



WINNING FOR A FUTURE CHANCES FOR OUR YOUTH...

Palestine establishes its State

Analyses, priorities and actions of the
National Employment Strategy

Prof. Dr. Abdelfattah Abu-Shokor
Henry Leerentveld

Why an Employment Strategy

- The “formal reason”
 - The Palestinian Reform & Development Plan II (2011-2013) is in preparation
 - The PRDP constitutes of Sector Strategies
 - The Employment Strategy is part of the Sector Strategies
- The “material reason”
 - Palestine is establishing its State
 - Unemployment and poverty are extremely high
 - The country is in urgent need of approaches leading to employment generation
 - The relation: Economic Development – Employment – Education - needs to be redefined and strongly connected



The Employment Strategy consists of:

- Assessment of the country's current socio-economic structure and performance – related to essential performance indicators
- Definition of in-country trends (employment, income & GDP pc)
- Problem analyses – both on socio-economic performance and institutional levels
- Scenario development and advice on the strategic course
- Definition of priority areas for institutional development that generates employment
- Elaboration of institutional development and related services for employment growth

The main message

- Despite the volatile economic development
- Despite the high levels of unemployment and poverty
- Despite Palestine's the current weak position in the ME economy
- Despite the structural, systematic and fierce restrictions and other economic results of the Israeli occupation
- Despite all that, the Palestinian government and the social partners determined to create perspective for and improvement of business, work and income



Employment Strategy....

- Links with economic strategy
- Interlinked with employment services and the Technical & Vocational Education and Training
- Analysis of relevant socio-economic indicators as starting point
- Analyses of current and needed institutions involved in employment

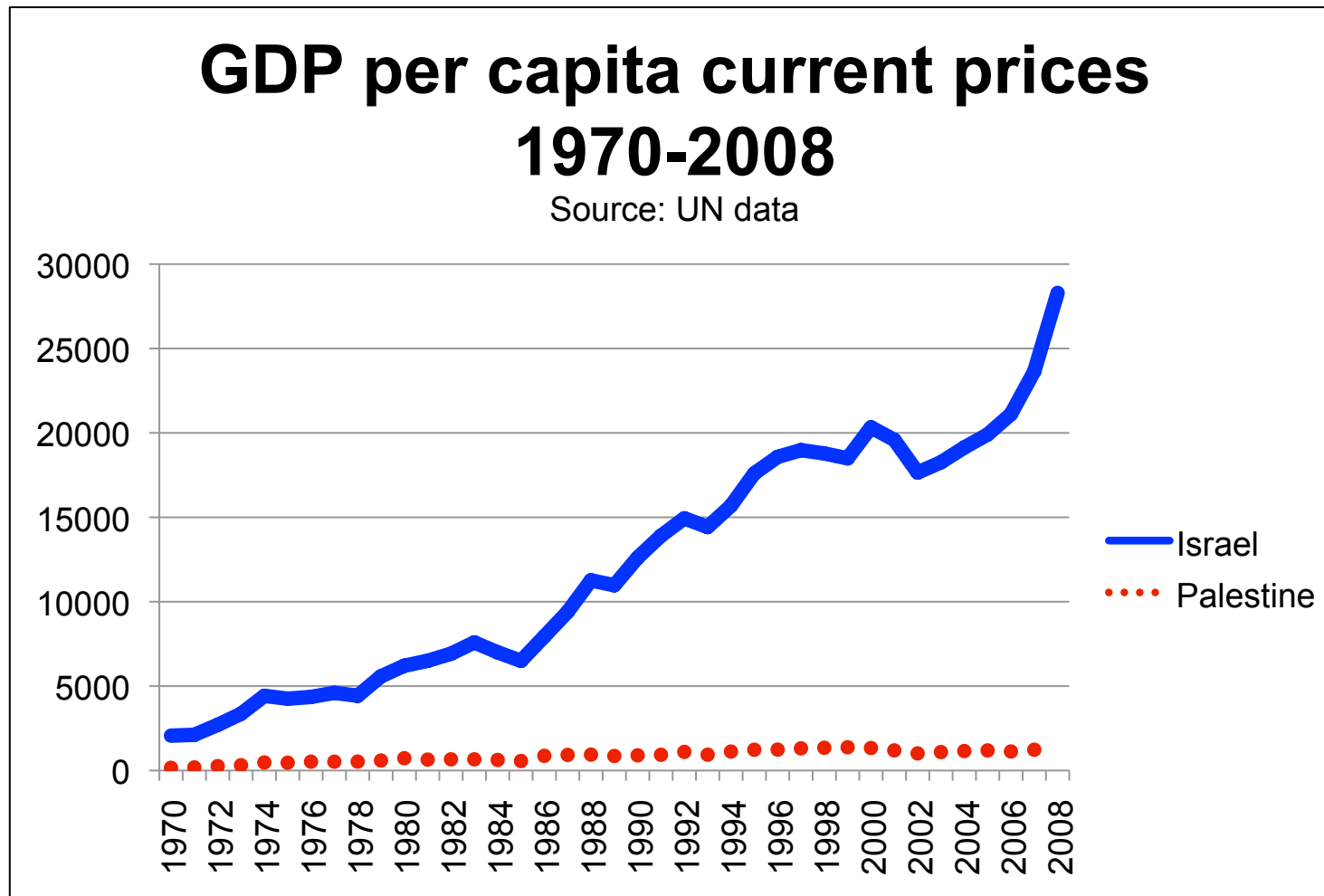


Regional comparison	Egypt	Jordan	Lebanon	Palestine	Syria
Participation rate 2008 (CIA Factbook)	47	54	56	41	64
People below poverty line 2009 (CIA Factbook)	20	14	28	59	12
GDP per capita PPP 2009 (US\$, CIA Factbook, PCBS)	4,900	4,800	10,300	1,390	4,700
Unemployment rate 2009	8	13	9	25	9
Population rate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

Fact sheet 2009	Palestine	Israel	Difference
Labour Force 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\$)	1290	26600	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	21.6	Palestine 2.7 times more



Economic development since occupation



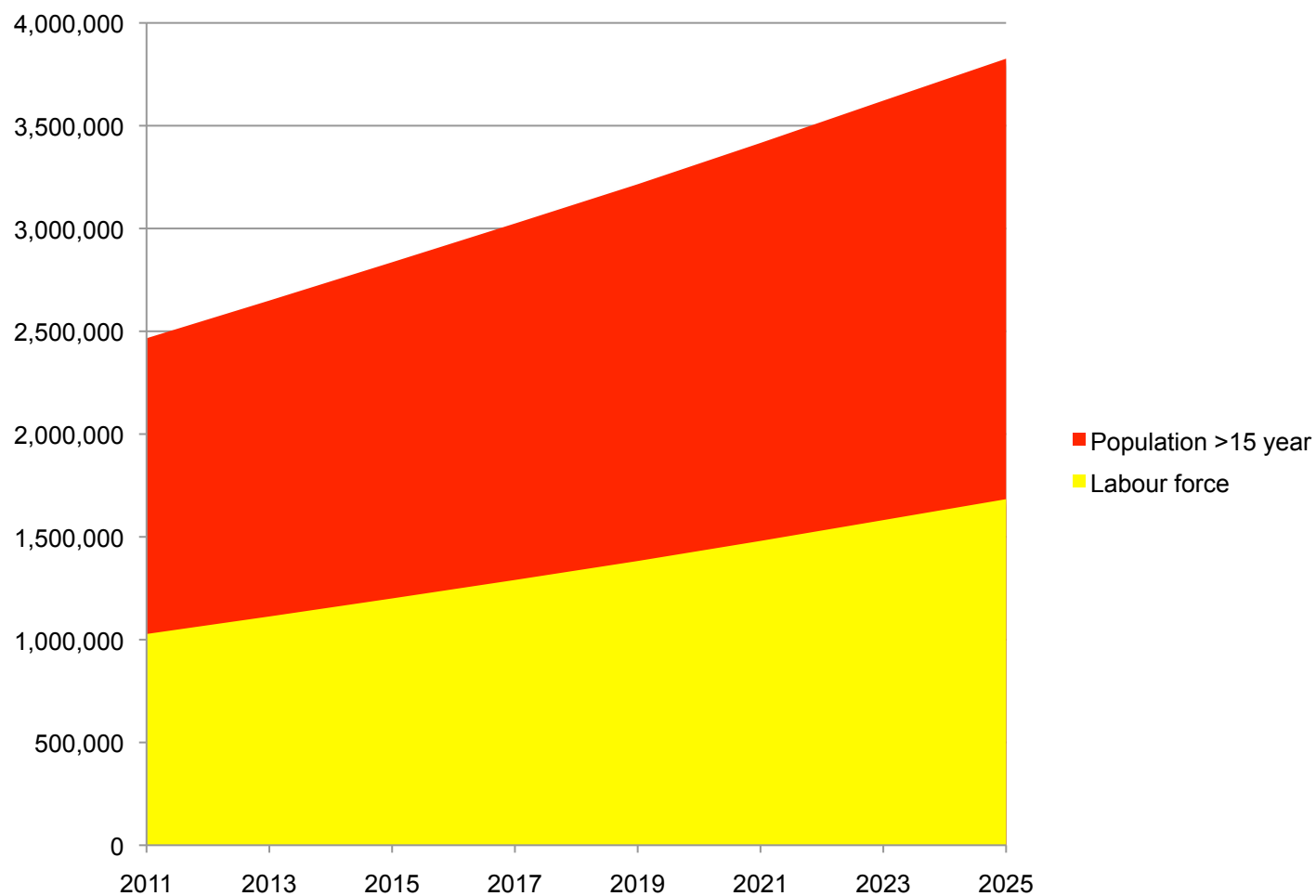


Internal key indicators

- Very high unemployment – very few people participate in economy
- Unemployment in Gaza and youth unemployment are extremely high
- The participation of women on the labour market is extremely low
- Vulnerable structure of employment:
 - There are many micro-enterprises
 - The level of informal employment is high
 - Enterprises focus their activities mainly on the internal Palestinian market
- Purchasing power and GDP per head decreased over last 10 years
- Development of economy and employment is strongly hindered by restrictions and occupation, related to:
 - Import & export possibilities
 - Freedom of trade, transportation (time) and the investment climate
 - Size of the internal Palestine market
 - (Free) movement of labour, freedom of contract and equal rights for equal work
- Population will grow – more jobs needed >>>

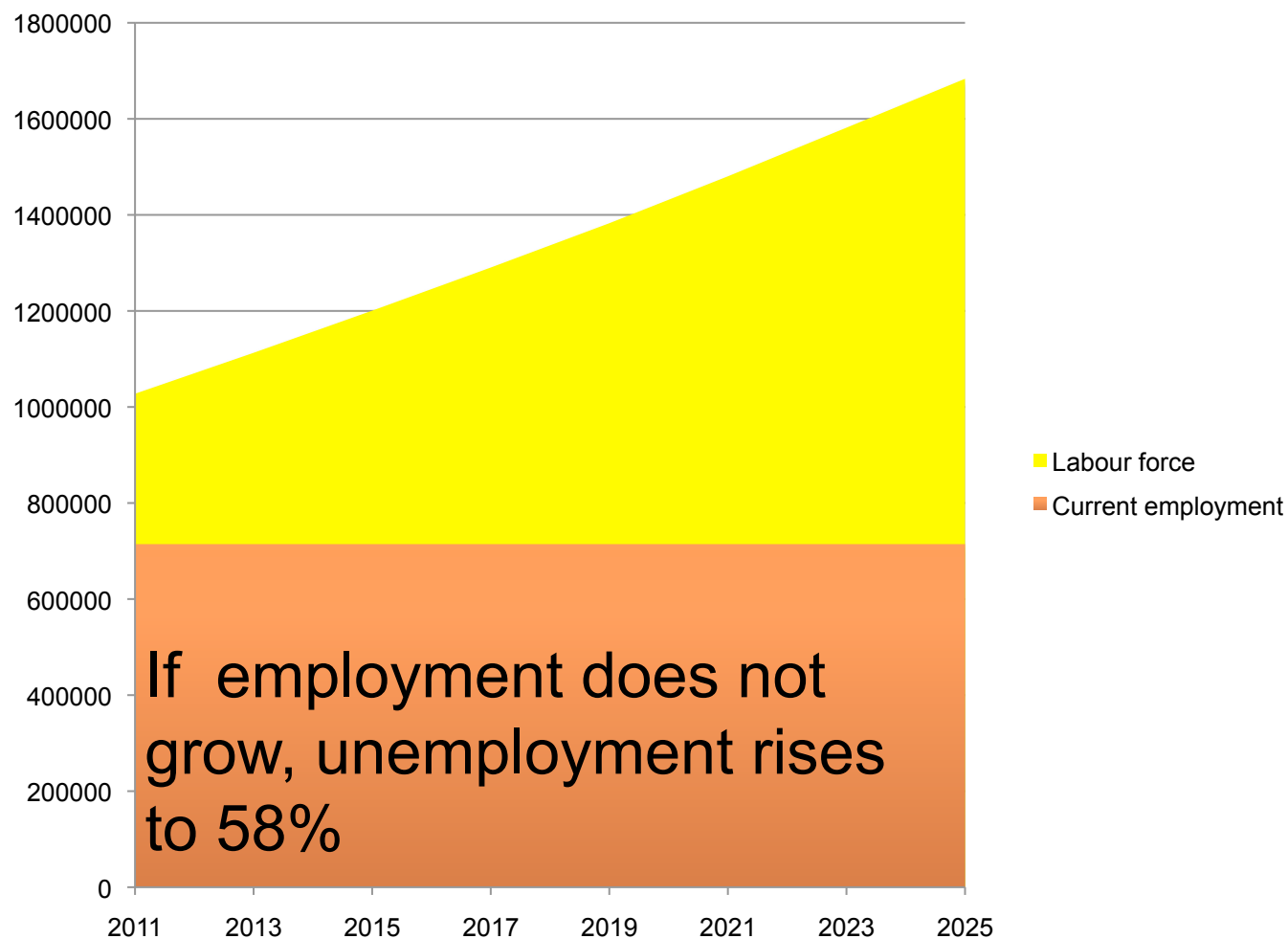


Growing population & labour force



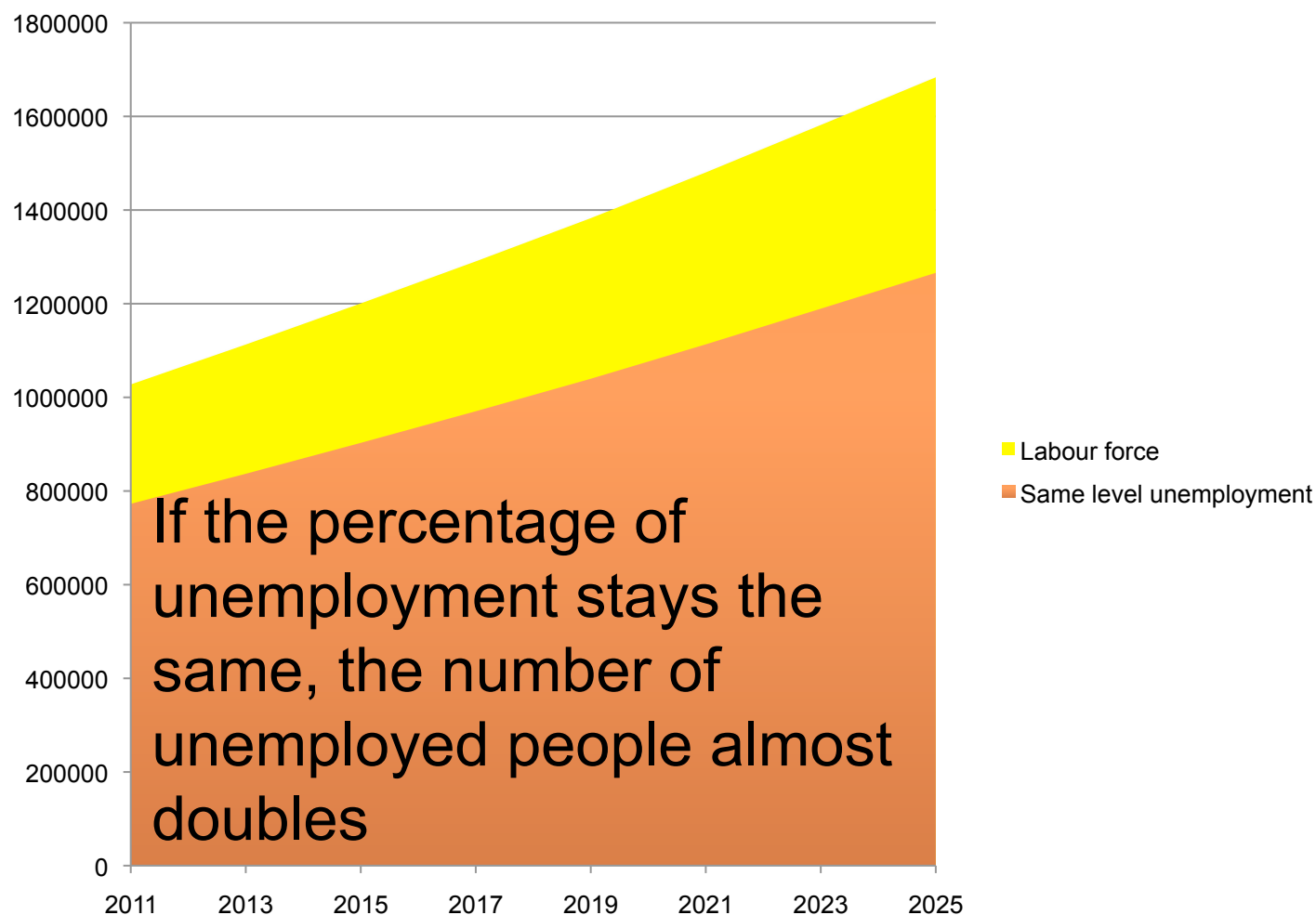


Growing unemployment?





Growing unemployment?





Concluding...

- Palestine is getting poorer and poorer.
- This is mainly related to the occupation:
Palestine is subject to “pillow suffocation”
- Palestine needs access to other markets to
 - Create growth for business life
 - Increase employment
 - Alleviate poverty



2 Scenarios

1. Continuation of present status in Palestine

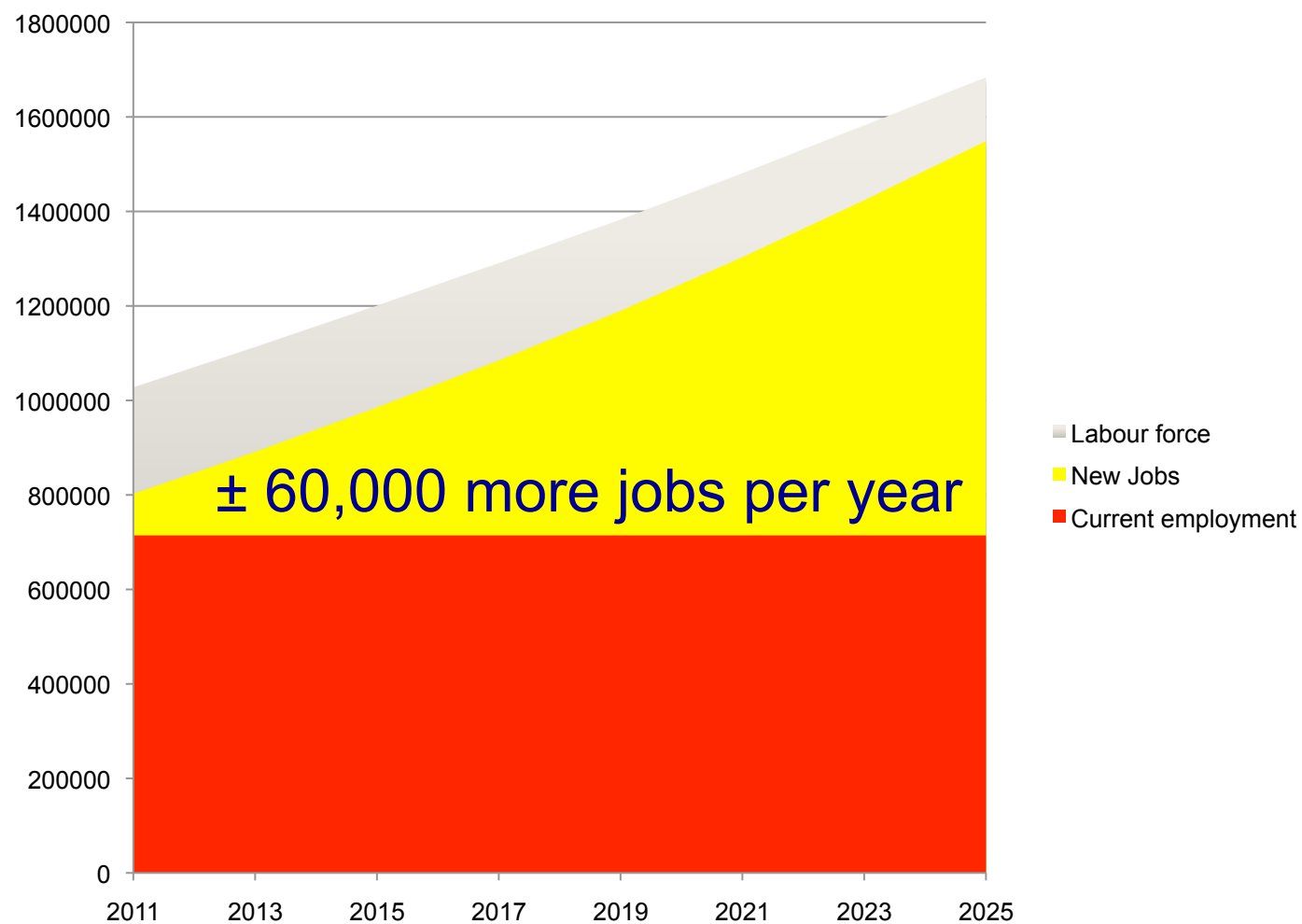
- This scenario assumes the lack of any progress in the political process and that the current situation remains as it is.

2. Palestine is an independent state

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



THE AMBITION





Essentials

- Targets of the government's economic policies:
 - Economic development and growth
 - Reduce unemployment by employment promotion and
 - Poverty alleviation
- Government focuses on the “build scenario” 2; at the same time it has to deal with the current situation, scenario 1.
- Resistance (Scenario 1) will also deal with economic aspects
- The strategy of the Palestinian government concentrates on “Independence through fulfilling people's needs” and then “independence followed by people's needs”
- Palestinian government can use all available procedures of the scenario 1:
 - WTO
 - ILO
 - Legal procedures on national levels
 - External political pressure



Priorities of Employment Strategy

- Normalising trade and business positions
- Expanding employment possibilities for Palestinian citizens
- Thus, harmoniously building business - and human resources development
- Creating the cooperation, partnerships, infrastructure, measures and facilities to make economic development possible
- All these are the joint responsibilities of the Palestinian government, different Ministries and Agencies are leading in their area of expertise

Employment Strategy targets:

- To increase **competitiveness** in terms of:
 - **Flexibility of the labour force**: geographic, circumstantial and professional
 - **Skills** development
 - **Productivity** development
- Create a **flexible labour market**:
 - **Flexible contracts**
 - **Temporary** work
 - **Part-time** work
- Organisation of **employment services** according to the needs of employers: **labour demand orientation**
- Restructuring the **education and training**, towards the **needs of employers**
- The development and application of “decent work principles”.



Measures in the Employment Strategy

- Distinguish between:
 1. Development of **results** and **services**
 - What **outputs** do we want?
 - What should an **employer** and a **job seeker** expect?
 2. Institutional development
 - What **institutions** are necessary to accomplish success?
 - What are their **responsibilities**?



Results & services: preconditions

- We need:
 - An overall shared **sense of urgency**
 - Harmonious **cooperation on government** levels
 - Between Ministries
 - Between institutions
 - Between national and local governments
 - Real **partnerships** between the **government, employers' organisations & trade unions**
 - Motivated, driven **people to implement** this strategy into **daily service delivery**



Results & services: national partnership

Enhancing the **social dialogue & partnership on national level:**

- Involve **employers' organisations and trade unions** in policies related to:
 - Active labour market measures
 - Economic and social development
 - Social security and
 - Education
- Create a **midterm agreement** prioritising on:
 1. **Enhancing competitiveness and profitability of business life**
 2. Employment promotion
 3. Income generation and
 4. Poverty alleviation
 - Create a **stability pact** – prevent industrial conflicts through mediation



Results & services: local partnerships

Enhancing the **social dialogue & partnership on local levels:**

- Involve employers' organisations, trade unions and other stakeholders in activities related to:
 - **(New) labour market instruments** to reduce unemployment especially focusing on youth unemployment
 - High **standards for technical and vocational education**, based on lifelong learning and labour market needs
 - Determination of the **feasibility of income generation opportunities** for candidate-entrepreneurs
 - **Training** tailored to the needs of **candidate-entrepreneurs**
 - Referring to financial institutes and **coaching of young entrepreneurs** in the start-up phase.



Results & services: key-system

Restructuring **Labour Market Information** for policy development

- **Labour Market Information** will provide
 - Registration of job seekers and vacancies to:
 - Monitor the labour market and
 - Create a balance between demand and supply.
 - Create swift interactions between employers and job seekers
 - Categorisation of job seekers to identify their possible specific needs
 - Training Needs Analyses and Sector Analyses to support educational planning
 - Identification of future trends on the labour market



Results & services: One Stop Shop

What can you find in a One Stop Shop (OSS)?

One Stop Shops will be the first and **main point of contact** and service for **job seekers and employers**.

The OSS will provide:

- **Information services** related to the labour market and employment
- **Registration and matching** of job seekers and vacancies
- **Job mediation & placement**
- **Career guidance and counselling**
- **Intermediary services for TVET** for both job seekers and employers
- **Supporting services** for business development agencies.

Results & services: more active measures

Specific **Active Labour Market Measures** to

- **Reduce youth unemployment** and
- Improve the **participation of women** in the labour market
- Create the **best match between jobs and talents**
- Apprenticeship programmes
- Other combinations of **learning and work**.
- Development and implementation of **career guidance**:
 - In One Stop Shops and TVET institutions
 - For **job seekers, graduates and unemployed people** who need advice regarding:
 - Career skills
 - (Re-) training or education to update skills and knowledge
 - Change of profession
 - **Solutions for employment-related questions, individually or in groups**



2. Institutional development: policies

To accomplish these results, we will need to:

- **Intensify inter-ministerial cooperation**
 - All involved ministries and institutions are identified in the Strategy
 - All areas of cooperation are described
 - Actions for implementation are planned
- **Enhance and establish Social Partnership:**
 - On national level in a **Social & Economic Council**
 - On local levels by:
 - Local Employment and Technical Vocational Education & Training Councils (**LET-Councils**) and
 - Community Based Training for Self-employment and Enterprise Creation (**CBTSEC**)



2. Institutional development: services

To accomplish these results, we will need to:

- Create the **General Commission for Regulating Cooperatives** to promote **joint entrepreneurship**
- Revitalise the **Palestinian Fund for Employment and Social Protection** to:
 - Identify and manage **financial resources**
 - Develop projects to create **job opportunities** for the most **vulnerable groups**
- Establish a **National Employment Agency**:
 - **Responsible** for the **One Stop Shops** and its concept:
 - Close to the market
 - Close to business-development-agencies & TVET
 - **Primary focus on swift services for replacement vacancies**



2. Institutional development: alliances

To accomplish these results, we will need to:

- Create **cooperation** with **private employment agencies** to:
 - Use their **knowledge about flexibility** of the labour market
 - Use their **experience in reintegration** of long-term unemployed and in **running labour market projects**
 - Use “**flexibility concept**” to **attract new companies**
 - **Boost** the development of the **National Employment Agency**.
- Create an **alliance** with the **German employment service**
- Create **coordination** between **OSS, business development agencies and TVET**:
 - **Joint offices** for OSS and business development agencies?
 - Make **human resources** part of **business development**
 - Link **employers contacts** in OSS with TVET **training development**



THE AMBITION

