effects of the occupation. Therefore the strategy should also provide supportive possibilities to:

- Normalise trade and business positions (in which the Ministry of National Economy is leading)
- Normalise labour relations for Palestinian citizens (in which the Ministry of Labour is leading)
- At the same time build business - and human resources development (to be coordinated by the Ministries of National Economy, Education and Higher Education and Labour)
- Create the cooperation, partnerships, infrastructure, measures and facilities to make economic development possible

In operational terms this strategy will lead to:

- Creating a strong, unified cooperation between the ministries involved in socio-economic development
- Creating a close social partnership with employers' organisations and trade unions
- Building a government infrastructure enabling:
 - o Labour demand driven TVET (as elaborated in the TVET strategy)
 - o Demand driven employment policy and services
 - o Close cooperation between business and human resources development
 - o Provision of services for enterprises and employees dealing with violations of international regulations

3.3. Relation between an employment strategy and a labour market strategy

The most important difference between the proposed employment strategy and a labour market strategy is in the broadness of its scope.

The proposed employment strategy covers all aspects of socio-economic development in order to optimise the conditions for growth of employment, including the labour market policies and institutions.

A labour market strategy is in that respect limited to solutions for the relation (frictions) between demand and supply on the labour market.

3.4. Obvious challenges

Obvious challenges with which this strategy has to deal are summarized as follows:

- High unemployment - extremely high unemployment among youth

- Low labour market participation rate – extremely low among women
- High poverty – still deteriorating
- Low average income and GDP pc – still deteriorating
- Almost absent social security
- High level of informal employment
- Many micro-enterprises
- High donor-dependency
- Low level of social partnership – no national institutional provisions
- At the beginning of social partnership on local levels
- At the beginning of labour demand driven TVET
- At a preparatory stage of building a Labour Market Information System
- At a preparatory stage in developing (demand driven) employment services
- No structured cooperation between business – and human resources development institutions

3.5. Preparing and implementing this strategy

This employment strategy is a result of a participative process in which all direct stakeholders¹ were involved. After assessing the relevant socio-economic indicators and setting the main goals and principles for this strategy, stakeholders – Ministries, social partners and involved institutions – were consulted and asked to give their feedback and discuss possible areas of mutual involvement and/or cooperation. The draft of this strategy has been part of discussion with the closest stakeholders and their comments and suggestions were evaluated.

As stated: this employment strategy is actually the beginning of an intense process to follow, building up to a mid-term agreement between all social partners and the government about Palestine's socio-economic policy.

The goals of this strategy are therefore clearly set, but their implementation can be influenced so that social partners can fulfil their responsibilities: implementing (the fruits of) this strategy should be a jointly shared process. Therefore, when this strategy is established government policy, it will serve as the basic government input for tripartite cooperation.

These further steps will be prepared and executed by the future Director General of the Employment Agency.

3.6. Monitoring and evaluation

This strategy will be completed with an Action Plan and an Implementation Plan.

Both will serve as the input for regular monitoring and evaluation. Monitoring and evaluation will be organized as follows:

- The Project Director will report monthly about the progress to the Minister of Labour and to the Monitoring and Evaluation Committee, consisting of:
 - o Two experts from University
 - o A Governor
- The M&E Committee will assess the progress in actions in three monthly monitoring and will evaluate the strategy yearly. Evaluation will also entail the financial consequences of this strategy.

¹ See Annex 3 for a list

4. Data-analyses

This chapter presents an overview of socio-economic characteristics of Palestine and the results of and international comparisons on important socio-economic indicators, to determine the “ranking” of Palestine and to see if this position can be considered as comparable with countries in the region. For this purpose a comparison with Israel is extremely relevant: in terms of geological conditions, natural resources, main infrastructure and even stability, the differences between the two countries are fractional: it is therefore interesting to see if this is also expressed in socio-economic indicators.

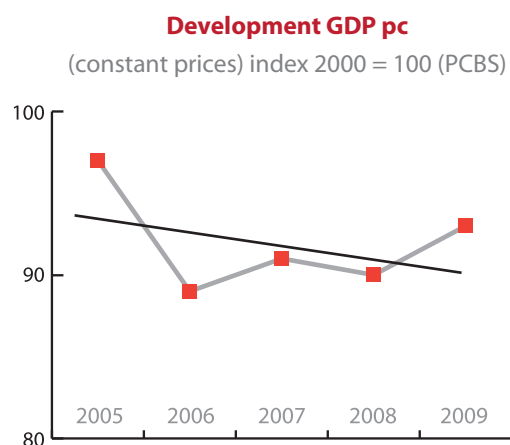
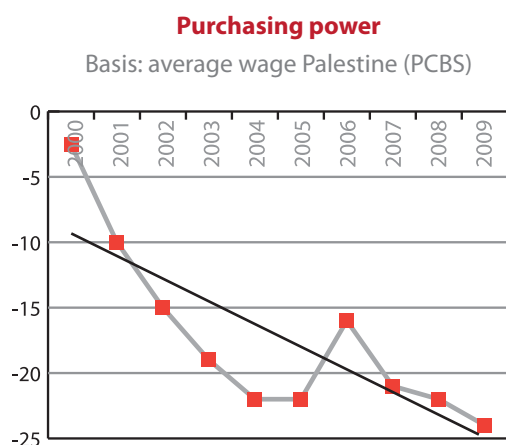
Furthermore internal characteristics of Palestine’s socio-economic structure and performance are taken into consideration, building up to the analyses and conclusions in the next chapter.

4.1. Main characteristics of the palestinian economy and the labour market

The Palestinian economy shows the typical characteristics of a developing country, in particular of a low-income developing country.

The level of living is low. Real GDP in 2009 was 5,147 million US dollars, resulting in a real GDP per capita of 1,390 US dollars.

The development of purchasing power is negative, with a loss of 24% in 2009 compared to the base year 2000. The trend is also negative.



Basically the same applies for the development of GDP per capita: a dropdown with 10 points compared to the year 2000. Here too the trend is negative.

With this position in mind one could conclude that it is almost useless to invest in activities on the internal Palestinian market: as long as the trend is not reversed the market (available sum of money) is shrinking.

Economic growth rate is low and volatile, due to the severe constraints and obstacles policies imposed by the Israeli occupation. During the period from 2000-2004 economic growth on national level was negative, and from 2004 -2008 it turned to positive and reached 2.7 % on average.²

Gaza has a negative economic growth for the whole period 2000-2008, for 2004-2008 the result was -4.5% on average. Real GDP per capita in Gaza is lower than average and reached 776 US \$.³

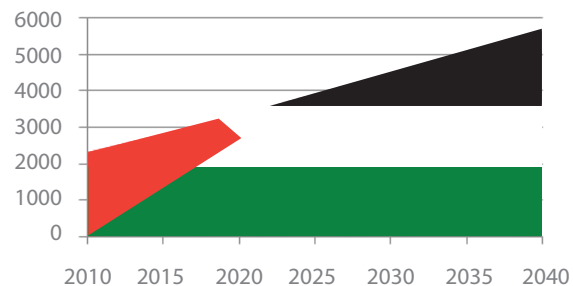
The above-mentioned data shows the weakness of the Palestinian economy, which led to a low absorptive capacity and structural imbalances.

² PCBS, National Accounts, different Issues

³ Ibid

The Palestinian labour market suffers from a chronic disequilibrium between the labour supply and the labour demand. In 2009, 724 thousand people were available for the labour market (labour supply), among them were 126 thousands women. Due to a high population growth rate, which reached 3% between 1997-2008, and the young age structure of the population (43.5% of the population is aged 15 years or younger)⁴, the labour supply (mostly new entrants) will increase very sharply in the coming years.

Development population 15 - 64



270,000 jobs will need to be created in the period 2010-2015 to become "healthier" from an employment perspective. And this employment growth rate needs to be continued long-term: up to 835,000 more jobs in 2025.

Year	2011	2013	2015	2017	2019	2021	2023	2025
Participation rate	41.67	42.00	42.33	42.67	43.00	43.33	43.67	44.00
Unemployment	21.91	19.92	17.93	15.95	13.96	11.97	9.99	8.00
Population >15 year	2,465,959	2,649,419	2,835,846	3,024,167	3,215,318	3,415,994	3,621,842	3,825,900
Labour force	1,027,483	1,112,756	1,200,508	1,290,311	1,382,587	1,480,264	1,581,538	1,683,396
Unemployed	225,087	221,661	215,291	205,762	193,009	177,237	157,943	134,672
Employment	802,396	891,095	985,217	1,084,550	1,189,578	1,303,027	1,423,595	1,548,724
New jobs needed per 2 years	87,996	88,699	94,122	99,333	105,028	113,449	120,568	125,130

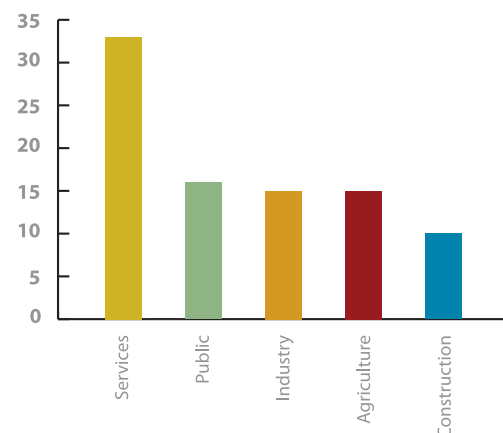
Contrary to the high level of labour supply, the labour demand in the domestic Palestinian economy is low. The Palestinian domestic economic sectors provide only 68% of the jobs, where the Israeli labour market provides 7.5%. The rest of the labour supply is unemployed. By the end of 2009 the unemployment rate amounted to 24.8% in the Palestinian territories.

Gaza has a much higher unemployment rate of 39.1%⁵. The highest unemployment rates were among youth (20-24 years) amounting to 40.48% and among women with 13 years of study and more (37.5%)⁶.

The imbalance in the domestic labour market coexists with a low labour force participation rate, which ranged from 40% to 42% in the period from 1997-2009, and with a low female labour force participation rate (15.1%)⁷.

This means that in case of an increase of both the general labour force participation rate and the labour force participation rate of women, the imbalances in the domestic labour market will increase further, unless

Employment by sector 2009



⁴ PCBS, Labour Force Surveys, different issues

⁵ Ibid

⁶ Ibid

⁷ Ibid

dramatic measures are taken to promote the domestic economy.

Among the different economic sectors, the service sector provides the highest percentage of domestic jobs. In 2009 the service sector absorbed 33.8% of the Palestinian labourers. The public sector absorbs 16.3%, then the industrial sector with 15.1%, and the agricultural sector with 15%. Finally, the construction sector provided only 10.1% of the jobs.

Another point of attention is the structure of enterprises: 97% of the Palestinian enterprises employ less than 10 employees (90% employs less than 5 employees). Consequently, the share of medium-sized and bigger enterprises with 20 employees and more is very low (less than 1 percent). And in particular these medium-sized enterprises are important for innovation and economic development; they are also important to “carry” the development of systems and services for a flexible labour market and a qualified workforce.

In order to demonstrate the difference a comparison is made between a selection of rural and urban provinces in Turkey and Palestine. Even though also Turkey has a high level of informal enterprises, the difference with Palestine is substantial.

The Israeli labour market and employment in Israeli settlements on Palestinian territory provides a diminishing percentage of jobs (7.5%)⁸.

The low level of GDP per capita, low rates of economic growth and high rates of unemployment led to a widespread poverty in the Palestinian territories. The poverty rate among the Palestinian families, according to the real consumption patterns, reached 30.8% in 2006. At the same time the Palestinian families whose income level is under the national poverty line (518 US\$) was 56.8%. The percentage of families living under the ultra poverty line (414 \$) was 44.1%⁹.

The above-mentioned characteristics of the Palestinian economy and labour market show the huge efforts needed to reconstruct the Palestinian economy and the challenges for any employment strategy in the Palestinian territories.

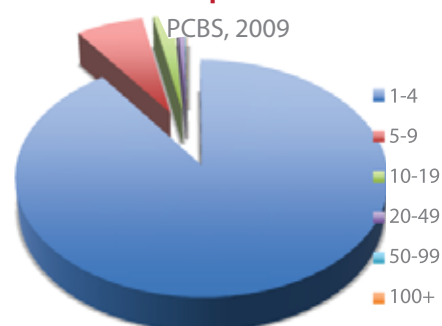
There are many groups requiring specific attention regarding their position on the labour market.

The situation in **Gaza** regarding employment, income and poverty requires special attention:

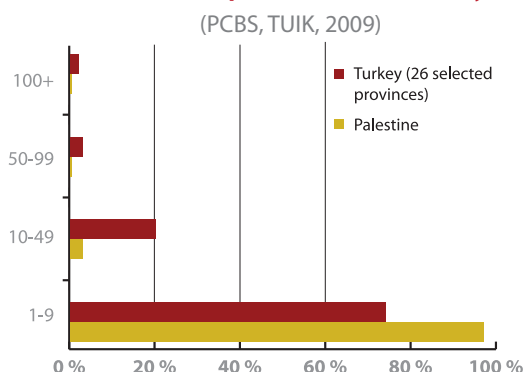
- Unemployment raised to 39%¹⁰
- Average net monthly wage is at NIS 1477¹¹
- 80% of the population lives below the poverty line¹².

Often **youth** is considered to be the gold of the nation; in particular Palestinian youth should be considered

Size of enterprises Palestine



Size of enterprises Palestine - Turkey



8 Ibid

9 PCBS, Poverty in the Palestinian Territories 2006

10 PCBS Labour market survey Q4 2009

11 based on labour market survey Q4 2009

12 CIA factbook 2009

as the hope of the nation in terms of their general ability to deal with and adapt the changes, flexibility and a hunger for learning. Youth unemployment in Palestine is however extremely high, compared to the level of youth unemployment in the Arab world (26%)¹³:

- Unemployment rate in the age group 15-19 is 38%
- Unemployment among 20-24 y. is 40%
- In Gaza these rates are even higher with 58% and 61%¹⁴
- Partly as a consequence of this level of unemployment people tend to choose for the highest level of education achievable – university- rather than to orient themselves on possibilities on the labour market with vocational education.

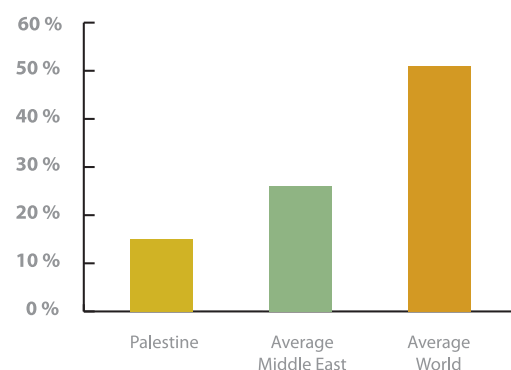
The participation rate of **women** on the labour market is extremely low, even compared to other countries in the Middle East

Consequently women are also less involved in entrepreneurial activity: only 3% of the women active on the labour market is employer or self-employed, against 24% of the men.

Higher educated women (>13 years of education) have a higher risk of unemployment than men: 34% against 15%¹⁵.

Furthermore the position of **former detainees** requires attention. Their re-integration in society requires both cautious and clear action and programs; they should be gradually made familiar with the idea that an unprivileged future is the most fair related to the interest of the rest of society.

Labour force participation of women



4.2. Socio-economic performance of Palestine in international perspective

The financial crisis had an impact on increasing unemployment in the Western countries.

The impact in 2009 was sometimes dramatic (and still is), but probably most countries will not reach the level of Palestine.

One should also take into account that increased unemployment in Western countries is a temporary circumstance, while a high level of unemployment in Palestine is a structural factor.

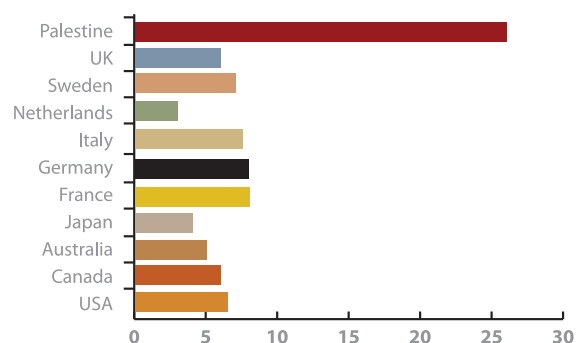
The average unemployment rate in Palestine over the last 10 years is above 20%.

Palestine has to deal with a low participation rate and high unemployment; ergo a small percentage of the population delivers economic contribution and earns money to maintain their households.

The difference with Western countries is on average more than 20%; this is again a structural factor and it

Unemployment rate 2008

(US Bureau of Labor Statistics)



¹³ Arab Labour Organization 2010

¹⁴ PCBS Labour market survey Q4 2009

¹⁵ PCBS labour market survey Q3 2009

generally takes a long time to increase the participation in the labour force.

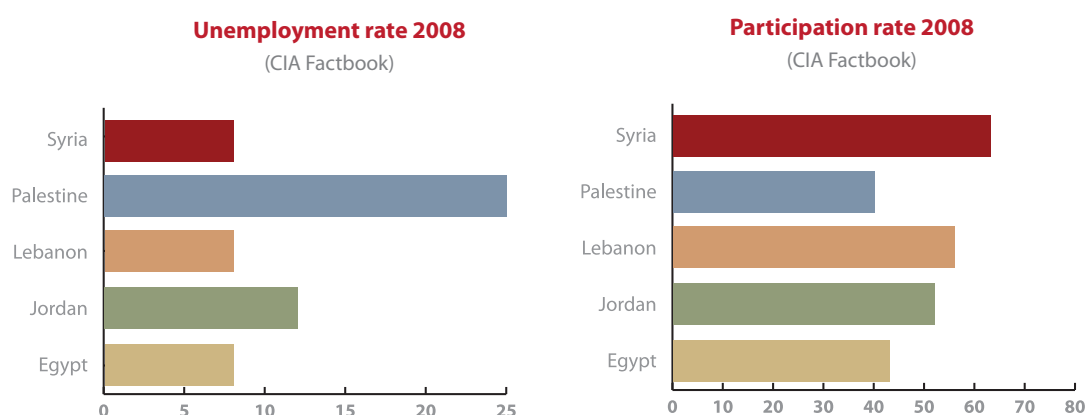
Often is stated that the participation rate is strongly related to cultural aspects; this assumption will be verified in the regional comparison.

High unemployment and low participation rate have a decreasing effect on the population with active economic contribution, the people with employment. The difference with Western countries is even bigger as shown in the next graph:



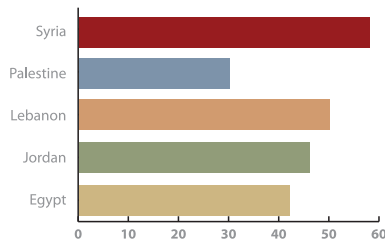
4.3. Socio-economic performance of Palestine in regional perspective

Also from a regional perspective unemployment is very high in Palestine and the participation rate in the labour force is substantially lower: around -17% in average. In fact other Arab countries' participation rate is comparable to Western countries; the difference is in a lower participation rate of women. The low participation rate in Palestine seems therefore more related to the high unemployment than to cultural factors.

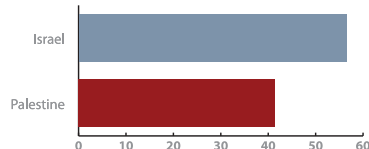


The differences between Palestine and the other countries become even stronger when the population rate of people with employment is compared: other countries have on average 20% more people with (paid) employment, meaning that for every 10 persons older than 15 years other Arab countries have 5 employed persons against Palestine 3 persons.

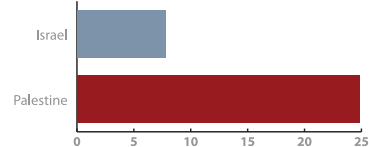
Also other indicators show that Palestine lacks far behind the other Arab states in the region. The GDP per capita in other states in the region is at least more than 2 times higher compared to Palestine. Palestine

Population rate >15 y. with employment 2008**Participation rate 2009**

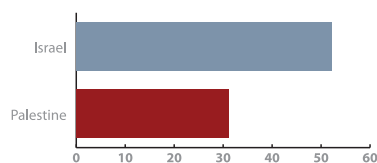
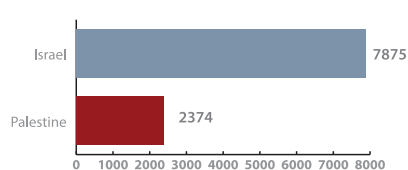
(CBS IL - PCBS)

**Unemployment rate 2009**

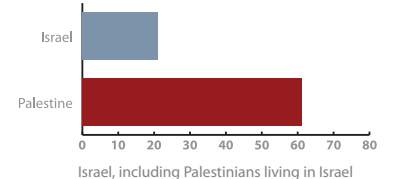
(CBS IL - PCBS)

**Population rate >15 y. with employment**

(CBS IL - PCBS)

**Average net monthly wage 2009 (NIS)****Poverty (2008)**

in percentage of the population (CIA Factbook)



also has – with almost 60% - at least two times more (on average more than three times more) people below the poverty line than other states in the region.

4.4. Comparison with Israel

And then of course there is Israel – comparable in geological conditions, natural resources, climate, basic infrastructure and even stability. Considering the specific position of Palestine, the two countries should be considered as operating in one economic region, as is also proven in the trade relation: around 85% of import and export are from/to Israel¹⁶ (although the trade balance is clearly negative for Palestine)

Since Israel is also the occupying state one should assume that – given the duration of the occupation and the fact that the countries are neighbours – the socio-economic conditions are comparable.

Unemployment in Palestine is more than three times higher, even while the participation rate on the labour market is 15 points lower. In fact this is the same trend as in comparison with other countries; it builds up to the following difference: on every 100 persons Israel has 52 persons with paid employment – Palestine 31.

Also the difference in monthly wage is more than substantial, in particular considering the – in many aspects - comparable price standard between the two countries.

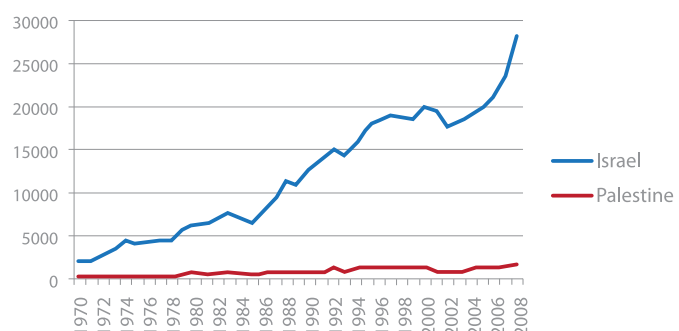
Poverty in Palestine is almost three times higher – affecting nearly 60% of the population – than Israel. And together with Haredim families, people of Palestinian origin are often subject to poverty in Israel, according to an OECD report¹⁷.

And then, last but not least, there is the development of GDP per head of the population. The development of GDP in Palestine is negative with 4 percent points since the year 2000, where Israel had a growth of 40 percent points: resulting in a difference of 45 points.

The longitudinal development of GDP is even more interesting.

GDP development Israel - Palestine

1970 - 2008, Source: UNDATA



¹⁶ PCBS

¹⁷ OECD Reviews of Labour Market and Social Policies Israel, 2009

The most important observations are summarised in the fact sheet below:

Fact sheet 2009	Palestine	Israel	Difference
Participation rate	41.5	56.5	Palestine 36% lower
Unemployment rate	24.8	7.8	Palestine 3.2 times higher
Population rate >15 y.o. with employment	31.2	52.1	Palestine 67% lower
GDP per capita (PPP) 2008 (US\$)	1,290	26,600	Palestine 20.6 times less
Average real GDP pc growth p.a. 2005-2009	0.03%	8.88%	Palestine 42% less
Average monthly wage (ILS)	2374	7875	Palestine 3.3 times less
Poverty	59.0	21.6	Palestine 2.7 times more

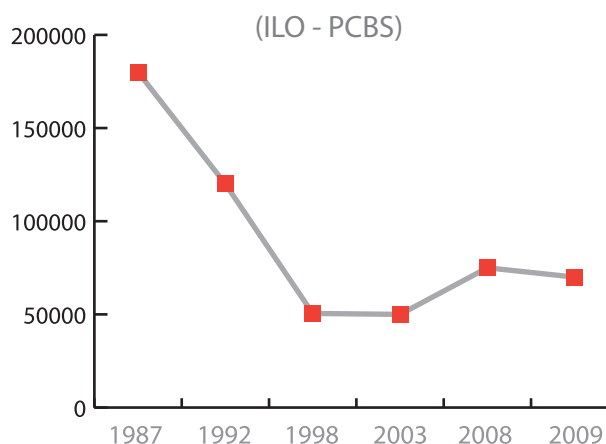
The differences are enormous. As could be concluded based upon the comparison with other countries in the region, who also perform significantly better, this has nothing to do with an “Israeli supremacy in doing business”. It appears to be related to systematic obstruction and boycotting, preventing the Palestinian economy to develop and to some internal Palestinian challenges.

On top of all the comparisons above, there is also the issue of Palestinian workers, working in Israel and the settlements. Since 1987 the number of Palestinian workers in Israel and the settlements dropped - with ups and downs – from 180,000 to 73,000 in 2009: a decrease with 107,000.

This is not related to the development of employment in Israel: in the period 2000-2009 employment grew with approximately 700,000 jobs.

In fact, if the level of Palestinian workers in Israel would be at the level of 1987 – together with the substitution effects¹⁸ - unemployment, poverty and even economic development would not be such a dominant problem in Palestine.

Palestinians workers in Israel and settlements 1987 - 2009



Since many years more Israeli's work in Palestine than Palestinians in Israel: the employment among the 400,000 settlers living in Palestine's West Bank and 280,000 in East Jerusalem, together with numerous IDF members working in Palestine, outnumbers the Palestinians working in Israel many times, they however do not contribute to the Palestinian economy.

¹⁸ every job in Israel would approximately create between 0.4 - 0.7 jobs in Palestine due to increased purchasing power

5. Conclusions

Based upon the findings in the different indicators, conclusions can be drawn. An important question is to assess what will happen in unchanged circumstances. Furthermore a direction for change will be identified.

5.1. Lessons from the different indicators

The various indicators presented in the previous chapter build up to the following conclusions:

- Unemployment is very high, unemployment in Gaza and youth unemployment are extremely high
- Important factor in the reduction of employment is the diminished employment of Palestinian workers in Israel
- Participation rate on the labour market is low, the participation of women is extremely low
- The average wage level is low; Israeli average wage is more than 3 times higher; average wages in Gaza are extremely low
- There is a structural loss of purchasing power over the last 10 years
- The development of real GDP per capita is negative over the last 10 years
- The future trends for real wages and GDP pc are negative
- Poverty is high – extremely high compared to the region (average > 2 times higher)
- In a regional comparison with other Middle East countries Palestine scores very low (lowest) in all aspects; in comparison with Israel the results are even worse
- The structure of employment is vulnerable:
 - o There are many micro-enterprises
 - o The level of informal employment is high
 - o Enterprises focus their activities mainly on the internal Palestinian market
- Furthermore the structure of labour relations is vulnerable
 - o The involvement of social partners in socio-economic policy is low
 - o The level of Collective Bargaining Agreements is low
 - o The coverage of labour relations in the country is low; for instance trade unions are not developing activities for their members working in settlements
- Employment programmes focusing on the internal Palestinian market (e.g. the UNDP programme) are ineffective, due to the shrinking market
- The development of an effective economic and employment strategy is strongly hindered by restrictions and inconsistent Israeli occupation, affecting:
 - o Import & export possibilities; one example: the current ratio “import from Israel – export to Israel” is 8:1 ¹⁹
 - o Freedom of trade; one of many examples: it is forbidden by Israeli authority to have maintenance on cars done in Palestine, as the many signs at the checkpoints show
 - o Investment climate, for instance: Palestine has great potential for tourism, the Israeli military regime with all its checkpoints and with the effective division of the country, makes it impossible to explore this potential
 - o Size of the internal Palestine market, for instance in doing business in the settlements
 - o Transportation (time)
 - o (Free) movement of labour, in the country due to the Israeli checkpoints and to (and from) Israel

¹⁹ PCBS. Palestine in figures 2007

-
- o Freedom on contract
 - o Equal rights for equal work, for instance related to social security rights while working in Israel

5.2. Assessment of unchanged circumstances

It should be obvious that with these conclusions “all hands should be gathered on deck” as the ship called “Palestine” is sinking!

Based upon all data and earlier mentioned conclusions one main final conclusion should be drawn:

- Palestine is getting poorer and poorer.
- If economic and employment related policies do not drastically change, the trend towards increasing poverty will continue unstoppable.

And of course one could state rightfully that this is mainly related to the occupation, resulting in: Palestine is a subject to “pillow suffocation”. However, that explanation does not relieve the government from the burden of responsibility to take Palestine forward, uprising and reversing the current negative trends, turning disadvantages to winners.

5.3. Direction for change

Thus, the direction for change is quite simple to formulate. The proof of the pudding is in this case in implementing. In the current state of Palestine’s economy the centre of attention cannot be directed to the internal Palestinian market. The main direction is therefore:

Palestine needs to get access to other markets in order to

- Create growth
- Increase employment
- Diminish poverty

6. Scenarios

Possible scenarios should of course be aligned with the broader government policy. Since the employment strategy is so closely interlinked with other areas of social and economic policy, these areas will also be addressed in the scenarios.

6.1. Two main scenarios

The strategy should be elaborated based on two possible main scenarios:

1. Continuation of present status in Palestine

This scenario assumes the lack of any progress in the political process and that the current situation remains as it is.

2. Palestine is an independent state

- a. Palestine has - as other states – the right to determine and develop its own economic structure and infrastructure, including free trade.

6.2. Conditions for the different scenarios

It is advisable not to choose between the two scenarios, but to apply them both according to the circumstances. There is however a “preferred scenario”, which is aligned with the overall course of the Palestinian government. In the further definition of the two scenarios the following should be taken into account:

- Economic development, employment promotion and poverty reduction should be the leading items for the Palestinian government
- That requires a primary choice for an independent state – as a mid-term goal: scenario 2
- Important in this scenario is that the strategy of the Palestinian government shifts from:
 - o “Independence followed by people’s needs” to
 - o “Independence through fulfilling people’s needs”
- Scenario 2 is the “build scenario”
- The government’s focus on employment promotion and poverty reduction should be - firmly and broadly – announced to the world
- Make – if convenient – use of scenario 1
- Make accordingly use of all necessary procedures (WTO, ILO)
- Scenario 1 is the “pressure scenario”

Economic development is never an issue in which “quick wins” easily can be achieved. In particular in the Palestinian circumstances (again) patience and perseverance are required. However, quick wins are possible in supporting areas, as this is a new angle for publicity, requiring a different public relations approach and especially actions related to scenario 1 can be turned into quick wins.

In preparing for this scenario 1 the following actions should be undertaken:

- Ask the ILO to make a “conventions and recommendations violations assessment of ILO regulation” (MoL)
- Ask the PFCCIA to make a thorough assessment of WTO treaties violations (MoNE)
- Ask the trade unions and the employers organisations, such as the PFI, to collect complaints of workers and Palestinian enterprises in the settlements and Israel

- Have the involved ministries (MoNE, MoL) monitor experiences
- Organise and provide excellent legal support
- Select cases to set jurisprudence
- Direct legal actions towards possibilities international courts and platforms.
- Coordinate the analyses of jurisprudence

An important condition for the success in either scenario is that change in the direction and pace of economic development needs eventually to be achieved by the Palestinian people. Due to the many years of deterioration in employment and economic opportunities, Palestinians need to be re-assured in their ability to become successful again. In that process of re-assuring, the government plays a crucial role: becoming successful requires that the Palestinian government is leading. It also sometimes requires that international helping organisations redefine their role: “helpers away – shifting from “helper” to assistant of the leading and actively coordinating Palestinian government.

6.3. Chosen direction and motivation

Based upon these scenarios, the strategy is directed towards the following focal areas:

- Normalising trade and business positions (MoNE leading)
- Together with normalising labour relations and expanding employment possibilities for Palestinian citizens (MoL leading)
- At the same time building business - and human resources development
- Creating the cooperation, partnerships, infrastructure, measures and facilities to make economic development possible

For these purposes it is imperative to:

- Create a strong, unified cooperation between the ministries involved in socio-economic development
- Create a close social partnership
- Build a government infrastructure enabling:
 - o Labour demand driven TVET based on matching demand and supply
 - o Demand driven employment policy and services
 - o Close cooperation between business and human resources development
 - o Services for enterprises with plans for cross-border cooperation
 - o Services for employees / job seekers with plans for (commuting) cross border employment
 - o Services for enterprises and employees dealing with violations of international regulations

The basis for the employment strategy is furthermore that it is linked with economic development, where:

- Possible niches are identified, for instance in:
 - o General cross border and regional partnerships between enterprises, utilizing the low costs of labour in Palestine
 - o The technology and ICT sector, in particular where it is connected with developments in the region
 - o Tourism, especially thematic tourism (religion, health, sport), preferably in cooperation with regional tourism developers
 - o Extension of the internal Palestinian market: e.g. creation of an open, competitive market, preventing monopolies and doing business in the settlements
 - o Investments in activities related to nationally produced products or services replacing imported

- products or services that are currently imported²⁰
- o Investments in (mainly) services addressing specific (middle-class) groups²¹
- o Development of supporting industries for already existing Palestinian industries²²
- Provisions are made for sustainable growth:
 - o Developments are prepared for instance with renowned “dare investors with a heart”
 - o Bilateral-multilateral agreements with other countries are created about economic development (no “help”, but doing business)
 - o Ties with Import promotion agencies are established in order to get support for product and marketing development²³; the recent established German – Palestinian Economic Committee can be a promising step in this regard.
 - o The Diaspora of Palestinians abroad is addressed to create the first Palestinian Investment Fund, governed by PFCCIA / PFI with guarantees from the government
 - o Focus is set on attracting Foreign Direct Investments (learn from Ireland between 1973-2008)
 - o Policies, services and other measures are taken to reduce the level of micro-enterprises by clustering, merging and creating cooperatives.

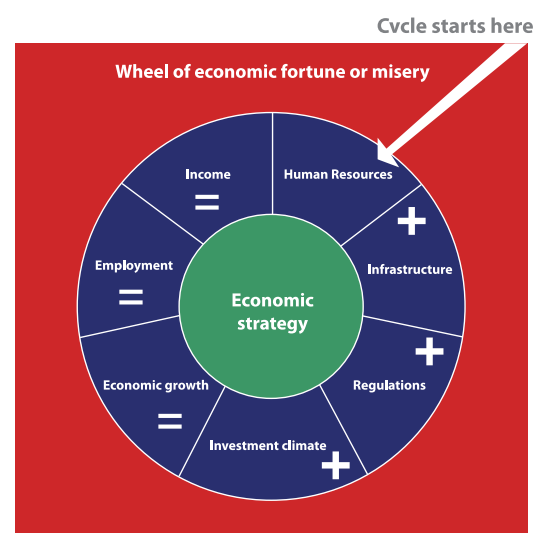
In addition the employment strategy is based on an international focus.

Key areas in this respect are:

- To increase competitiveness in terms of:
 - o Flexibility of the labour force, geographic, circumstantial and professional
 - o Skills development
 - o Productivity development
- Organisation of the labour market according to the needs of employers: labour demand orientation
- Investments in education and training, in particular related to the needs of employers
- The development and application of “decent work principles”.

In order to accomplish these changes an intense socio-economic dialogue with social partners (employers organisations and trade unions) is vital. An important condition for success is further that the government is enabled to take charge in guided socio-economic development.

The graphic shows the order of successful development and the necessity of close ties between the different government actors in socio-economic policy in general and in particular between the economic and the human resources function.



²⁰ further elaborated in the Economic Survey in pilot areas (GTZ)

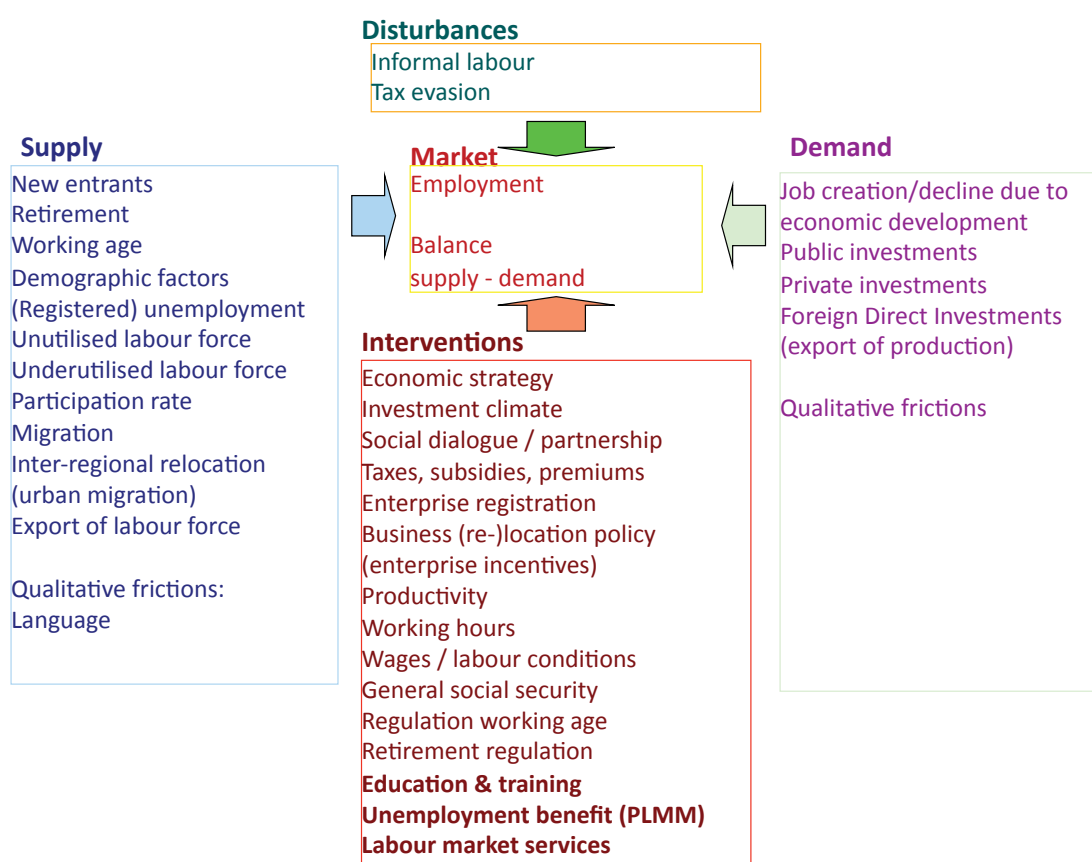
²¹ further elaborated in the Economic Survey in pilot areas (GTZ)

²² further elaborated in the Economic Survey in pilot areas (GTZ)

²³ Germany, Switzerland, Sweden. Japan. Netherlands have such agencies

Various government interventions in the interactions between supply and demand are further elaborated in the graph below:

Model of government intervention in the labour market



7. Inter-relating the employment strategy

In developing the employment strategy the different ministries were consulted in order to present the characteristics of the strategy and the key areas for operational action. Furthermore these meetings were meant to get their feedbacks and to indicate where the strategy links with the ministries. Below are the preliminary results.

Employment strategy connections with other ministries	
Ministry	Related strategies
National Economy	• Economic strategy • Policies / measures / facilities related to PFCCIA, PFI and other business development agencies • Policies related to social partners • Involvement in Socio-Economic Council
Education & Higher Education	• TVET strategy - o (how to organise) Labour market demand orientation - o LET Councils - o Training and curriculum development - o Educational standards development - o Labour market orientation in other educational areas - o Programmes for Life Long Learning – adult education - o Vocational and career guidance • Ministerial involvement in social partnership – Socio-economic Council
Planning & Administrative Development	• Setting performance indicators / milestones social development • Policies related to social partners • Involvement in Socio-Economic Council • Ministerial coordination: - o Socio-economic triangle (E, S, F) - o Socio-economic pentagon (PM, E, S, F, Local government) - o Overall coordination
Social Affairs	• Ministerial involvement in social partnership – Socio-economic Council • Development of social security: - o Linking with (economic) performance indicators - o Activating social security – flexicurity - o Poverty reduction

Employment strategy connections with other ministries	
Ministry	Related strategies
Women Affairs	• Participation rate of women: - o (how to increase) participation of women on the labour market • Education: - o (how to) increase general educational level of women - o Labour market oriented training & education - o Programmes for Life Long Learning – adult education - o Vocational and career guidance • Micro-enterprises and development of cooperatives • Ministerial involvement in social partnership – Women organisations & Socio-economic Council
Youth & Sport	• Youth unemployment: - o (how to) develop means to decrease inactivity - o Years of education - o Community service concepts - o Training on the job programmes – apprenticeship schemes - o Entrepreneur programmes • Education: - o (how to) increase general educational level - o Labour market oriented training & education - o Vocational and career guidance • Development of cooperatives • Ministerial involvement in social partnership – Youth organisations & Socio-economic Council
Detainee Affairs	• Vocational education and training: • How to re-integrate (former) prisoners: - o Assessment of abilities, talents, education and experience - o Career guidance programmes - o Vocational education and technical training - o SME programmes
Finance	• Economic strategy • Setting performance indicators / milestones social development • Policies related to social partners • Involvement in Socio-Economic Council

8. Bridging from strategy to action

Elaborating the strategy concentrates on focal areas for institutional development, identification of priority areas for cooperation within the government and detailing the institutional elements.

8.1. Focal areas for institutional development

The main operational goals for change were already identified in chapter 6. The goals within the reach of the Ministry of Labour are:

- To create a close social partnership
- To build a government infrastructure enabling:
 - o Employers needs employment policy and services
 - o Close cooperation between business - and human resources development
 - o Services for employees with plans for (commuting) cross border employment
 - o Services for employees dealing with violations of international regulations.

On this basis **focal areas for institutional development** are to:

1. Establish Social Partnership
2. Establish principles for institutional development
3. Create an Employment Agency and:
 - a. Develop and establish Active Labour Market Measures
 - b. Strengthen the Labour Market Information System
 - c. Implement the career guidance and counselling system
 - d. Attract recognised (multinational) private employment agencies
4. Create a smooth cooperation between the Palestinian Public Employment Agency, PFCCIA, PFI and the TVET-sector.

It is important to take into account that most of these measures will not work (optimally), if the structure of enterprises does not change. The number of enterprises with more than 20 employees needs to increase. Furthermore the organization level of employers organisations needs to improve in order to optimize systems such as a labour demand driven TVET and employment services.

The table below shows an overview of the changes addressed in the employment strategy:

Changes due to employment strategy		
Subject	From	To
Organisational focus	Rule driven bureaucracy	Service organisations, organised in Agencies
Policies' primary orientation	Oriented towards problems in supply side	Oriented towards economic development and employers' needs
Job mediation strategy	Not present	"Ripple strategy" a strong market position of PPEA gained by timely and effective mediation of qualified candidates opens possibilities for arrangements with employers for employment of disadvantaged people
Planning mechanism	No planning	Labour market analysis on area and national level
Intervention indicator	Top – down	Bottom – up with national coordination
Socio-economic dialogue	If any, national level consultations	Social partnership on national and area/local level
Organisation of education	Supply oriented vocational education and training planning	Labour demand oriented education and training planning

8.2. Priority areas for government cooperation

The following areas are identified as priorities for the inter-ministerial cooperation:

- On socio-economic development with the Ministry of National Economy
- Further development of the TVET system (and its links with employment services), together with the Ministry of Education and Higher Education in implementing the revised TVET-strategy
- Promotion of the participation of women on the labour market with the Ministry of Women Affairs
- Addressing youth unemployment measures with the Ministry of Youth and Sport
- Developing rehabilitation programmes for ex-detainees with the Ministry of Detainees.

8.3. Detailing institutional development

8.3.1. Establishing social partnership

Social partnership – the cooperation between government, employers organisations and trade unions – is vital for the socio-economic development of Palestine. The purpose of social partnership is to jointly, respecting each other's interest positions, develop the Palestinian economy, together with the social systems Palestine needs and can afford. Social partnership contributes also to stability in labour relations, as it is meant to create commitment and to prevent labour disputes.

In Palestine's current economic conditions stability and attractiveness – in terms of costs of labour, human resources development, tax regime, smoothness of procedures – are important elements for companies to consider assignments and / or establishments. Close social partnership will contribute to that.

Therefore employers' organisations and trade unions need to get involved in policies related to:

- Economic and social development

- Including infrastructure
- Social security and
- Education

8.3.1.1. Mid-term agreement and Socio-Economic Council

The actual situation in Palestine requires a midterm commitment of government and social partners towards the following order of priorities:

1. Profitability of business life
2. Employment promotion
3. Income generation and
4. Poverty reduction

The profitability of business life is put first, because without improved business conditions the country cannot create growth for (naturally) following steps.

This social partnership should get form in a Socio-Economic Council on national level.

Apart from the issue of creating the conditions for a boosting economy, the partners could also consider to make the following items subject of their deliberation and agreement:

- The definition of economic performance indicators for the development of social security
- If development of social security can come to practice at one point in time, a model of activating social security – directed towards swift re-integration of people – and “flexicurity” – enabling people to be flexible on the labour market – would be preferable. (Experiences in Denmark and the Netherlands can be inspirational)
- Creation of a stability pact – preventing industrial action through binding mediation (learn from the Netherlands in the (post-war) period 1945-1960)²⁴

Social partners are also requested to participate in the general development of employment services and TVET on national and local levels. Furthermore employers will be engaged in the development of demand driven employment services and TVET.

Trade unions will be invited to cover all Collective Bargaining Agreements applicable for Palestinian workers.

8.3.1.2. Developing a decent work approach

The cooperation with social partners will also be used to develop a jointly shared Palestinian approach for decent work; evidently international experiences will be used to set these Palestinian decent work principles. International elements of these principles are related to:

- Fundamental principles and rights at work and international labour standards
- Employment and income opportunities
- Social protection and social security
- Social dialogue and tripartism.

Most of these principles will already be covered as a result of this employment strategy; subjects requiring specific attention are for instance:

- Community Based Training for Self-employment and Enterprise Creation (CBTSEC)
- Establishing an infrastructure for bottom up local economic development such as Councils for Local Employment and TVET (LET Councils)
- Wage and remuneration policies and instruments

²⁴ “Postwar Wage Determination in the Netherlands” John Windmuller

- Instruments for collective bargaining
- Child labour
- Health and safety regulation
- Improving the work place.

8.3.1.3. CBTSEC

In the area of social partnership on area and local levels, two developments should be mentioned as they are already in a stage of implementation and are to be considered as a prelude for the broader future:

- Community Based Training for Self-employment and Enterprise Creation (CBTSEC)
- Local Employment and TVET Councils (LET Councils)

The objective of the CBTSEC is to provide individuals with the necessary technical and entrepreneurial skills and support services to become a business owner or establish self-employment and/or income-generating activities in their local community.

CBTSEC is a systematic approach for establishing self-employment and/or small enterprises at community level in new fields and for new businesses. The training is also open for employees to improve their entrepreneurship competencies. To achieve this, a community-based system is applied to integrate the different stakeholders, building a network and to finally convey the trainings courses.

Involving the local population and organizations in the identification of potential business opportunities and/or self-employment activities include related training and post-training support.

Main characteristics of CBTSEC are:

- To identify and examine the feasibility of income generation opportunities before designing and organising the training program.
- To adjust the content, training methods and delivery system to meet the needs of the specific target group.
- To conduct training tailored to the specific needs of the certain candidates for start-up entrepreneurship.
- To integrate post-training support services, such as credit and/or revolving funds and technical advisory services.
- To work closely linked with community development.

CBTSEC is a multi-partner activity; local community/authorities, training providers, public employment services, line ministries, social partners, the private sector and NGOs participate.

CBTSEC started in November 2009 in four pilot areas; in all these areas action plans are ready and operational activities have started.

8.3.1.4. LET Councils

An important reason for establishing the Local Employment and TVET Councils (LET Council) is to

- Interrelate the local labour market, the local employment services and the local technical and vocational education provisions,
- Have employment services and TVET provisions jointly prepare appropriate interventions needed for a adequately educated and trained labour force
- Reach a mutual understanding between the economic and social partners about essential issues related to unemployment, employment and self-employment creation.

The tasks and objectives of the LET Councils include:

- Initiate, support and monitor (new) labour market instruments to improve and coordinate the local

employment services and other relevant institutions / organisations to reduce unemployment and poverty

- Initiate, support and monitor the implementation of a modernised TVET system and the improvement of TVET institutions in order to guarantee a highly motivating and professional technical and vocational education standard, adapted to lifelong learning and based on labour market needs
- Create a common understanding among social partners regarding unemployment, employment and self-employment issues
- Activate the social and economical partners in taking increased responsibility for social development, improvement of the labour market and social equity
- Offer a platform for all relevant and interested institutions and enterprises to discuss and develop ideas for further improvement of labour market policies from the local point of view and to be a reflecting organ for decision makers on national level
- Support the governmental and non-governmental labour market strategy and its action plans

Due to its ambition – to relate policies, provisions and practices – the LET Council is a multi-partner organisation too. The LET Councils consist of representatives of:

- Governmental offices in the region representing especially the Ministry of Labour and the Ministry of Education and Higher Education
- Municipalities
- Local development agencies
- Chambers of Commerce and Industry
- Employer's organisations
- Trade unions
- Vocational Education and Training institutions (private and public)
- Institutions and organisations working in the field of employment, self-employment and development
- Institutions and organisations working in the field of small and medium sized enterprises

The LET Councils started in five pilot areas (West Bank and Gaza City) and came into function from October 2009.

Based on the experience on local level a national forum for TVET and Labour Market shall be installed.

8.3.2. Principles for institutional development

There is a tendency to create more agencies within the government. It is therefore important to set a principle for this type of institutional development:

- Areas with strong political dynamics should remain under direct ministerial influence
- Areas with strong operational aspects – such as delivery of employment services or education – can be organised in agencies

In the area of employment promotion will be established:

- A national TVET body (in which vocational training and education are integrated)²⁵
- A Palestinian Public Employment Agency (PPEA)
- The General Commission for Regulating Cooperatives (GCRC)
- The Palestinian Fund for Employment and Social Protection (PFESP)
- In the previous paragraph social partnership involvement in employment services and TVET was

²⁵ See TVET strategy for further details

mentioned. However, based on international experiences, this involvement should be directed towards setting the policies and developing or evaluating the services in these areas, not in governing these agencies.

8.3.3. Create a public employment agency

The main task of a Palestinian Public Employment Agency (PPEA) is in providing the services for employers and job seekers in order to create optimal balance between labour demand and supply. In this respect the PPEA will provide:

- Information services related to the labour market and employment
- Registration of job seekers and vacancies
- Self-services for job seekers
- Job mediation
- Career guidance
- Intermediary services for TVET for both job seekers and employers
- Services for employees with plans for (commuting) cross border employment
- Services for employees dealing with violations of international regulations.
- Supporting services related to human resources development for business development agencies.

An important facility of the PPEA is the formation of One Stop Shops (OSS), which is the first and main point of contact and service for job seekers and employers. The OSS will deliver the following services:

- Information services related to the labour market and employment
- Registration of job seekers and vacancies
- Self-services for job seekers
- Job mediation
- Career guidance and counselling
- Intermediary services for TVET for both job seekers and employers
- Supporting services related to areal human resources development for areal operating business development agencies.

Other services of the PPEA will be organised on national level.

The business concept of the OSS consists further of:

- Operating close to the market, in particular to employers needs
- Close to business-development-agencies such as PFCCIA and PFI
- Close to the TVET-institutions
- Establishing cooperation with private employment offices
- The primary focus of OSS will be on swift services for (replacement) vacancies

The development of OSS will be supported by a partnership with the Federal German employment service (BA)

8.3.3.1. Developing the Palestinian Public Employment Agency

In developing the current Employment Offices into One Stop Shops and to create the Agency attention will be given to the following aspects:

- Development of information services, such as:
 - o Printed information, brochures, billboards and self service information

- o Information about registration, vacancies, training opportunities etc.
- Improving administrative procedures
- Introducing cooperation with TVET institutions
- Developing employers relations
- Introducing follow up procedures for employers relations and vacancy filling
- Introducing job matching
- Improving job matching procedures
- Promoting flexibility & mobility (geographical and/or professional)
- Development and application of Active Labour Market Measures
- Coordinating other employment agencies

8.3.3.2. Developing and implementing Active Labour Market Measures

In developing Active Labour Market Measures (ALMM) the following criteria should be taken into account. In general employment subsidies have a small impact on sustainable employment. This would be in particular applicable in the current situation in Palestine, since there is not enough generating capacity in the market. ALMM need therefore to concentrate on establishing the best match between the elements of a vacancy and the qualities of a job seeker. With that in mind ALMM will be directed towards:

- Optimising job broking and job mediation
- Skills needs analyses for employers (with TVET)
- Training on the job programmes
- Delivery of career skills courses and training
- Introduction of career guidance programmes
- Coordination of (short) vocational trainings for job seekers
- Apprenticeship programmes

Earlier was mentioned that unemployment among youth is extremely high and that the participation rate of women on the labour market is extremely low. This requires extra attention for these groups in the development of ALMM. Apprenticeship programmes and other combinations of learning and work should be considered to address youth unemployment. Furthermore career guidance and career skills can provide the necessary qualifications on a growing labour market. This last measure can also be useful to increase the participation rate of women (next to child care programmes and addressing possible cultural obstacles).

Solutions for Gaza should in this stage first be found in creating renewed economic development.

8.3.3.3. Strengthen the Labour Market Information System

This section concentrates on the function of Labour Market Information in the Employment Agency. The Labour Market Information System is however much wider and addressed in another element of the GTZ programme.

The main functions of Labour Market Information for the Palestinian Public Employment Agency are to:

1. Register job seekers and vacancies, enabling the Agency and the government to:
 - a. Monitor actual interactions on the labour market
 - b. Create various and optimal conditions for a balance between demand and supply.
2. Create swift interactions between employers and job seekers: optimising the filling of vacancies with matching job seekers, according to their qualifications.
3. Categorise job seekers: a process to measure the needs of job seekers for specific support, based

-
- upon their position on the labour market.
4. Contribute to Training Needs Analyses and Sector Analyses to enable fitting educational planning
 5. Monitor trends on the labour market:
 - a. Where are, what needs arising?
 - b. What are the (aggregated) developments in employment?
 - c. What are the developments on the supply side?
 - d. How does education and training meet the demand of the labour market?
 - e. How effective are Active Labour Market Programmes?
 6. Policy development:
 - a. Is there a need to intervene in the labour market?
 - b. What are the most suitable options for Labour Market Programmes according to available relevant data?

The Labour Market Information System will provide the actual and reliable data (base) for related policies

Notice the reverse in the order of functions: the function of labour market information starts on micro-level, in the communication between employers and job seekers, building up to monitoring and finally policy development. Top-down (Palestinian state - market) has turned into Bottom-up (market - Palestinian state), enabling the national level to focus on interventions when needed, instead of directing the whole labour market.

8.3.3.3.1. Priorities of LMI in the PPEA

According to the functions of labour market information in the employment agency, the following areas of priority can be determined.

Priority 1: Registration of job seekers and vacancies

First field of attention is the registration process of vacancies and job seekers, enabling possibilities for (digital) job matching, categorisation and applying Active Labour Market Programmes.

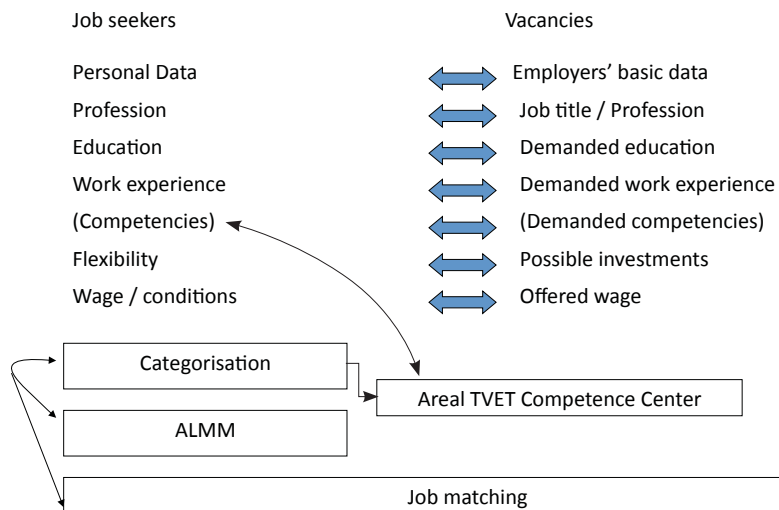
Registration should focus on matching of discriminating (as unique as possible) qualifications, filling vacancies as soon as possible with matching candidates.

The matching process is based on the following criteria:

- Geographic, general, qualifying and circumstantial (e.g. wages) data of vacancies and job seekers is compared, with job matching as first aim in a way that a job seeker leaves an Employment Office with relevant possible vacancies and an employer is served with possible candidates.
- If a job seeker, due to an (through categorisation) indicated weak position on the labour market, cannot be matched with available jobs, he will be involved in Active Labour Market Programmes.

It should be noted that it is relatively easy to build the system; it will be more difficult to convince private employers to participate. That can only be done by showing the added value, convincing them with good practice and campaigning.

LMIS Priority 1: registration, categorisation, job matching



Priority 2: Planning ALMM, education & training

The second priority is related to the planning of Active Labour Market Measures, vocational education and training.

Trends on the Labour market are investigated, using surveys. Surveys will indicate:

- The development of labour potential
- Training needs on enterprise level
- Training Needs Analyses on (aggregated) regional level
- How do job seekers search
- How do employers select
- Mid-term labour market needs
- Changes in the employment (structure)

In this process registration of job seekers and vacancies is where relevant linked with the surveys resulting in extension of sources for Labour Market Information and increasing the reliability.

Priority 3: Serving the policy-level

The third area of priority is the level of policies. Activities are directed to the aggregation of relevant data collected with the registration and the surveys.

Gathered information is related with (developments in), essentially:

- Participation rate
- Employment
- Unemployment
- Education planning, including TVET
- Gaps in demand – supply

- Income - wage level and trends

The information for this level serves two purposes:

- Monitoring of policies
- Developing new policies

The development of policies should be distinguished in policies regarding:

- General employment services
- Education (including TVET)
- Active Labour Market Measures:
 - o Training
 - o Job mediation
 - o Work experience programmes
 - o Programmes for people with special needs

This is also the level, where labour market information is integrated with other sources of the Labour Market Information System.

8.3.3.3.2. Organisation of the Labour Market Information in the PPEA

In the division of tasks and establishment of cooperation, the following responsibilities are proposed:

The One Stop Shops should develop their services in order to fulfil the processes of registration:

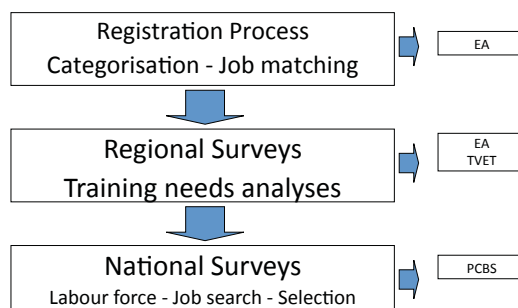
- Registration of job seekers
- Registration of vacancies

In cooperation, OSS, the CCIA and the TVET-institutions on local level, are the “best match” to perform the Training Needs Analysis in enterprises.

The PCBS is the natural and preferred supplier for other surveys.

A so-called “Observatory Function Unit” within the PPEA can fulfil a crucial intermediary role between PPEA and PCBS. This unit will have a leading role in the design, development and delivery of specific surveys, such as “how job seekers search”, “employers select” and the development of career guidance. They can also perform a role in technical support for Training Needs Analysis.

Labour Market Information System



As stated at the beginning of this paragraph, the Labour Market Information System as prepared by GTZ and recently approved by the involved Ministers has a much wider impact. The system will have functions for all ministries involved in socio-economic areas. Furthermore the system will be a basis for career and vocational guidance and counselling, Active Labour Market Measures and all other aspects in which the labour market can be related to other specific areas of policy, including for instance education.

8.3.3.4. Development and implementation of a career guidance system

Career guidance aims to assist people individually or in groups to work towards solutions for their employment-related questions and problems.

Currently a career guidance system is lacking in Palestine, but there is a broad consensus that a system has to be created and developed. The PPEA will have an important role in this development.

General and talent orientation for pupils starts at school and is a responsibility of the Ministry of Education and Higher Education.

A strong cooperation between One Stop Shops and TVET-institutions is needed to provide career guidance for students, in terms of:

- Professional orientation & preparation
- Vocational & career Information
- Labour market basics:
 - o The meaning of labour demand for individuals
 - o Responsibilities of employees, employers, entrepreneurs
 - o Employability
- Career skills
- Interest & talent determination
- To identify the relevant training to be implemented in TVET-institutions
- To dynamically adapt the curricula to the needs of the labour market
- To develop apprenticeship programmes
- To inform the trainees of TVET-institutions about the labour market and how to find a job.

An important issue is further to develop career guidance systems for unemployed people who are not able to find a job on their own and need advice regarding:

- Career skills development
- Training or retraining
- Updating of their knowledge or their skills
- A change of profession
- Or special attention for other reasons.

The registration process will categorise the jobseekers in order to identify the level of service they need in career guidance, job mediation or other programmes.

8.3.3.4.1. Measures to develop and implement a career guidance system

Capacity building and organisational development should be focussed on the following priorities:

- Professional orientation & preparation – mainly in schools
- Vocational & career Information – in schools and OSS (LMI)
- Labour market basics – in schools:

- o Labour demand
- o Responsibilities of employees or workers, employers or entrepreneurs
- Employability – in schools and OSS
- Career skills – in schools and priority groups OSS
- Interest & talent determination – in schools and OSS
- Rehabilitation – in OSS, forced career changes
- Categorisation – in OSS

It is recommended that the PPEA will be in charge of the general development of career guidance and the delivery of these services within the OSS, ensuring links on regional level with the companies and the TVET-institutions

Career guidance advisers in the PPEA will be trained in the following topics:

- Information about national and regional LM issues
- Overall view of the existing training system
- Information about the occupational coding in Palestine
- Information about the labour laws
- Development of communication skills
- How to train in career skills development.
- How to build an action plan and ensure follow-up

The objective should be to create and develop Career Guidance Services with Career guidance advisers able to:

- Develop good relations with the clients/jobseekers
- Provide relevant information about Labour market, careers, training and retraining facilities
- Facilitate the establishment of clients' employment related goals and the development of an action plan
- Develop the autonomy of jobseekers in job search
- Train clients in career skills
- Assist in identifying and exploring clients' problems, opportunities and needs
- Help clients to determine their resources, talents, skills and barriers
- Conduct appropriate follow-up
- Apply tests for jobseekers
- Ensure a link between the OSS and the TVET-institutions to provide relevant information to trainees and school leavers

To assure sustainability a core group of trainers will permanently conduct trainings for counsellors in the different sectors of the Career Guidance and Counselling System.

The development of self-service activities, preferably in OSS and via Internet, is highly recommended to increase the autonomy of jobseekers and to focus efforts on those jobseekers that really need support.

8.3.3.4.2. Career skills development/ Job search activities

The training of career guidance advisers will be directed towards the use of specific, simple and effective tools:

- How to organise Job Search
- How to write a CV
- How to be prepared for an interview
- How to identify your own talents
- How to search for and find the relevant training
- How to be prepared to enter the labour market

Capacity building activities will aim at familiarity with these tools.

8.3.3.5. Attract recognised private agencies

Attracting multinational renowned private employment agencies can also contribute to employment generation. Increasing competitiveness of the labour force is an essential aspect of this strategy. The better internationally operating private employment agencies have knowledge about flexibility, experience in reintegration of long-term unemployed and labour market projects and can be considered as a factor in attracting new companies. Furthermore they can boost the change process in the public employment service. It is therefore advised to create regulation to make it possible for private employment agencies to operate on the Palestinian market. In order to prevent unreliable agencies to enter the market a license system should be considered.

8.3.4. Create the General Commission for Regulating Cooperatives

The International Labour Organisation facilitated the preparation and implementation process²⁶ of a new cooperative law and a new cooperative development administration, called “General Commission for Regulating Cooperatives”. These preparatory activities were finalised in November 2009 and the law is currently in the final stage of acceptance.

The main tasks of the GCRC will be in policy-development and promotion of Cooperatives in line with ILO Recommendation no. 193. Article 4 of the draft-law describes the overall policy of the GCRC:

“The Commission shall supervise (guide) the cooperative movement, promote the economic, social and cultural status of cooperatives and local communities and consolidate self-reliance in order to achieve their interests, without exercising cooperative activity in a direct manner.”

The GCRC will have – as other Agencies related to employment and TVET - a semi-autonomous structure with an equal number of representatives from government and civil society (cooperatives, employers’ organisations, trade unions) in the Board of Directors.

8.3.5. Revitalise the Palestinian Fund for Employment and Social Protection

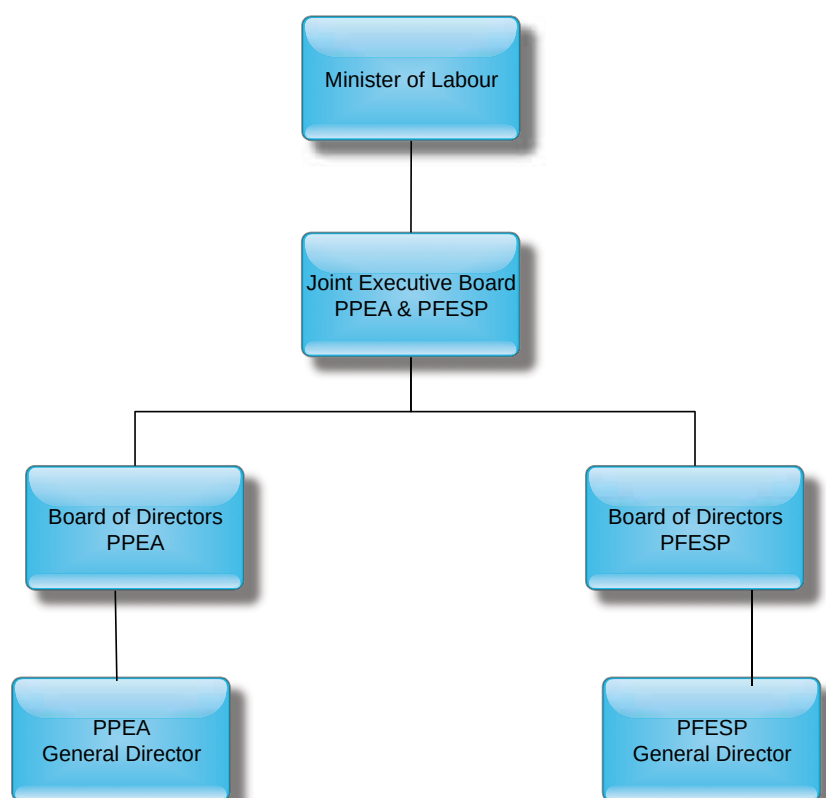
The Palestinian Fund for Employment and Social Protection was created following a feasibility study of 2003 carried out by ILO.²⁷ Circumstances in previous years prevented the Fund to come to full blooming. The concept and principles of the Fund are however still valuable and valid and probably more actual than ever before. Even the organisational structure as determined in the relevant Presidential decree is still useful. The development of the employment strategy is an excellent moment to “revitalise” the PFESP and to use the fund primarily for the operational priorities as envisaged in this employment strategy. These priorities will be related to the original objectives of the PFESP:

²⁶ See further: “Reforming the Palestinian Cooperatives – Cooperative Development Strategy for Palestine”, ILO, December 2009.

²⁷ See for further information: PFESP brochure and ILO’s feasibility study.

- To identify financial resources and secure specialist support in order to design and deliver immediate solutions to promote the growth of social and human capital and to support the development of the private sector in Palestine
- To develop various and diversified production and service projects whose primary aim would be to create job opportunities which address the needs of the most vulnerable groups of the population
- To contribute to the upgrading of skills of the labour force with a view to increase competitiveness in the local and regional labour markets.

As other agencies in this field the Fund will have a semi-autonomous structure, with a Board of Directors with representatives from government and civil society.



8.3.6. Smooth cooperation PPEA-PFCCIA-TVET

Close cooperation between the OSS, the Chambers of Commerce (and other business development agencies) and TVET institutions will support employment generation – also this should be seen as a precondition for increased competitiveness. In this respect the following points of attention should be considered:

- Create joint office locations for OSS and Chambers of Commerce - business development agencies
- Make sure that PPEA is part of the human resources aspects of business development
- Establish close links between the “Employers Relations officer OSS” and the TVET training development

Annex 1. Action Plan

#	Name	Duration	Start	Finish	Notes	2010				2011				2012			
						1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
1	Developing Employment Strategy and Action Plan	112.0 d	11/01/2010	15/06/2010	Budget available												
2	Elaborating strategy and concept for employment growth and institutional development and services	112.0 d	11/01/2010	15/06/2010													
3	First draft	44.0 d	11/01/2010	11/03/2010													
4	Approval Ministry	10.0 d	15/03/2010	26/03/2010													
5	Workshop MoL, MoNE, MoEHE, MoP	11.0 d	29/03/2010	12/04/2010													
6	Final draft	6.0 d	14/04/2010	21/04/2010													
7	Deliberation social partners & tripartite agreement	17.0 d	22/04/2010	14/05/2010													
8	Approval Cabinet	11.0 d	17/05/2010	31/05/2010													
9	Appointment project team	12.0 d	31/05/2010	15/06/2010													
10	Action plan cooperation MoNE	23.0 d	31/03/2010	30/04/2010													
11	Establishing national social partnership	294.0 d	17/05/2010	30/06/2011	Budget?												
12	Developing Socio-Economic Council	294.0 d	17/05/2010	30/06/2011													
13	Drafting legislation & regulation	33.0 d	17/05/2010	30/06/2010													
14	Consultations involved ministries	20.0 d	01/07/2010	28/07/2010													
15	Consultations social partners	20.0 d	01/07/2010	28/07/2010													
16	Final draft	22.0 d	02/08/2010	31/08/2010													
17	Tripartite deliberation	22.0 d	01/09/2010	30/09/2010													
18	Legislative process	44.0 d	01/10/2010	01/12/2010													
19	Further provisions (organisation secretariat)	43.0 d	02/12/2010	31/01/2011													
20	Installation	20.0 d	01/02/2011	28/02/2011													
21	Capacity building members - support staff	195.0 d	01/10/2010	30/06/2011													

#	Name	Duration	Start	Finish	Notes	2010				2011			
						Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
22	▼ Decent work principles I	262.0 d	01/10/2010	03/10/2011	Budget?								
23	▼ Developing guidelines for decent work principles, prioritising on child labour	262.0 d	01/10/2010	03/10/2011									
24	Drafting guidelines	66.0 d	01/10/2010	31/12/2010									
25	Approval Ministry	24.0 d	03/01/2011	03/02/2011									
26	Tripartite consultation – deliberation	21.0 d	03/02/2011	03/03/2011									
27	Legislative proces	44.0 d	03/03/2011	03/05/2011									
28	▼ Implementation	110.0 d	03/05/2011	03/10/2011									
29	Organisation	24.0 d	03/05/2011	03/06/2011									
30	Capacity building	87.0 d	03/06/2011	03/10/2011									
31	▼ Developing guidelines for health and safety regulation / improving the work place	262.0 d	01/10/2010	03/10/2011	Budget?								
32	Drafting guidelines	66.0 d	01/10/2010	31/12/2010									
33	Approval Ministry	24.0 d	03/01/2011	03/02/2011									
34	Tripartite consultation	21.0 d	03/02/2011	03/03/2011									
35	Legislative proces	44.0 d	03/03/2011	03/05/2011									
36	▼ Implementation	110.0 d	03/05/2011	03/10/2011									
37	Organisation	24.0 d	03/05/2011	03/06/2011									
38	Capacity building	87.0 d	03/06/2011	03/10/2011									
39	▼ Establishing social partnership on local level	197.0 d	03/01/2011	04/10/2011	Budget available								
40	▼ Further development / dissemination LET Councils	197.0 d	03/01/2011	04/10/2011									
41	Monitoring and evaluating	24.0 d	03/01/2011	03/02/2011									
42	draft M&E report	21.0 d	03/02/2011	03/03/2011									
43	Discussion in LET councils	22.0 d	03/03/2011	01/04/2011									
44	Discussion with involved ministries	23.0 d	04/04/2011	04/05/2011									
45	Dissemination to other governates	110.0 d	04/05/2011	04/10/2011									

#	Name	Duration	Start	Finish	Notes	2010				2011			
						Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
46	▼ Establishing TVET Agency	175.0 d	02/08/2010	01/04/2011	Budget available								
47	Mission, vision, organisation and operations report, including needed budget	45.0 d	02/08/2010	01/10/2010									
48	Deliberation and approval involved ministries	22.0 d	01/10/2010	01/11/2010									
49	Appointment key staff	23.0 d	01/11/2010	01/12/2010									
50	Operational plan: housing, staff, capacity building, work plan	23.0 d	01/12/2010	31/12/2010									
51	▼ Implementation	65.0 d	03/01/2011	01/04/2011									
52	Installation	1.0 d	03/01/2011	03/01/2011									
53	Capacity building	65.0 d	03/01/2011	01/04/2011									
54	▼ Establishing Employment Agency & OSS and Employment Fund	256.0 d	09/04/2010	01/04/2011	Budget available								
55	Mission, vision, organisation and operations report, including needed budget	44.0 d	09/04/2010	09/06/2010									
56	Deliberation and approval involved ministries	44.0 d	09/06/2010	09/08/2010									
57	Appointment key staff	24.0 d	09/08/2010	09/09/2010									
58	Operational plan: housing, staff, capacity building, work plan	44.0 d	09/09/2010	09/11/2010									
59	▼ Implementation	65.0 d	03/01/2011	01/04/2011									
60	Installation	1.0 d	03/01/2011	03/01/2011									
61	Capacity building	65.0 d	03/01/2011	01/04/2011									

#	Name	Duration	Start	Finish	Notes	2010				2011			
						1	2	3	4	1	2	3	4
63	▼ Creating an Agency promoting / supporting cooperatives	107.0 d	11/01/2011	09/06/2011									
64	Organisational report, including	0.0 d	11/01/2011	11/01/2011									
65	Deliberation and approval involved ministries	23.0 d	09/03/2011	08/04/2011									
66	Appointment staff	23.0 d	11/04/2011	11/05/2011									
67	Operational plan: capacity building, work plan	0.0 d	10/05/2011	10/05/2011									
68	Capacity building – training staff	0.0 d	09/06/2011	09/06/2011									
69	▼ Labour Market Information System	350.0 d	09/03/2009	09/07/2010	Budget available								
70	Design of the system	262.0 d	09/03/2009	09/03/2010									
71	Approval involved ministries	35.0 d	11/01/2010	26/02/2010									
72	Detailed work plan: tasks for the ministries	110.0 d	10/08/2009	08/01/2010									
73	Registration processes OSS	21.0 d	09/04/2010	07/05/2010									
74	Labour Market Surveys	45.0 d	10/05/2010	09/07/2010									
75	Active Labour Market Measures	1.0 d	09/03/2010	09/03/2010	Budget available								
76	▼ Labour legislation	245.0 d	03/05/2010	08/04/2011	Budget?								
77	▼ Make assessment of labour legislation in context of flexibility – including activating social security	245.0 d	03/05/2010	08/04/2011									
78	Concept note	45.0 d	03/05/2010	02/07/2010									
79	Preliminary point of view Ministry	24.0 d	05/07/2010	05/08/2010									
80	Advice social partners	24.0 d	09/08/2010	09/09/2010									
81	Drafting legislation & regulation	43.0 d	09/09/2010	08/11/2010									
82	Legislative process	44.0 d	09/11/2010	07/01/2011									
83	Implementation	65.0 d	10/01/2011	08/04/2011									

#	Name	Duration	Start	Finish	Notes	2010				2011			
						Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
84	▼ Youth unemployment project with MoYS	104.0 d	09/06/2010	01/11/2010	Budget available								
85	Identification of possible measures and areas of cooperation	44.0 d	09/06/2010	09/08/2010									
86	Preliminary point of view involved ministries	24.0 d	09/08/2010	09/09/2010									
87	Advice social partners	22.0 d	09/09/2010	08/10/2010									
88	Action plan	16.0 d	11/10/2010	01/11/2010									
89	▼ Improving participation rate of women on the labour market with MoWA	104.0 d	09/06/2010	01/11/2010	Budget available								
90	Identification of possible measures and areas of cooperation	44.0 d	09/06/2010	09/08/2010									
91	Preliminary point of view involved ministries	24.0 d	09/08/2010	09/09/2010									
92	Advice social partners	22.0 d	09/09/2010	08/10/2010									
93	Action plan	16.0 d	11/10/2010	01/11/2010									

Annex 2 Estimated Budget:

Category	Programme	2011	2012	2013
Overall Budget	Employment Sector	11,361,000	11,866,000	16,806,000
Institutional provisions	Establishment of National Employment Agency	1,000,000	1,500,000	1,500,000
	Re-activation Employment Fund	10,000,000	10,000,000	15,000,000
	Establish Socio-Economic Council	150,000	140,000	130,000
	Development LET council	120,000	120,000	120,000
	Cooperative sector	5,870,000	7,895,000	9,820,000
	Effective Social Dialogue	579,500	475,150	377,000
Capacity development	Capacity-building program for staff MoL	150,000	250,000	300,000
	Development of labour market information system	30,000	20,000	20,000
	LMIS	350,000	350,000	300,000
Active Labour Market Programmes	Coordination to develop a program for unemployed youth and women	11,000	11,000	11,000
	Career guidance	300,000	400,000	300,000
Decent work	Development of guidelines for decent work, and health and safety regulations	50,000	75,000	25,000

Annex 3 List of consulted institutions / persons

Mr Ziad Karablieh	Director General Economic Policies, Ministry of Economy
Mosa Aboziead	Ministry of Youth - Deputy Minister
Ziad Jweiles	Ministry of Education – Deputy Minister
Amer Noor	Ministry of Planning - Director General
Mohamed abo hmeed	Ministry of Social Affairs – Deputy Minister
Salwa Hdeeb	Ministry of Women – Deputy Minister
Ziad Abu Eain	Ministry of Prisoners’ Affairs – Deputy Minister
Ms Suha Kanaan	Director LF survey PCBS
Mr Ayman Sbeih	Secretary General PFI
Mr Jamal Jawabre	Director General PFCCIA
Mr Ali Muhanna	Director Planning & SME development, PFCCIA
Mr Majed Ma'all	General Trustee PBA
Mr Shaher Sa'ed	General Secretary PGFTU
Prof. Dr.Abdelfattah Abu-Shokor	University of Nablus, Economic Faculty

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the German Technical Cooperation (GTZ) supports the development of the Employment Strategy and the implementation of related active labour market measures especially focusing on youth employment.