PALESTINE VET-NGO LEAGUE

REGIONAL ECONOMIC STATUS ANALYSIS REPORT

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Regional Economic Status Report for the Palestine League of Vocational Education and Training Association (VET-NGO League)

November 2010

This survey, analysis and report were prepared by MTC, International Development Holding Company, LLC (MTC) and General Consulting and Training (GCT). The report has been prepared for USAID and Save the Children to document the results of the Palestine Regional Economic Survey and to inform the further development of the Palestine League of Vocational Education and Training Association (VET-NGO League). All information is factual and represents the data and input collected from multiple sources. The report does not necessarily represent the opinions or approaches of MTC or GCT.

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Foreword

This report is part of two studies carried out by Management & Training Corporation (MTC) and General Consulting and Training (GCT) for Save the Children and the USAID funded TVET Program on vocational education and training and employment in Palestine. The study focuses on the southern and central geographic regions of Palestine including Ramallah, Jericho, Hebron and Bethlehem. It aims to make a contribution to a better understanding of school to work transition in these regions of Palestine to enable a range of private vocational education and training centers to be more responsive to current and future labor market demand.

The study team engaged by MTC/GCT was tasked to define the methodological and organizational framework of the study, undertake the research and analysis and prepare the report. The study has benefited considerably from input of Save the Children and the League of the Private Vocational Education and Training Association, Palestine (TVET League).

MTC/GCT wishes to expresses our sincere thanks to Save the Children and members of the TVET League for supporting our team in carrying out the research over a short period of time, especially Mr. Kairy Obeid, the TVET Project Program Manager, and Mr. Othman Abu Hijleh, the TVET Program Director/ Save the Children. We also thank the Chairman of the TVET League, Mr. Jamal Abdin for his input and support.

The report leads to the conclusion that the current education and training provided by the TVET League can be strengthened in anticipation of more robust growth in the Palestinian labor market. The national economy has shown consistent improvement since 2007 in Palestine's gross domestic product. The study focus is to help private and public providers of vocational education and training, and also national authorities and international donors, to better orient their actions and investments for skill development in strengthening priority economic and industrial sectors. Palestine is well poised to move its technical and vocational training programs to a more demand-driven system.

Management & Training Corporation (www.mtctrains.com)

1. Executive Summary

This report, involving a review of the Regional Economic Status of the West Bank of Palestine has been prepared for USAID, Save the Children and the Palestine League of Vocational Education and Training Association (hereafter the VET-NGO League) by MTC, International Development Holding Company, LLC (MTC) and General Consulting and Training (GCT). The report captures the findings of the study team working on identifying market gaps, economic and industry clusters and private and public sector employment throughout Palestine. It provides an analysis of the regional economic status of four governorates of the West Bank and how this relates to, and/or informs the further development of a range of vocational schools, Technical and Vocational Education and Training schools and colleges (TVET Centers) and programs they offer. All of the institutions that are meant to benefit from this study are members of the Palestine VET-NGO League.

MTC/GCT was contracted by Save the Children to conduct the regional economic study for two regions of Palestine. The report aims to provide a guide to the relevant entities engaged with vocational education and training on more responsive approaches to vocational education and training to equip graduates to be work ready when entering employment. This aim includes measures to improve the employability of young Palestinians and to enhance the social mobility of the Palestinian workforce in general.

Fundamental to the report are measures for improving and strengthening workforce development as the Palestinian economy is brought closer to global markets. While investigating two regions only, the preparation of the report has involved an examination of the larger economic context of Palestine. Therefore, throughout the report, the focus is on the West Bank in its entirety, not just the two regions under examination.

The Regional Economic Status Report is based on the collection of economic data in the geographic regions served by the targeted VET-NGO schools and colleges within the larger USAID funded TVET Program. The report forms part of the additional Gap Analysis which has been prepared as a separate study. The study covers the southern region of the West Bank consisting of Hebron and Bethlehem and the central region covered by Ramallah and Jericho. This report identifies promising regional schemes and potential economic and industry sectors that can generate steady, well-paid jobs for youth in the economic and geographic clusters served by the member TVET institutions.

Multiple economic and labor reports have already been prepared for Palestine, resulting in a vast array of data. But as the economy is fluid, some of the reports, data and findings are time-bound. The study team drew upon the relevant previous work, in addition to retrieving and building up new information. The team focused on two broad, but integrated methodologies. One approach included the identification and retrieval of secondary data such as the review of key economic reports. This included the review of articles and papers related to the workforce and workforce development within the targeted regions and sectors. The second approach included primary data collection. This involved the study team (i) conducting systematic surveys and the analysis of data collected, (ii) interviewing 492 small, medium and large employers in the targeted geographic areas and (iii) a range of follow up inquiries when information gaps emerged. Discussion of the methodology and research process is included in this report.

The study ensures that current and future trends of employment and economic growth are identified and discussed. These trends point to a situation where current and future education and training programs, in support of vocational skills development, can be better defined. This in turn provides a road map for the benefiting TVET institutions to be able to respond directly to economic trends noted in the analytical piece. These findings are important as the gap between actual provisions for formal vocational education and training and desirable provisions is very wide indeed.

The outcomes of the report include the identification of market driven vocations, skill gaps and shortages, trends in employment growth and demands on new skill areas and occupational standards, and identification of growing and/or emerging economic and industry clusters that will fuel future job growth. This in turn reflects trends in job outcomes that the VET-NGO centers can lock into their forward planning and in particular, whole school planning for better positioning of the TVET Centers to be more responsive to the labor market. To this end, the report serves as the basis for guiding the strategic direction for Center Directors and Boards as they plan for a future of widening employment opportunities that their institutions are most logically placed to meet[1].

Many people met by the study team advised that despite Israeli measures in relation to restrictions on labor mobility and internal trade, and a general lack of resources, some economic sectors have potential for growth. These discussions indicated that the focus of technical and vocational training in Palestine should be in the areas of key industrial growth including:

[1] The analysis has drawn on S. MacDonald, C. Nink & S. Duggan, *Principles and Strategies of a Successful TVET Program*, MTC Institute, October 2010; C. Nink & J. Elkins, *Job Corps: a successful workforce program for international consideration*, MTC Institute, October 2010; M. Khalifa & A. Aziz, *Policies to improve capacity of technical education and vocational training to meet SME needs*, Palestine Economic Policy Research Institute (MAS), Ramallah, 2010; DAI, *Cluster Competitiveness Assessment. Eight industrial and service clusters in the West Bank and Gaza,* Washington DC, 2007; A. Banerji, *Stepping Up Skills: for more jobs and higher productivity*, The International Bank for Reconstruction and Development/The World Bank, Washington DC, 2010; A. Adams, *The Role of Youth Skills Development in the Transition to Work: A Global Review,* The International Bank for Reconstruction and Development/The World Bank, Washington DC, 2007; R. Johanson & A. Adams, *Skills Development in Sub-Saharan Africa,* The International Bank for Reconstruction and Development/The World Bank, 2004.

- the wide range of occupations covered by the **construction sector;**
- **wholesale and retail trade** particularly business operations covered by micro and small enterprises;
- the growing **automotive and heavy vehicle industry** including automotive mechanical, servicing, repair and technology;
- **hospitality and tourism** with a specific emphasis on occupations central to the hotel industry, and
- the many occupations central to servicing **and maintenance, customer service, telecommunications, information technology and computers, and maintenance of office and business equipment** (which is tied in with information technology).

The Palestinian National Authority has been working over several years with stakeholders from relevant Ministries, donors, schools, NGOs and employers to develop a revised ***TVET Strategy. Winning for a future. Chances for our youth*** (November 2010) in conjunction with a new national economic strategy and plan. The details of the strategy advise of the need for less duplication and greater coordination of those entities who fund, and those who provide TVET programs. Key interventions include (i) sufficient funding to purchase and maintain up-to-date equipment, machinery and tools, (ii) innovative training methods within a revised and responsive curriculum and modes of instruction and (iii) a better defined correlation between the labor market demand and the specific training offered by TVET institutions, including unified skill sets and occupational standards linked to agreed industry certification. Many new agencies and instruments to include in a TVET system framework are recommended. These current shortfalls preventing the installation of a modern TVET subsector are not specific to Palestine but they are the fundamental areas requiring improvement for ensuring that TVET Centers and courses provide work ready graduates for Palestine’s promising and strengthening industries.

As a result of the research process which is always ongoing, the study team arrived at several early conclusions. With industry and donor support, the Palestinian authorities need to put in place a uniform, even, and regulated system for the certification of courses of study and teacher training within an agreed TVET curriculum framework. This recommendation is central to the government’s TVET strategy. This includes a uniform structure for courses of study, clear student learning outcomes by course and competency level, and means for diversifying the delivery of instructional programs including blended, online and simulated provisions. Central to upgrading and unifying courses of study, and the qualifications and job outcomes they lead to, is the professional upgrading of teachers, instructors and assessors across the country.

Despite the barriers facing economic development in the West Bank and Gaza there is anticipated growth in several key economic sectors and industries. These were identified in separate studies in 2006 and 2007. Our study confirms growth in these sectors. In preparing school and college graduates to enter formal employment, there is a need for significant changes and revisions to vocational education and training in preparation for specific industry clusters and in particular those industries that continue to expand and require new and well trained employees.

The absorption of unemployed college graduates and untrained adults is not a good situation if businesses in growing industry clusters hope to sustain growth and increase productivity during a period of stability and economic certainty[2]. This also applies to other areas of small-scale formal employment. Just employing untrained people by word of mouth is not always productive. A better solution is to adjust curriculum programs to be holistic in nature and address a range of related skill areas including: soft skills, basic academic skills in literacy and numeracy, workplace readiness skills, problem solving and skills in the acquisition of new technologies. This is necessary, but the private TVET providers face many challenges including high overhead costs for instructional programs in a context of often poor students unable to meet the full cost of tuition. Some of this is being off-set by work attachments.

As modern TVET programs involve training at the work place, the study found that over 30% of employers met by the study team were interested in the immediate hiring of TVET graduates and providing apprenticeships and other workforce development opportunities. This is the key area for further research and development with the private TVET Centers, for better defining school to work transition modalities.

Still, the study finds that the link between growing industry clusters, employer demand for new employees and current provisions for vocational education and training and vocational skills development remains weak. The key observations concern:

- formal TVET in Palestine does not prepare graduates to enter wholesale and retail trade yet this is a major area of employment requiring continuous improvement of the incumbent workforce to increase competiveness and productivity;

- the private TVET providers are not well placed to provide skilled labor for the strong industry clusters of construction and property development, tourism and hospitality and food processing within the agri-business cluster. There is need for a significant quality improvement of TVET courses of study, instructors and learning environments to bridge this gap between labor demand and the capacity of TVET providers to meet that demand;

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2 At any given time about 25% of university and TVET graduates are unemployed.

- some private TVET providers show promise for meeting niche markets in employment growth particularly in the banking and financial services sector. Others tend to cluster vocational skills development into similar areas and job outcomes. This does not lead to strong school to work transition results in those trades where training is not being provided;

- an enabling environment is required to make TVET providers more responsive to education and training needs of Palestine's better performing industry clusters but that responsiveness will require the provision of ongoing support to Center Directors in education and curriculum leadership; and

- taking this into account, the provision of small-scale, capacity development and technical assistance to private TVET providers is urgently required and a key task involves the rationalization and streamlining of existing TVET provider operations through the development of three year interim plans focusing on whole school plans for education development.

The underpinning conclusion from this study, taken with the larger Gap Analysis, is that some members of the VET-NGO League are currently poorly placed to provide the necessary <u>range</u> of relevant and practical vocational education and training central to meet the demands of a modern economy and in particular, a number of the economic and industry clusters central to the economic development of Palestine.

To become more responsive, some TVET Centers will need to rationalize their operations on a campus-by-campus basis. This involves the reduction of the number of TVET courses of study offered and a dramatic increase in student enrollment to justify a reasonable student load for each major field of education and training (i.e., disciplines). This will enable League members to assume a more responsive role to employment demand across their regions. Inevitably, this will involve unpopular choices as each center develops a whole school plan seeking to secure a link between instructional programs and market demand for skilled and reliable labor. Difficulties associated with planning for a more demand-led market can be reduced through League members entering robust industry engagement agreements in the priority economic and industry clusters and working collaboratively, not competitively.

2. Introduction

An overview of economic conditions in Palestine, and specifically the regions targeted in this report needs to reflect that the Palestinian economy is unlike other economies. In the last 10 years the condition of the economy has swung widely. From 2000-2002 GDP per capita declined by 36%. Since 2008, economic trends reveal a steady improvement of on average GDP growth of 6% to 7%. Yet key economic indicators tell of a mixed outlook. Unemployment remains high at 24%, with large numbers of the formerly employed falling into unemployment[3]. The international donor community continues to support Palestine resulting in an inflated GDP owing to donor investments and spending. Key economic indicators do not provide favorable results for measuring the overall performance of the economy. These constraints are being reduced, but a wide range of people including investors, employers and educators do not yet feel sufficiently optimistic to plan for a future based on economic certainty and clear patterns of an expanding labor market.

In August 2009, the Prime Minister of Palestine, Salam Fayyad submitted the Palestinian National Plan: ***Palestine: Ending the Occupation. Establishing a State***. The Prime Minister called for a process of state building by strengthening the capacity of institutions to prepare Palestine to declare statehood by the summer of 2011. The goal is clear: a Palestinian state that can deliver services and economic prosperity to its population[4]. Paramount to the goals outlined in the Plan is the creation of a sustainable, vibrant Palestinian economy; one that is not dependent on the support of the international community.

An internationally recognized economist, the Prime Minister had two important observations concerning the Palestinian economy. First, the key to a sustainable economy is attracting and promoting domestic and international investment in the private sector. Secondly, Palestine, as any small economy, needs to greatly increase exports to expand local markets. In support of these observations, he has put in place numerous programs aiming to stimulate private, domestic and international investment in the Palestinian economy including the regulation of markets, the creation of industrial zones and the adoption of a national strategy on exports[5]. Underpinning strategies for economic expansion include upskilling the existing workforce including the capacity of employers. It is this connection between education training for work readiness and employment, including school to work transition, that this report is based.

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[3] Unemployment across Palestine is based on 21.1% of males and 26.8% of females being out of work. In the West Bank unemployment among males is around 16% and 19% for females.

[4] World Bank, *Towards a Palestinian State: Reforms for Fiscal Strengthening*, Economic Monitoring Report to the Ad Hoc Liaison Committee, April 13, 2010, The World Bank Group, Washington DC, 2010, p.29.

[5] Taken from http://notesfromamedinah.wordpress.com/2010/09/27/palestines-economic-catch-22/.

Many studies on the economy of Palestine that have appeared over 2010, point to a significant economic recovery throughout the West Bank and indeed Gaza. Real GDP growth has remained consistent since 2007 with an average of around 7% annual growth for the West Bank and projections for 9% growth over 2010. The clear reason behind sustained GDP growth is found with robust activity in property development leading the way through housing, apartment and office development, particularly in Ramallah. Growth in construction reached more than 20% over the first quarter of 2010.

Activity in the construction sector has been paralled by a strengthening banking sector and financial services[6]. Also of interest is growth in automotive with the importation of vehicles increasing by 145% from 2009 to 2010. This has implications for the automotive industry, because if this trend continues there will be increased demand for automotive repair and servicing. Tourism is experiencing improved activity with visitors to Bethlehem and Jericho doubling from 2009 to 2010. The key area of employment and economic growth that tends to be understated in reports on the economy of Palestine is in the field of ***Services*** which accounts for around 35% of the total Palestinian workforce[7]. This covers a wide range of service technicians including repair.

Service activity in retail and wholesale, restaurants and cafes and retail outlets including minimarkets, supermarkets, clothing and footwear, is increasing[8]. As the urban areas of Ramallah and Al-Bireh continue to expand rapidly, and as property developers purchase vacant land for future urban development, increased activity in the retail and services areas can be expected. Many retail outlets can be classified as micro or small enterprises which tends to be missed in the macro-analysis of the Palestinian economy, yet as a sector with major employers it deserves more attention in relation to vocational education and training and new employment. This is a key area where the training and continuous development of an incumbent workforce can be considered.

Encouraging results in these sectors are none-the-less being dragged down by continuing high-levels of unemployment and a somewhat false GDP that is inflated by contributions by donors to the economy of Palestine. Observations by the World Bank over the 2007 to 2010 period remain

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[6] World Bank, *Towards a Palestinian State: Reforms for Fiscal Strengthening*, Economic Monitoring Report to the Ad Hoc Liaison Committee, April 13, 2010, The World Bank Group, Washington DC, 2010, p.12; The Palestine Economic Policy Research Institute (MAS) *Overview of the Palestinian Economy*, Ramallah, 2010; *Investing in Palestinian Economic Reform and Development*. Report for the Pledging Conference Paris, December 17th, 2007, The World Bank, Washington DC, 2007.

[7] Typical job titles for services and service technicians in Palestine include: automotive mechanics, radio and television repair, computer maintenance, maintenance of office equipment, maintenance of air conditioning and refrigeration, and heating, ventilation and air conditioning technician.

[8] The Palestinian Central Bureau of Statistics had 59,171 businesses registered under wholesale, retail and repair in 2009.

consistent here in that confidence in the economy of Palestine cannot underestimate the impact of spending by bilateral and multilateral agencies[9].

3. Methodology

The Regional Economic Status Report has been prepared in conjunction with an additional Gap Analysis which will provide advice on the compatibility of training results and outputs from a select group of TVET Centers in Palestine to meet unmet demand for skilled labor. The Gap Analysis is based on the use of a range of gap analysis tools and surveys including interviews. It employs a four part survey model consisting of the following elements:

- an overall assessment of the operational framework of the school including numbers of teachers, number of computers, number of trades taught;
- an overall assessment of the facilities including conditions of the building, upgrade needs, access for students, safety issues;
- a market analysis to determine if the trades being taught are relevant to the employer needs and growth within the region, economic and industry clusters; and
- focus groups or stakeholder forums to determine the private and community demands and the perceptions and needs of students, teachers, community members and employers.

Much data retrieved from this exercise has been fed into the parallel Gap Analysis. The Regional Economic Status Report, primarily a desk review, is largely based on a quantitative study drawing on research, reports and studies from 2005 onwards. The qualitative analysis in the report is based on in-depth interviews with over 550 Palestinian business people and key officials. The qualitative analysis aims to illustrate Palestinian perceptions and perspectives on promising areas for economic growth and employment in Palestine. The quantitative work seeks to place these perceptions into a grounded context.

The qualitative analysis as noted is based on interviews and discussions with a wide range of stakeholders. Interviews drew upon structured, semi-structured, and informal discussions with

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[9] World Bank, *Towards a Palestinian State: Reforms for Fiscal Strengthening*, Economic Monitoring Report to the Ad Hoc Liaison Committee, April 13, 2010, The World Bank Group, Washington DC, 2010, pp.13-14 ; Report of the Government of Israel to the Ad Hoc Liaison Committee, New York, September 2010, pp.3-6; *Investing in Palestinian Economic Reform and Development*. Report for the Pledging Conference Paris, December 17th, 2007, The World Bank, Washington DC, 2007. On page 4 of this report it is claimed that even 'under the most optimistic scenarios significant [international] aid will continue to be required for the medium-term. Clearly, the ability of the private sector to resume its place as a driver for growth will have a major bearing on the sustained health of the Palestinian economy and thus its aid requirements, which will therefore be even larger in the absence of improvements in movements and access restrictions'.

NGOs participating in workforce development and TVET related projects, key officials from the Palestinian National Authority, government officers from various Ministries involved with education, training and workforce development, teachers and students. Members of the various Chambers of Commerce and employment, labor and economic specialists were consulted as were a large number of employers (492 employers in all were surveyed).

The desk review involved the analysis of key reports prepared by the World Bank, various UN agencies, the Palestinian Central Bureau of Statistics and a wide range of reports on the economy of Palestine, labor market potential and trends in the economic development. The desk study provided a valuable backdrop to the larger macro-economic assessment of today's Palestine. The value of the desk study was mixed, as many conclusions based on optimistic outlooks for economic growth and improved employment were constrained by the qualifier concerning the centrality of assured peace and stability. These reports advised of encouraging growth in manufacturing, financial services, tourism and construction but also cautioned that if instability returned and borders were closed, gains would soon be lost[10]. This environment of uncertainty complicates the equation concerning long-term provisions for education and training and meeting labor demand.

The key literature drawn on for the study is found in Appendix 1 (Literature reviewed). A summary of people consulted is found in Appendix 2 (List of key people interviewed) while a summary of employers consulted is provided in Appendix 3. A Sample Survey is located in Appendix 4. The methodology is discussed in more detail in Appendix 5. Current donor programs supporting private sector development is included as Appendix 6. The Ministry of Labor short-term courses offered at this time is in Appendix 7.

The methodology has also sought to provide an explanatory link between some key studies focusing on the inherent strengths of the Palestinian economy, and by implication, opportunities to strengthen and expand the labor market through improved provisions for vocational education and training. Relevant studies include *The Untapped Potential. Palestinian-Israeli Economic Relations: Policy Options and Recommendations* (2006) by the Palestine Trade Center and *Cluster Competitiveness Assessment. Eight industrial and Service Clusters in the West Bank and Gaza* (2007) by DAI Washington, which has a direct bearing on the portfolio of development

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10 State of Israel, *Measures Taken by Israel in Support of Developing the Palestinian Economy and Socio-economic Structure*. Report to the Government of Israel Ad Hoc Liaison Committee (AHLC), New York, September 2010; DAI Washington, *Cluster Competitive Assessment. Eight industrial and service clusters in the West Bank and Gaza*, Washington DC, 2007; International Monetary Fund, *Macroeconomic and Fiscal Framework for the West Bank and Gaza: Fourth Review of Progress*, New York, 2009; United Nations Conference on Trade and Development, *Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the occupied Palestinian territory. Note by the UNCTAD secretariat*, July 2010; and World Bank, *Towards a Palestinian State: Reforms for Fiscal Strengthening*, Economic Monitoring Report to the Ad Hoc Liaison Committee, April 13, 2010, The World Bank Group, Washington DC, 2010.

assistance provided by USAID in the area of education, training and workforce development[11]. These studies provide a solid context on how best to configure assistance to the economy of Palestine and where possible, this study has sought to provide additional insights to how the economy has improved (or worsened) since the release of these important studies.

4. Situational Analysis

The General Context

For the purpose of this study, MTC/GCT was requested by Save the Children to review the economic status of two geographic regions of Palestine where at least 60% of the VET-NGO League Member Centers are located. The parameters of the study included the central and southern regions of Palestine incorporating the major cities of Jericho, Hebron, Ramallah, Bethlehem and surrounding areas.

Table 1: Populations of the governorates within the West Bank covered by the TVET Project[12]

Populations of the governorates	
Jericho	40,403
Hebron	538,260
Ramallah	262,941
Bethlehem	188,000
Total:	**1,029,604**
Total of West Bank:	**2,513,283**
Total of Palestine:	**4,048,403**

Located in the Levantine Middle East and covering a land area of 6,020 square kilometers, Palestine comprises the West Bank (5,655 sq.km) and the Gaza Strip (365 sq.km). Approximately 5.1 million citizens reside in these Palestinian territories combined. Palestine has experienced a mixed economic history since 2000 owing to political instability and conflict. Various assessments advise that the economy of Palestine in the late 1990s was much healthier than now, and that owing to ongoing political uncertainty, the economy has yet to fully recover from earlier periods of prosperity (see **Box 1**).

11 USAID program activity in support of a strengthened economy of Palestine includes the (i) Trade and Facilitation Project, (ii) Enterprise Development and Investment Program, (iii) Expanded and Sustained Access to Financial Services Project and (iv) Modernizing Financial Institutions Project.

12 Palestinian Central Bureau of Statistics, *General Census of Population, Housing and Establishments*, Ramallah, 2007, and Palestinian Central Bureau of Statistics, *General Census of Population, Housing and Establishments*, Ramallah, 2009.

Box 1: UNCTAD Executive Summary on the occupied Palestinian territory

The economy of the occupied Palestinian territory continued to perform well below potential in 2009. There were signs in GDP growth and other indicators, but these need to be interpreted cautiously in view of a wider context. Territorial fragmentation, inequalities and welfare divergence continued to grow, aid dependence deepened, and access to natural and economic resources shrank. Private investment continued to be hampered by mobility restrictions and the risk of introducing new restrictions at any moment ... At the heart of the Palestinian economic development bottleneck is a weakened tradable goods sector suffocated by the use of inappropriate currency, closure, and atrophy of the productive base. Palestinian development stands to benefit by resuscitating the tradable goods sector and building the Palestinian trade and productive capacity …

United Nations Conference on Trade Development, *Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the occupied Palestinian territory. Note by the UNCTAD secretariat*, 13 July 2010.

Compared to levels prior to the outbreak of the Al Aqsa Intifada in 2000 the Palestinian economy has been depressed particularly over the 2004-2008 period. Based on World Bank estimates, in 2005, the Palestinian GDP stood at 23% below its 1999 level. Taking population growth into account, real GDP per capita is about 35% below the pre-Intifada level. There have been some positive trends in the economy owing to more certainty in day-to-day life involving a notable reduction in conflict and violence. But efforts to restore real GDP growth to earlier levels have been sluggish. Poverty remains widespread. Measured against the monthly poverty line benchmark of NIS1,934 (US$370) per household of 4 persons, 57.9% of the households in the West Bank and 84.1% of households in the Gaza Strip lived in poverty during the first quarter of 2006[13].

The Current Macro-economic Outlook

A number of studies and press releases over 2009 indicated that the economy of Palestine, and in particular, the West Bank, was about to surge forward. Citing both Reuters and the Associated Press sources from September 2009, the American Task Force for Palestine advised that economic growth was projected to be as high as 7% which could be traced to ongoing stabilization efforts in the West Bank, more robust US-led peace efforts and a general easing of the financial burden on the international community owing to the global financial crisis. But the last point raises a consistent qualifier.

The Palestinian economy has been heavily reliant on international donor assistance with roughly $1.8 billion spent in 2008 alone to cover the Palestinian government's deficit[14]. According to the

[13] This is based on a GDP of US$5,147 and GDP. The average per capita of US$1,389.00. The average daily net wage for employees is US$21.00.

[14] See International Monetary Fund, *West Bank and Gaza: Fiscal Performance in 2006*, Middle East and Central Asia Department, New York, March 2007; International Monetary Fund, *Macroeconomic and Fiscal Framework for the West Bank and Gaza: Fourth Review of Progress*, New York, 2009. IMF staff reports on the West Bank and Gaza are published on the IMF website (www.imf.org/wbg).

IMF, economic conditions in the West Bank improved owing to more buoyant investor confidence, much of this due to contractors carrying out major works financed by donors. Echoing World Bank reports, the IMF advised that subject to Israel removing restrictions on trade and movement within the West Bank, real GDP growth could reach 7% in 2010, heralding the first significant increase in the Palestinian standard of living since 2005[15].

Still, the economic situation remains unclear. During 2009, World Bank officials and Palestinian economists advised of growing concern that donor countries were falling short of pledges in bilateral assistance owing to the global financial crisis. Associated Press reported at the time that Palestinian Planning Minister, Samir Abdullah said that even if donors were to scale back, there was a cushion because they had pledged more than the $5.6 billion the Palestinians originally requested. But any weakening or lessening of donor spending impacts negatively on GDP. For instance, in 2008, donor countries paid $1.6 billion of support to the Palestinian budget and $150 million for development projects, in line with Palestinian needs. This represents heavy dependency.

By the end of 2009, considering the Government of Israel's plans to further ease restrictions on the West Bank, including the revival of major economic projects for developing West Bank industrial parks (sponsored by France, Turkey and Japan), prospects for ongoing economic growth were seen to be strong. Indeed, a study prepared for Save the Children in 2008 advised that employers were experiencing labor shortages in key economic sectors, a clear indication of expanding economic activity and unmet labor demand. The key sectors at that time included: automotive; air conditioning, central heating and refrigeration; welding and sheet metal work; plumbing; electrical; service technicians; general construction; and carpentry[16].

These 2009 predictions came true in 2010. Palestinian economic growth accelerated to 6.8% in 2009 from 5% in 2008, which the World Bank described as impressive, though *precarious* because it relied on $1.6 billion in support from foreign donations. Bloomberg Business Week (4 August 2010), quoting the Palestinian President's top economic advisor forecast more optimistic growth scenarios advising of a possible growth rate of up to 20%.

Citing progress with the development of a new West Bank financial center and what may be the biggest initial public offering yet, when mobile phone operator Wataniya Palestine Telecom sells shares before the end of 2010, the economic prospects for the West Bank continue to look

15 World Bank report from November 2008 quoted in Haaretz.com, 27 August 2010.

16 Armotec, *Market Driven Skills Gap Analysis. Final Report*, Ramallah, April 2008.

promising. The chief executive officer of the Palestine Investment Fund advised that 15% to 20% growth could be easily achieved as a result of Palestinian/Israel agreements[17].

Still, the most recent UNCTAD report on Palestine advises that while there were signs of improvement in the occupied Palestinian territory´s GDP in 2009, driven largely by donors' support and some easing of closure policy in the West Bank, these need to be interpreted cautiously in view of the wider context. The Palestinian economy continued to perform "well below potential", according to UNCTAD´s 2010 report on assistance to the Palestinian people. UNCTAD advised that the economy remained held back by a weakened tradable goods sector, a lack of exchange rate policy tools, the Israeli closure policy and continued erosion of the productive base. Recent economic growth should be viewed with caution, as there are concerns over its sustainability, expanding trade deficit, deepening aid dependence, and worsening welfare divergence and fragmentation of the West Bank, Gaza and East Jerusalem[18] (see **Tables 2, 3** and **4**).

Transportation and movement of workers within the West Bank is seen as a barrier to greater growth in the occupational sectors. Many workers are forced to travel from one governorate to another for work, and to obtain a living wage. For example, a person living in Bethlehem may want to take a government job in Ramallah or seek increased social mobility with work in a firm or industry. With little traffic, the trip would be around 40 minutes from Bethlehem to Ramallah. In rush hour traffic, it can take three hours. Entry into Israeli settlements through commercial entrances increases transport costs and results in a sharp rise in the cost of finished products imported from the Palestinian territories.

The new industrial zones being developed in the West Bank offer mobility within the area and opportunities for higher wages, however, transportation and movement within the region is not easy. Border restrictions are also an issue when working outside of a person’s locale. Some workers choose to stay in their area with lower paying jobs to save the cost and difficulty associated with transportation.

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17 These positive outlooks can be contrasted to a 2008 study on Bethlehem, *Research on the Economy of Bethlehem Area (Bethlehem, Beit Jala, and Beit Sahour)* Bethlehem Area Conservation and Management Plan, May 2008 which paints a bleak picture of economic activity and poor economic growth in this governorate. Also see *Overview of current economic conditions in Palestine*, Democracy and Workers’ Rights Center, Ramallah, West Bank, posted to the Global Policy Network (www.gpn.org) on 13 September 2006 for less favorable or promising economic outlook for Palestine in late 2005.

18 United Nations Conference on Trade and Development, *Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the occupied Palestinian territory. Note by the UNCTAD secretariat*, July 2010; United Nations Development Program, *Human Development Report, 2009/10, occupied Palestinian territory. Investing in human security for a future state*, January 2010.

Table 2: Selected indicators by region 2009-2010[19]

Indicator	Palestinian territory	West Bank	Gaza Strip
Unemployment Rate 15 Years and Over, 2009	24.5	17.8	38.6
Gross Domestic Product (US$ million), 2008	4,820.9	3,705.4	1,115.5
Gross Domestic Product Per Capita (US$), 2008	1,340.4	1,718.4	774.5
Total Value of Exports (value in US$ million), 2008	558	558	-
Total Value of Imports (value in US$ million), 2008	3,466	2,908	558

Table 3: Population aged 15-years and above in Palestine by labor force status and region 2005-2009

Labor Force Status by Region	2005	2006	2007	2008	2009
Palestinian Territory					
Labor force participation rate	40.7	41.3	41.9	41.3	41.6
Unemployment rate	23.5	6.23	21.5	26.0	24.5
West Bank					
Labor force participation rate	42.9	44.1	44.1	43.0	43.0
Unemployment rate	20.3	18.6	17.7	19.0	17.8
Gaza Strip					
Labor force participation rate	36.7	36.1	38.0	38.1	37.6
Unemployment rate	30.3	34.8	29.7	40.6	38.6

Table 4: Percentage contribution to GDP by economic activity, 2008 and 2009

Economic activity	2008	2009
Mining, manufacturing, electricity and water	14.9%	14.6%
Agriculture and fishing	5.5%	4.8%
Public administration and defense	14.2%	14.5%
Construction	6.5%	7.4%
Wholesale and retail trade	10.3%	10.7%
Transport, storage and communications	7.2%	8.7%
Financial services	5.8%	5.5%
Other services	20.9%	23.7%
Real estate, renting and business services	7.3%	8.9%

The Tables above indicate a slight growth in the labor force of the West Bank and a much better unemployment outlook. This is reinforced by recent reports[20]. However, it is still well below the levels of investment and production displayed in the Second Intifada. Despite these uncertainties,

[19] Palestinian Central Bureau of Statistics, 2010. Palestine in Figures 2009, Ramallah, Palestine.

[20] State of Israel, *Measures Taken by Israel in Support of Developing the Palestinian Economy and Socio-economic Structure*. Report to the Government of Israel Ad Hoc Liaison Committee (AHLC), New York, September 2010, pp.3-6.

GDP increased over 2009 (Table 1), again reflecting a growth rate of 6.8%[21]. This growth had to absorb a downturn in the agriculture sector but was assisted by strong growth in construction.

The one constant in all economic studies and reports conducted in the West Bank and Gaza, is the issue of closure of borders between Israel and the Palestinian Territories and the immediate impact this has on Palestine's economy. The recent UNCTAD report on Palestine estimates the indirect economic cost of the blockade of Gaza and the West Bank closures at somewhere between $600-$800 million per year (13% of GDP), with employment loss ranging from 60,000 to 80,000 jobs per year (10% of total annual employment). As Palestine's stronger performing industries are sensitive to border closures, uncertainty in this area reduces employment opportunities through interruptions to trade and commerce linked to export markets.

This factor suggests a policy framework for guiding Palestinian reform and development efforts is needed. Such a policy framework would focus on the prerequisites for developing the productive capacity of the tradeable goods sector. The ongoing blockade on the West Bank although much reduced, is doing little to diversify the economy and the result of lost employment reduces the range of employment opportunities and has a direct bearing on widening skill shortages.

Micro and Small Business Operations

An important consideration for this study is that the economy of Palestine revolves around small to medium size enterprises or SMEs. During the prosperous period of the late 1990s, 24% of GDP in the Palestinian Territories was contributed by SMEs. The SME sector continues to be the major employer with about 198,200 people formally engaged with small business operations. The SME share of the Palestinian private sector workforce amounts to 84%. Of the total of 77,000 registered businesses, some 95% to 97% are SMEs. Many of these businesses come under wholesale and retail trade and repair services which make up 59,171 of Palestine's registered businesses. The majority of these businesses are micro-sized enterprises (2-4 employees) as summarized in **Box 2**.

Box 2: Definition of Small and Medium Enterprises (SME) in Palestine

The Small Enterprise Center in Palestine has adopted the following definitions and categories for SMEs:

Self Employed Entrepreneur:	single person operation
Micro Enterprises:	employing 2-4 people
Small Enterprise:	employing 5-9 people
Medium Enterprise:	employing 10-25 people

[21] Palestine Economic Policy Research Institute, *Overview of the Palestinian Economy*, Ramallah, April 2010.

Family businesses make up many micro and small business operations. Family members who are often unpaid in their provision of labor make up 32% of the total number of workers in SMEs. When discussing private sector activity and employment throughout Palestine, it is important to bear in mind that the largest area of formal employment is in SMEs, including family businesses, and that the majority of SMEs and family businesses fall within the Micro Enterprise category. The SMEs face a number of economic challenges and hardships. They include:

- the modest size of domestic markets;
- ongoing reliance for the importation of goods and services from Israel which also reduces the size of the potential domestic market;
- the ongoing challenges of infrastructure, including water supply and sanitation and transportation and movement restrictions;
- the strong presence and pervasiveness of products from Israel;
- poor provisions for SMEs to borrow (demand for loans falls short of supply by around 70%);
- poor skills development among managers and employees in key areas including weaknesses in management and accounting skills.

The heavy concentration of employment in micro enterprises has some benefits and drawbacks[22]. Benefits include that these businesses continue to absorb graduates from all education sub-sectors: secondary school education, vocational education and training, and higher education. A drawback involves that few of these graduates are actually trained to work in this environment and many Community College and higher education graduates enter the workforce in small enterprises, often after a lengthy period of searching for work[23]. Another drawback is that employment in these small business operations affords little opportunity for the continuous improvement of the work force through the upskilling of labor. It also limits social mobility and

[22] A recent World Bank study focusing on apprenticeships in developing economies advised that the 'expansion of self-employment and the growth of micro-enterprises in the informal sector have accounted for an increasing share of employment in many developing countries over the past quarter of a century. In the countries where this applies, the growth of wage employment in the modern sector has been slower. In this context, traditional apprenticeships have been widely used to facilitate the transition of youth to work. Traditional apprenticeships, representing individual contracts for training between the youth or parent and a master craftsman, often outnumber public training places'. A. Adams, *The Role of Youth Skills Development in the Transition to Work: A Global Review,* The International Bank for Reconstruction and Development/The World Bank, Washington DC, 2007.

[23] The *Revised TVET Strategy* advises that 'Traditional apprenticeships in the small and micro enterprise constitute another presumably important, yet entirely un-researched, training environment'. *Revised TVET Strategy winning for a future. Chances for our youth,* Ramallah, Palestine November 2010, p.5.

disguises underemployment. Yet currently, in the targeted regions of the West Bank, this is where most employment is to be found[24].

The importance of micro and small business operations is reflected in numerous donor programs (bilateral and multilateral) that focus on strengthening activity in this area of business and employment. These initiatives, often with a micro-finance element, aim to stimulate business, improve employment (and employability) and reduce poverty. Women, displaced populations and the disabled benefit from these donor programs. Yet, major studies focusing on emerging and promising industry and employment growth tend to overlook this sector despite the fact that it consistently employs a large section of the formal and informal workforce. Although the same sector attracts donor funds for short-term training in specific skills sets, there does not seem to be a connection between the skill needs of employers and employees and formal provisions for education and training.

Emerging and Promising Economic Sectors

In its most recent study on the health of the economy of Palestine, the World Bank advised that although there were many promising signs of a strong economic recovery, particularly throughout the West Bank, uncertainty remained[25]. Still, within this tightly constrained economic environment it is possible to discern some areas of potential prosperity and growth across an unpredictable terrain. Some of the obvious areas of development are interconnected and include: commercial banking, general construction (including electrical and plumbing), real estate and property development, retail and information and communication technology. These undisputed areas of growth which are highly concentrated in the two regions we investigated, reveal some interesting areas of employment need.

In the study, *The Untapped Potential. Palestinian-Israeli Economic Relations: Policy Options and Recommendations* (2006), the Palestine Trade Center advised that there were at least 9-economic and employment sectors that showed promise for consistent and steady growth. In early 2007, a study prepared for USAID by DAI Washington, *Cluster Competitiveness Assessment. Eight industrial and service clusters in the West Bank and Gaza* as the title suggests,

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[24] Some small TVET Centers enjoy quite good working relationships with these small businesses. This is certainly the case with the key industrial zone in Ramallah where a small private TVET center has strong relationships with up to 180-employers. The Director of the Center advised that in the beginning the Center had to approach employers to enable work attachments. Later, employers started approaching the Center for potential trainees and employees. As the Center has a small enrollment (around 65 students), work attachments have been quite easy to manage and monitor and often leads to successful employment for trainees on graduation.

[25] World Bank assessments in 2010 and 2007 provide a quite similar outlook. See World Bank, *Towards a Palestinian State: Reforms for Fiscal Strengthening*, Economic Monitoring Report to the Ad Hoc Liaison Committee, April 13, 2010, The World Bank Group, Washington DC, 2010, pp.13-14 ; Report of the Government of Israel to the Ad Hoc Liaison Committee, New York, September 2010, pp.3-6; *Investing in Palestinian Economic Reform and Development*. Report for the Pledging Conference Paris, 7 December, 2007, The World Bank, Washington DC, 2007.

pinpointed eight (8) economic sectors and four (4) emerging or promising clusters showing potential for support from USAID through its *Palestine Enterprise Development* (PED) project[26]. There are strong similarities between both studies. The key economic activity identified by the Palestine Trade Center and DAI can be compared as follows:

Palestine Trade Center

- Agriculture
- textiles and garments
- stone and other building products
- construction
- food industry
- general trades (footwear, furniture, wood products)
- tourism
- information technology
- transportation and logistics
- infrastructure

DAI

- Agribusiness
- Handicrafts
- stone and marble
- construction and building materials
- pharmaceuticals
- furniture
- tourism
- information & communication technologies

In early 2007, DAI identified transportation and logistics and financial services as promising economic clusters. In 2010, those sectors still are promising and growing opportunities and can be considered as certain for training and development. Importantly, the selection of the eight clusters by DAI involved the question of whether the cluster had the potential to generate significant employment opportunities in the short and medium term, and if so, approximately how many jobs?[27] That question remains relevant today as the generation of new employment and jobs is not predicated on a developed TVET system providing work ready graduates. From this study there is little evidence of industry cluster growth placing demand on specific TVET Centers to supply employers with new workers who are skilled and work ready in these fields. Employer networks, word-of-mouth and on-the-job training appears to play a much more prominent role in employers finding and keeping workers.

Through our economic analysis in this report, our team found that there is a consistent impression by Chambers of Commerce and employers that these clusters remain paramount for a stable and strengthening Palestinian economy. Several sectors not mentioned by the DAI study, banking, real estate and access to a wide range of service technicians are now seen as potential

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[26] An industry cluster is defined as agglomerations of firms in similar or related fields that grow or are within or are attracted to the region or nation. It was anticipated that growth in these clusters would lead to 6,000 new jobs. DAI Washington, *Cluster Competitive Assessment. Eight industrial and services clusters in the West Bank and Gaza*, Washington DC, 2007, p.1.

[27] DAI Washington, *Cluster Competitive Assessment. Eight industrial and services clusters in the West Bank and Gaza*, Washington DC, 2007, p.14.

growth sectors. These areas for growth and employment are now consistently strong. **Box 3** provides a World Bank synopsis that echoes most recent studies of the economy.

Box 3: A recent World Bank assessment of the economy of Palestine

Between 1999 and 2009, manufacturing output was flat and its share in GDP fell from 12.5 to 11 percent. Output in agriculture fell by 47 percent during the same period, so that its share in GDP declined from 10.4 to 4.8 percent. The Palestinian Authority's reforms that have resulted in improved security and more efficient service delivery along with the Government of Israel's loosening of its security restrictions have significantly increased investor confidence: discussions with the private sector reveal the importance it places on sustaining this loosening through additional measures in 2010. However, there is yet no sign of a large-scale revival of private investment in the productive sectors of the economy. Since 2007, real output in the "manufacturing" and "hotels and restaurants" categories of GDP has increased by 7.3 and 8.5 percent respectively, well below the overall increase of GDP of 13 percent. ***The biggest jump in private sector activity has been in the construction and real estate service sectors, which have gone up by nearly 28 percent.***

Source: World Bank, *Towards a Palestinian State: Reforms for Fiscal Strengthening*, Economic Monitoring Report to the Ad Hoc Liaison Committee, April 13, 2010, The World Bank Group, Washington DC, 2010, p.29

In addition to construction, real estate and property development, an industry cluster of interest is stone and marble, which is a stable area of economic growth in the governorates of Hebron and Bethlehem. This sector has strong potential for exports to global markets. The study team though did not encounter strong employer or TVET Center interest in vocational skills development in stone and marble. This is worthy of more attention owing to the industry's underlying strength in the products it produces and linkages to exports and the fact that it has recently experienced 23% growth[28]. The Executive Director of the Federation of Stone and Marble industry in Palestine, as reported by the press, advised that the sales volume of stone and marble:

> *"… is estimated annually at about $400 million. 60% in the Israeli market, 15% in the global markets, and 25% in the West Bank and Gaza Strip. He indicated that the supply of stone to Gaza stopped since the beginning of the year 2000. A share of 3-5%, of the Palestinian stone is sold to Israel and is exported to external markets … He advised that stone and marble as an industry had strengthened with the 'volume of investment of about $600 million, there is global confidence in Palestinian stone. Many sites such as airports, churches, shopping centers and buildings in all parts of the world, were built and paved with Palestinian stone[29]."*

As stone and marble constitutes a large piece of the local economy of Hebron and Bethlehem, it is an industry cluster worthy of greater appraisal. Contributions for strengthening workforce development in this industry is constrained by the fact that few TVET providers in Palestine

[28] Stone and marble contributes to 5.5% of GDP and employs about 15,000 people and most firms are concentrated in Bethlehem and Hebron. Formal training for the industry is limited.

[29] Found in http://www.al-ayyam.com/znews/site/template/article.aspx?did=143587&date=6/28/2010.

offer courses of study in stone masonry[30]. The other key sectors for this study are now discussed with the qualifier that more work is required for developing a better grasp for how vocational skills development could contribute to the stone and marble industry in Bethlehem and Hebron. Stone and marble operators have also indicated that their current workforce could use upgrading of skills.

A. Banking and Financial Services

With strong connections to banking in Egypt and Jordan, and with the need to finance general construction and property development, demand on Palestinian banks is steadily increasing. The most pressing need is within Ramallah where banks are being asked to finance the construction boom which appears to have found traction owing to the easing of Israeli restriction on both vehicle and human movement, including the import of heavy equipment. Much demand for funds to finance the construction sector is local. International interest in property development is not robust with concerns about political instability and civil unrest hampering interest[31]. Still, local demand is sufficient to keep the market moving upwards.

At the other end of the investment range, demand for bank loans for the expansion of retail is encouraging. Loans to finance the purchase of vehicles, private housing and personal loans are strong, reflecting good liquidity among the many micro-enterprises and small business operations. As interest rates among banks are not competitive, indeed they are perceived by borrowers as high; an environment of high-demand exists, which in turn is reflected in upward trends in GDP and GNI.

Major Palestinian firms and industries, including telecommunications, are among the main borrowers, but SMEs are increasingly on the loan market radar as even a small loan is considered by one leading banking group as a good engine for keeping a strong flow of cash into the economy. Within this environment the banking sector itself is seen to be a key area of employment and demand is on the rise for work-ready graduates to enter the sector.

Bankers interviewed for this report indicated that foreign direct investment remains limited in Palestine. The General Director of Palestine Investment Promotion Agency advised that the main

[30] Courses of study in support of stone and marble provide units of competency in a Certificate that qualifies graduates in stone masonry. It is a detailed and well designed instructional program involving units in the use of computerized controlled static machinery to produce stone components. Essential units include: Lay Stone, Dress and Mould Stone, Shape Solid Stone, Split Stone Manually, Dress Stone Manually, Machine Stone, Finish Stone, Turn Stone, Construct Masonry Wall, Segmented Paving, Set and Anchor Stone Facade, Build Stone Veneer Walls, and Package Manufactured Product for Transport.

[31] Foreign investment in Palestine is estimated by the leading banks at around 15% of the overall investment framework. Many foreign investments are believed to be by Palestinians living outside of Palestine.

obstacle for attracting foreign investors is not political instability, but issuing visiting visas for potential foreign investors. He advised:

> *"Many Palestinians in the Diaspora are willing to invest in Palestine, but the problem is that they cannot come here. We try to overcome this obstacle by putting more pressure on the Israeli side to issue visiting visas, but with no luck. However, non-Palestinian investors are willing to invest in Palestine and the chance for making a profit is tempting. Foreign investors can make a good margin of profit in the stone and marble sector, pharmaceuticals and food industries."*

In relation to a more general view that the authorities are not providing sufficient incentives to attract foreign investors, the Director General advised that incentives provided to attract foreign investors by the Palestinian National Authority are actually quite encouraging. Foreign investors are offered the same incentives as local investors. The Director General said:

> *"There are no preferential agreements. Foreign investors have the same incentives as local investors. This is very positive and tempting to any foreign investor, but the main problem … [remains] the Israeli measures for the limited freedom of access to Palestine."*

In support of financial services which are linked to a robust banking industry, a *Microfinance Strategy in Palestine* is in place. It maps out the key actions required to achieve the goals outlined in the *National Microfinance Strategy* and attaches responsibilities, timelines and committed resources necessary to allow for the regular monitoring of progress made in mobilizing this sector. Microfinance for micro-enterprises requires more analysis. As has been advised, it is an area that many Palestinian small businesses would benefit from, particularly in formal training for micro-business operations, a key building block for the rational expansion of a micro-business into a larger enterprise.

The demand for new staff for the expanding banking sector and financial services is modest, but consistent[32]. Graduates with qualifications in banking and office-related services, and financial services are key workers for recruitment. Training for Bank Tellers is required and as in the United States, certification for Bank Teller courses can be secured at both schools (upper/senior secondary) and vocational training centers. There is some merit in examining provisions for transferring this training to Palestine, particularly when formal training does not require a credential (short courses for instance)[33]. There is also a need for training in Frontline

[32] Bank employees fall within the Financial Intermediation category of employment for the Palestinian Central Bureau of Statistics. In 2009, some 4,203 businesses were registered by the PCBS in this sector.

[33] The American Bankers Association website (www.aba.com) has the relevant details for certification of Bank Tellers.

Management to cover such areas as the front desk/office, reception and a range of banking services in relation to loans and insurance.

Some of the main tasks that bank employers need staff to fulfill, include:

- word processing (including electronic communication),
- records handling,
- bookkeeping,
- business correspondence,
- maintaining financial records, and
- customer service.

In relation to these needs, the main trained positions which can lead to a career in banking include:

- Bank Tellers,
- Accounting Clerical (accounts clerks including payroll clerks),
- Financial Services,
- e-Business,
- Accounting, and
- Banking related services.

Currently training in this area is provided by Community Colleges and universities throughout Palestine, but the education and training for potential workers filling positions as Bank Tellers, Accounting Clerical and Financial Services can be covered by the TVET sub-sector, particularly at the Level 2/Certificate II and III levels. Moreover, as banking expands there will need to be service technicians in support of bank operations including:

- automated teller machines (ATM),
- business equipment servicing, and
- office machine and equipment repair.

These fields are normally covered by TVET graduates but currently there are few provisions within Palestine for formal training in these areas. There is however, evidence of short-term training by means of donor projects[34]. This is an area where the demand for trained, and work ready new employees and the upskilling of those already working, requires more research[35].

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[34] An example of successful interventions through short-term training in the banking and financial services sector is found with the USAID-supported *Expanded and Sustained Access to Financial Services* project which supports access to financial services by Palestinian households and micro, small, and medium enterprises.

Box 4: Indicative qualification and skill sets central to banking and financial services

Typical qualifications	Those provided in League Centers
Certificate I in Business (3-months)	Certificate in Business
Bank Teller Training (5-weeks/20-hours)	Certificate in Secretarial
Bank Teller Computing (5-weeks/20-hours)	
Certificate in Bank Telling (30-weeks)	
Certificate II in Business (Administration/Office Support)	
Certificate II in Financial Services (Accounts Clerical)	
Certificate IV in Financial Services (Banking)	
Certificate III in Frontline Management (Banking)	
Certificate IV in Frontline Management (Financial Services)	

B. Property Development

The need for the banking sector to expand and be more responsive has come largely as a result of the often referred to construction boom throughout Palestine. As demand for new housing, apartments and offices has steadily increased, so has the demand for high-rise development. The value of land in Ramallah has soared owing to demand for new office space, housing and urban development. Some major property development firms are purchasing large land lots in the vicinity of various Palestinian cities for future urban and property development.

The approval rate for new licenses for proposed construction has risen and had it not been for the deteriorating security situation in Gaza, where some major new apartments and resorts are planned, the issue of new licenses would have been greater. According to research by the World Bank, the number of business licenses issued in the West Bank in the fourth quarter of 2009 was more than 50% higher than in the fourth quarter of 2008. The analysis of property development indicates that most of this investment is in real estate, the purchase of large tracts of land and construction.[36]

In support of this observation, the Central Bureau of Statistics Palestinian statistical report on new building licenses indicated that the number of licensed housing units in the first quarter of 2010 stood at 2,396 including 1,976 new housing units. The overall result indicated an increase

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[35] A small private TVET Center in Ramallah has been highly responsive to demand for work ready bank employees in office-related occupations including receptionists and secretarial. Operating very much on a niche market model the TVET Center enrolls some 45 students, mostly women, each new semester. On graduation, they receive a Secretarial and Business Certificate accredited by the Ministry of Labor. The education and training program is based on nine months of classroom instruction and training and one month of on-the-job training in local firms and institutions. This Center experiences an 85% success rate for employment of graduates.

[36] World Bank, *Towards a Palestinian State: Reforms for Fiscal Strengthening*, Economic Monitoring Report to the Ad Hoc Liaison Committee, April 13, 2010, The World Bank Group, Washington DC, 2010, p.12.

in the index during the second quarter of 2010 compared to first quarter (2010) and second quarter of 2009. During this period a record number of licenses were issued for construction in the West Bank. New license approvals increased by 13.9% from 2009 to 2010. The total number of new housing units authorized by the second quarter of 2010 increased by 33.1% compared to second quarter 2009 and by 30.6% compared to first quarter 2010.

If such increases continue, the demand for unskilled and skilled labor to work on construction sites will rise exponentially. In the absence of a Palestinian Labor Market Information System it is safe to predict that there will soon be a chronic skill shortage in the availability of trained and qualified construction workers if this construction boom and land acquisition for property development continues.

The Real Estate/Property sector and general construction industries are working closely together throughout the West Bank. A key realty player, the Palestine Real Estate Investment Company, or PRICO, is one of Palestine's leading firms. With its Head Office in Ramallah and a regional office in Amman, Jordan, PRICO has experienced steady growth since its inception in 1994. PRICO is active in construction development and investment in the real estate industry. It has a permanent workforce of over 500 employees but can have up to 10,000 skilled workers and professional staff contracted on building sites.

PRICO has been responsible for financing over 12 major construction and property development projects, including the construction of 160 apartments in Palestine and 300 housing units in Ramallah (Al Ghadeer Neighborhood Project). It is planning to invest quite heavily in new apartments in Nablus. Indeed, if the situation in Gaza can be normalized, a project in the construction of residential towers will proceed. PRICO's performance report for 2008 advised that (i) net income growth had increased by 13%; (ii) gross revenue growth had increased by 15.5%; (iii) assets had grown by nearly 18%; and (iv) growth in shareholder equity had increased by nearly 17%[37]. Similar growth occurred over 2009.

PRICO advised that accessing skilled labor for general construction was adequate and that as the sector is continuing to experience a steady expansion, it expected that the existing labor force will keep pace with demand. The study team could not determine where this labor was being recruited and the extent of on-the-job training occurring on construction sites. Indications from several employers pointed to a pool of unemployed or underemployed construction workers who could no longer work on building sites in Israeli settlements. The volume of the workforce varies with around 2,000 being employed at any given time.

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37 Sahem Trading and Investments Co., *Investment Sector. Palestine Real Estate Investment. 2008 Performance Report.*

Construction finishing work, requiring a range of skilled construction labor across a range of occupations, still presents pressing labor shortages. A number of employers commented upon this skill gap resulting in poor quality completion of buildings and fittings. This includes skilled labor in the areas of floor and wall tiling, paving, solid plastering (walls, ceiling, cornices and moldings), wall and ceiling lining, painting and decorating, and concreting. This and other potential areas of skilled shortages within property development are discussed under the next section, *Construction*.

C. Construction

Key people interviewed by the study team advised that the focus in vocational education and training should be in economic sectors in which TVET Centers provide relevant programs, or can be encouraged to provide instructional programs in the near future. The most common sector mentioned, was construction, which grew at a rate of over 20% during 2010. In 2009, the Central Bureau of Statistics had 521 businesses registered under the construction sector. This outlook has been echoed in a range of studies on the economy of Palestine where the construction industry is cited as being vital in job creation. But it is also an industry where employment does not appear to be based on training, rather absorption of an underemployed or unemployed workforce seems to be the pattern. The study team was advised by the Federation of Palestine Chambers of Commerce that:

> *"The construction sector needs more investment in building the capacity of workers by means of new skills and new technologies. The main skill shortages are with the lack of skilled technicians especially in electronics, electricity and maintenance."*

These skill shortages are compounded by employers not grasping the range of skilled labor normally required for each major construction activity (the difference between high-rise construction and a single story residence for instance). A representative from GTZ advised that employers often *'do not know what skills they should be looking for'* and this impacts directly on how they source new labor.

In many developing countries there is a pattern of recruiting Community College and university graduates into the construction industry. Unable to find work in their area of training, these graduates gravitate towards unskilled jobs until they are picked up by an employer or profession more relevant to their vocation. This seems to be occurring in Palestine to some extent. The main pattern for employment in construction tends to be absorption of surplus labor from large numbers of employees no longer required for jobs in the Israeli settlements. Many find their way into the construction industry where informal, on-the-job training is widespread.

Construction results in a wide number of direct and indirect employment opportunities[38]. Direct and indirect employment includes the large number of skilled labor and service technicians required to complete building once the major construction is concluded. This includes electricians, plumbers and the fitting of appliances. But it also includes a wide range of finishing jobs requiring skilled labor. A representative of ILO in Jerusalem stated that:

> *"The construction sector is employing a huge number of employees who lack multiple skills. The ILO has conducted many studies on the construction sector and has discovered that workers in construction, and also contractors, need more training in finishing. Most workers in the construction sector come from informal employment. The finishing of buildings is disastrous."*

Palestine does not provide education and training specific to the many occupations central to construction, both small and large-scale. Vocational training in steel work, carpentry or electrical, common to many school and college programs does not qualify many TVET graduates in Palestine to work on major construction sites. This requires the definition of skill levels and related qualifications, but as will be seen, Palestine's TVET subsector falls short in this area and many workers entering fields of skilled employment in the construction sector are more often than not, unskilled. This was confirmed in discussions with the various Chambers of Commerce, the ILO and GTZ. Still, a major employer advised that as skill sets required for many construction tasks was quite basic, formal skills development was not required.

There are many separate occupations in the area of construction related to property development, requiring the finishing processes to add quality and refinement to high rise apartments, office buildings, homes and hotels. In discussions with employers and agencies the study team found that occupations in the area of finishing, requiring specific training and qualifications include paving, plastering and painting. Normally, the following range of skilled labor is needed on a construction site:

- Concreting
- Metal roofing and cladding
- Roof tiling
- Wall and floor tiling
- Formwork/falsework
- Construction waterproofing
- Paving
- Plumbing and sanitation
- Drainage
- Painting and decorating

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38 The DAI study on industry clusters advised that the West Bank and Gaza 'enjoy a major advantage in the construction industry because the local workforce is sufficient, both in numbers and skill levels. Combined with relatively low wages, this labor availability means that local firms can complete construction projects at competitive rates. Moreover, existing inter-company relationships - among local firms themselves and between local firms and international companies - provide another source of strength'. DAI Washington, *Cluster Competitive Assessment*, Washington DC, 2007, p.39.

- Window installation
- Stoneworking
- Bricklaying/blocklaying
- Solid plastering
- Wall and ceiling lining
- Joinery
- Stonemasonry
- Carpentry/joinery

Currently, few of the Centers in the VET-NGO League offer construction and finishing training, yet such occupations are vital to the construction industry. TVET Centers tend to group training in these skills into one qualification, yet they are actually quite separate courses of study and job outcomes. An innovative TVET Director of a small TVET center, with PNA/donor and industry support, could easily convert most of its curricula programs and classrooms/workshops to cover courses of study in this trade cluster, given the demand for quality labor and quality results in this area. There are some very important qualifiers though.

It is usual to offer a pre-vocational/pre-apprenticeship course in Construction Career Pathways (Foundation Program) for these jobs. This training and qualification provides a pathway to the primary trades in the construction industry, with the exception of plumbing. Trade outcomes are predominantly achieved through an Apprenticeship (the next step) which allows for inclusion of skills suited for entry to off-site occupations, such as joinery and shop fitting, as well as carpentry, bricklaying and other occupations in general construction.

The foundation program is normally designed to introduce learners to the recognized trades in the construction industry and provide meaningful credit in a construction industry apprenticeship. It does require upgrading the learning environments and industry-based training, as construction employers strongly endorse that training and assessment, leading to recognition of skills, must be backed by sensible solutions that make sense to TVET Directors.

There is a clear need for skilled labor in the 18 finishing occupations listed above, plus many more in general construction. There is merit in TVET Centers seeking to bridge these gaps before Palestine enters a period of widespread skill shortages. With sufficient technical assistance, existing TVET Centers can re-calibrate their course offerings including priority instructional programs in these areas. Industry-based training can be assisted through Group Training, enabling students to experience both small and large construction sites.

Demand for new employees to provide skilled and unskilled labor on construction projects is likely to remain steady for some time. As noted, the source of new labor for the industry does not seem to be based on demand for fully qualified employees. New workers come from a wide range of sources including the unemployed, school leavers, and graduates from public and private TVET colleges, Community Colleges and universities. If construction industry employers intend to secure the qualification as a Class A General Contractor (Buildings, Electro-mechanical and Infrastructure works) they will need to, eventually recruit qualified and skilled workers.

The range of qualifications and job outcomes outlined in **Box 5** will be required if the construction sector continues to enjoy robust growth and meet the required standards in the quality and integrity of buildings.

Box 5: Indicative qualification and skill sets central to the construction industry

Typical qualifications	**Those provided in League Centers**
Certificate I in Construction	Level 1 and 2 in carpentry
Certificate II in Construction	Level 1 and 2 in plumbing
Certificate II in Construction Pathways	Level 1 in welding
Certificate II in Steelfixing	
Certificate III in Steelfixing	
Certificate II in Concreting	
Certificate III in Concreting	
Certificate II in Stoneworking	
Certificate II in Drainage	
Certificate II in Urban Irrigation	
Certificate III in Bricklaying/Blocklaying	
Certificate II in Carpentry (pre-vocational)	
Certificate III in Carpentry	
Certificate III in Carpentry and Joinery	
Certificate III in Demolition	
Certificate III in Painting and Decorating	
Certificate III in Solid Plastering	
Certificate III in Wall and Ceiling Lining	
Certificate III in Wall and Floor Tiling	
Certificate II in Plumbing (pre-vocational)	
Certificate III in Plumbing	
Certificate III in Plumbing (Mechanical Services)	

As noted earlier in the area of construction finishing, currently, many of these courses of study and qualifications are not available in Palestine. A number of TVET Centers provide training in carpentry/joinery and metal work but this is often at the Level 1 or Certificate 1 levels. Often, this training occurs in learning environments far removed from a real workplace situation or simulated workplace environment. There is though, a need to provide much improved education and training in these areas at the Level 1/Certificate 1 and Level II/Certificate II levels. If the construction sector experiences a sudden upsurge in demand as expected, for qualified construction site labor, not only will the industry struggle to find and recruit qualified, safe and work ready employees, it will risk endangering life at the work place and possibly result in the construction of buildings of a poor and unsafe standard.

More work will need to be undertaken to better define what constitutes a skilled worker in Palestine. Current categories in use include: Semi-skilled, Skilled, Craftsman, Technician and Specialist. Normally a particular set of qualifications and standards are applied to each category to determine the level of skill for certification, but in Palestine definitions in this area are quite loose and can vary from one TVET Center to another. There is also the issue that some formal TVET qualifications are actually offered through higher education and this clouds the use of terms including Certificate, Diploma, Advanced Diploma, as what may constitute a Certificate in a university is quite different to that issued by a small TVET Center.

D. Industrial Zones

Central to the banking sector and general construction activity is ongoing interest in the development of Industrial Zones throughout Palestine. In the absence of robust regional economic growth patterns, Industrial Zones are the next best step for developing a more local driver for sustainable economic growth. The Industrial Zones have been part of economic development planning for Palestine for some time.

Outbreaks of civil unrest, with subsequent military controls over a number of governorates, have restricted the development of these zones. Those found in Ramallah, Bethlehem, and some other smaller cities are not industrial zones as their name indicates. They tend to be clusters of industrial shops and small service industries gathered into a specific geographic or designated area. By law, they are under the jurisdiction of the municipality's mandate to manage the populated districts of Palestine.

Donor interest in better defined and organized Industrial Zones is strong, with a new complex supported by the Government of France targeted for Bethlehem[39]. Another joint Turkish-Palestinian Industrial Zone is planned for the Jenin Governorate and will become effective in 2011. It is projected by planners involved with this growth zone in Jenin that the industries and support services will employ around 10,000 new workers. Ten large Turkey-based firms are backing the venture. The Government of Turkey has rented office space and will hire Turkish experts to prepare feasibility and market studies for this industrial zone. It is anticipated that the zone will be developed soon, subject to ongoing stability and economic certainty throughout the West Bank.

Planning studies underpinning the development of industrial zones will no doubt have a focus on new employment requirements and opportunities requiring a more robust relationship in school to work transition. Such planning will necessarily involve the upskilling of the existing workforce among residents and urban centers connected to these zones. Accordingly, there will

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39 The Industrial Zone in Bethlehem was established over 2009. The Palestine Industrial Estate and Free Zone Authority (PIEFZA) received funds from the French Government to install the physical infrastructure, including provisions for waste management treatment for the next year. New operations are slated for 2012. The Industrial Zone in Bethlehem is expected to employ 2,000-2,500 workers across a wide range of trades and occupations. It is a promising sector as manufacturing has the second highest numbers of businesses registered in Palestine. In 2009, there were about 15,000 businesses registered under manufacturing by the PCBS.

be imperatives for both public and private TVET institutions to secure some engagement with new industries as the prospects become clearer, including long-term employment trends.

In contrast, the Government of Japan has been funding a feasibility study to establish a new industrial zone in Jericho. That study has been running for 10 years, owing to uncertainty over the post-conflict situation, including the need of potential investors to have confidence in economic stability and access to a strong labor market[40]. There is some scope for TVET institutions to consider joint education and training developments through robust industry engagement arrangements while this feasibility study period is continuing.

The Industrial Park of Bethlehem

In contrast to Jericho, there is more certainty in Bethlehem where a new and major industrial zone is proposed. The project comes as a result of cooperation between the Palestinian and French investors with both the private and public sectors represented on the Bethlehem Multidisciplinary Industrial Park (BMIP) group which was installed in 2009. The Palestinian private sector is represented on the BMIP with a 40% share hold and FTF Investment Company which holds a share of 10%. The French partners are DESKA from the Evens Group, which holds 40% of the share and the Agance Francaise de Development which has the remaining 10% of the share.

The Industrial Park will be established in the southern suburbs of Bethlehem city in the area of Hindaza. It is being designed, implemented and developed by the BMIP. The BMIP is registered according to the Palestinian Law and the Encouragement of Investment Law, which provide incentives and tax exemptions in addition to exemptions on assets and the freedom of flow for capital and profit.

This Industrial Park will be located in Area A which is under the jurisdiction of the Palestinian Authority. It is located five kilometers from the center of Bethlehem City, eight kilometers from Jerusalem, 70 kilometers from the Jordanian borders, and 40 kilometers from the Ashdod Israeli Port. The location was selected based on several factors including road infrastructure for reliable and safe transportation, access to ports, and the availability of the workforce to provide unskilled

[40] In 2000, an industrial zone was established in Gaza. Once operational it employed around 1,700 workers. Investors linked to the zone were mainly locals from Gaza with some foreign investors from Germany. This Industrial Zone was established with donor support from the World Bank and USAID. The zone seized operations soon after being established owing to the *Second Intifada*. There was no chance to complete phases two and three where more factories and investments were meant to take place. The next phases of expansion involving the construction of new factories and a widening of the investment base did not proceed. The key area of activity was fashion and textiles. Small businesses in the West Bank now advise that textile industries throughout Palestine are on the decline owing to the mass importation of clothing, fabrics and footwear from PR China.

and skilled labor for both the construction of the industrial park and the ongoing employment it will provide.

The main goal of this project is to strengthen the Palestinian economy, create employment and training opportunities (and thus decrease unemployment), and stimulate spending and encourage other investors to explore commercial opportunities as the park expands. The total size of investment could reach US$35 million.

The BMIP has two main purposes. One, the commercial objective is that the industrial park is expected to be attractive to potential investors and other companies because of the availability of good infrastructure, incentives from the Palestinian and the French sides, in addition to the freedom of movement for people, goods and raw materials. Two, the social objective is that the industrial park will cover social dimensions for development including a training department for women, in addition to other cultural services and a kindergarten. This industrial park will seek to follow international environmental standards.

The new industries proposed for the BMIP will go beyond the traditional range of industries that currently operate in Bethlehem. A list of firms/industries is provided below, noting that at this point the study team cannot advise with confidence if all the proposed activity will go ahead. In a best case scenario, the range of new industries proposed should provide education and training providers with an idea of which of their programs should be re-calibrated to meet demand for new labor as a result of this investment is materializing.

Although it cannot be stated with any certainty at this point what the demand will be for particular skill sets, it is likely that there will be a consistent need in all new industries for staff with cross industry competencies. These include: Customer Service, Sales and Marketing, Merchandizing and Sales, Hygiene and Health, Safety and Security, General Administration, Financial Administration, Computer Technology and Technical and Maintenance Services. As the development of the industrial park becomes nearer, it will be within the interest of secondary schools, vocational education and training entities and Community Colleges to discuss with BMIP members the priority areas for employment and how these training partners can plan collectively to meet this demand before qualified workers are recruited from elsewhere. Demand is reasonably clear at this point as **Table 5** reveals.

Table 5: Potential investors in the BMIP

Industry	Products, goods and services
GEMM Travel	Ticketing and travel services
Babcom	Call center and training services
Beni Shohmalian	Jewelry
Exalt Technologies Ltd	ICT and software development
DARB	Water meters
Pronto	Restaurants
Filter Queen	Vacuum cleaner repair
Gosheh	Import/export of meats
Hirbawi	Leather tendering
NBC	Dairy produce and beverages
NET tours	Tourism and travel services
Pasta	Pasta production
Pharmacies	Pharmaceutical joint venture
Salw Food Co. Ltd and Rayyan Dairy Co. Ltd	Processed meats
Schneider Electric	Office training center
Tyrec	Tire recycling
Nestle	A range of Nestle products
ELEMCO	Electro-mechanical engineering
Bethlehem Star Plastic	Plastics and plastic goods
Pal Force	Plastics and plastic goods
Peugeot	Automotive servicing and repair
France Telecom	Telecommunications
Pinar	Dairy produce
F & M Packing Technology Co.	Packaging and storage
National Plastic Industry	Plastics and plastic goods
Valblue	Electric cars
Gamida	Pharmaceuticals
Qara'a	Tissues

E. Hospitality

Tourism has been identified as a key cluster for industry development. The sector was identified for strong growth in 2006 and there has not been a decline in activity. The security situation in Gaza has put on hold the development of several major resorts, including the Al Mashtal Movenpick Hotel and the Al Mashtal Chalets Village. If these resorts had opened as scheduled the demand for new staff to work in the tourism and hospitality industry would have risen dramatically. Still, several large hotels are under construction in Ramallah. The DAI study

(2007) subject to qualifiers, expressed confidence in tourism and hospitality for continued growth and strong prospects for new employment:

> *"The unique religious and culture heritage of the West Bank and Gaza seemingly makes the area a natural fit for tourism, but the cluster's potential has been under-realized because of political uncertainties. Nonetheless, targeted interventions in the cluster offer potential for short and medium-term benefits and lay the foundations for longer-term impact in this globally expanding industry. With a considerable critical mass of both private enterprises and industry associations, among which relationships already exist, the cluster demonstrates good readiness for collaborative activities. Moreover, with greater stability in the region, tourism would offer substantial employment opportunities[41]."*

In 2008, the total number of hotels stood at 117 of which 87 were operational. The distribution of hotels includes:

- north of the West Bank: 7 hotels, 118 rooms, 267 beds
- middle of the West Bank: 23 hotels, 957 rooms, 2,192 beds
- Jerusalem region: 29 hotels, 1,315 rooms, 3,052 beds
- south of the West Bank: 21 hotels, 1,553 rooms, 3,249 beds
- Gaza Strip: 7 hotels, 403 rooms, 706 beds[42]

In 2008, 1,345 people were employed by hotels. Hotels and restaurants collectively account for 4,635 registered businesses in Palestine. Many of these are small or micro-enterprises and include a large number of cafes and coffee shops[43]. Guests in that year amounted to 446,133 people[44]. In 2010, in Bethlehem and Jericho alone, guests totalled 441,000[45].

Tourism, like construction, results in a wide range of direct employment (hotels and tour operators) and indirect employment (service technicians and maintenance staff, bus drivers and taxi operators). As new buildings open, particularly hotels and resorts, demand for work-ready tourism and hospitality staff is increasing, as is demand for food and beverage staff for catering,

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41 DAI Washington, *Cluster Competitive Assessment. Eight industrial and service clusters in the West Bank and Gaza*, Washington DC, 2007, p.16.

42 Occupancy rates are low with a room occupancy rate of 31.1% and bed occupancy rate at just under 30%.

43 Palestine Central Bureau of Statistics, 2009 (found at http://www.pcbs.gov.ps.

44 Palestinian Central Bureau of Statistics, *Hotel Activities in the Palestinian Territory Annual Bulletin 2008*, Volume 14, No.5, Ramallah, Palestine, 2008 pp.23-24.

45 State of Israel, *Measures Taken by Israel in Support of Developing the Palestinian Economy and Socio-Economic Structure.* Report of the Government of Israel to the Ad Hoc Liaison Committee (AHLC) New-York, September 2010 p.4.

kitchen hands, and a range of cooks and chefs for restaurants and commercial kitchens. Few TVET Centers are preparing students to enter this industry, yet it will demand a work ready labor pool once all current plans go ahead. Otherwise hospitality and tourism operators will need to seek qualified labor elsewhere and/or train their own staff.

The job outcomes required for the hospitality and tourism industry cover a broad spectrum. Major career clusters include:

- Hotel Management
- Resort Management
- Business Management
- Culinary Arts Management
- Tourism Management and Events Management

The skill sets for these jobs can be drawn from the following listing of qualifications generic to the tourism and hospitality industry:

- Cooking and rooms division
- Culinary arts with management
- Hotel and tourism administration
- Food preparation and cooking
- Food and beverage service
- Hospitality and leisure
- Hospitality (general)
- Hospitality front office
- Hotel institutional operations
- Licensed house operations
- Professional cooking
- Reception and accommodation operations and services

Not all of these career clusters are required for Palestine, but if the industry is to be recognized as providing high quality services that will continue to attract visitors and residents, it will require qualified and reliable staff in a number of these areas. Normally, training for the following jobs can be through vocational education and training:

- hotel and resort desk clerks (frontline management and reception)
- food and beverage servicing (i.e., servicing occupations)
- chefs, cooks and food preparation workers
- building cleaning workers (including housekeeping)
- office administration staff (including cashiers)
- security guards and surveillance officers

Level 1/Certificate 1 and Level 2/Certificate II qualifications in business operations, hospitality operations, kitchen operations and catering operations will provide graduates who can cover these fields. As of yet, many TVET Centers in Palestine, are not in a position to provide adequate education and training in these areas. Education and training in these fields requires experience in an actual work place site, or one that is sufficiently real to simulate that site (a commercial kitchen for instance). There needs to be considerable work in TVET development before Palestine can provide the required workforce for hospitality. Planning in this area will require TVET development in the areas of on campus and online study options and paid industry placements.

Box 6: Indicative qualification and skill sets central to the hospitality and tourism industry

Typical qualifications	**Those provided in League Centers**
Certificate I in Hospitality (Operations)	Level 2 in hotel management
Certificate II in Hospitality (Operations)	Level 2 in tourism
Certificate III in Hospitality (Operations)	
Certificate IV in Hospitality (Supervision)	
Certificate I in Hospitality (Kitchen Operations)	
Certificate II in Hospitality (Kitchen Operations)	
Certificate III in Hospitality (Commercial Cooking)	
Certificate III in Hospitality (Catering Operations)	
Certificate III in Hospitality (Patisseries)	
Certificate IV in Hospitality (Catering Operations)	
Certificate IV in Hospitality (Commercial Cooking)	

F. Service Technicians (Repair and Maintenance)

In most developing countries, including Palestine, one area that is severely lacking is skilled workers in maintenance which requires a wide range of service technicians covering repair, maintenance and servicing activity in most economic sectors. This is a common cross-industry skills shortage area which frequently involves appliance testing, repair and servicing. There are significant skill shortages among service technicians and maintenance staff, especially in the automotive industry (mechanics, servicing, repair, and technicians), mobile phones and information technology and telecommunications, equipment servicing and maintenance including air-conditioning and refrigeration, utilities including electricity supply, water supply and sanitation, and wastewater treatment.

Service technicians are in short supply for computer assembly and repair, though demand is concentrated to Ramallah and Jerusalem where there are about 150 small computer stores and over 150 internet cafes. It is hard to judge though how many people are employed in this area as employment in repair work is grouped with wholesale and retail trade, which is the largest employment sector of Palestine consisting of over 59,000 registered businesses, many of which are small and micro-business operations.

The General Director of the Palestine Investment Promotion Agency advised:

> *"In Palestine, labor is very unskilled and unprofessional, mainly because Israeli measures and political instability have hindered the flow of modern technology to Palestine. Lack of skills is concentrated in maintenance on all levels, especially for modern cars, mobile phones and in construction."*

In many TVET programs, courses of study focus on the skills needed to perform the actual job in the work place, but sometimes ignore the process of keeping the equipment, tools and machines clean and operating. This aspect is very relevant to new TVET instructional programs now in demand in the area of field service technicians. This is particularly the case where field service and maintenance skills have drastically changed, as has occurred in the automotive industry and computer assembly and repair. One senior government officer advised:

> *"Palestine has exported very skilled labor to other countries. Palestinian workers built parts of the world like the Arab Gulf; however, the labor force left here in Palestine is unfortunately very unskilled. We do not have skilled technicians."*

The areas of pressing need in terms of skill shortages are found with a scarcity of service technicians across many trades. These skill shortages, among many others, are found in general construction itself, but demand will increase in the fields of automotive and repairs for office equipment and appliances found in many businesses and apartments.

Most service technicians are trained within a general and cross-industry competencies framework. Others, such as those in the automotive industry, are trained specifically for servicing vehicles. But in general, field service technicians including electrical, gas supply and mechanical will be in short supply as West Bank urban areas continue to grow. Interestingly, demand from businesses for service technicians in computer repair is low, as firms are not yet incorporating modern technologies into their business operations (i.e., a low diffusion rate into the business sector).

Training service technicians is often industry-based with major manufacturers frequently training and qualifying their own employees on site. This is often the case with major vehicle manufacturers and computer industries. However, education and training can be provided by TVET Centers and as much of the key training is at the Certificate I and Certificate II levels, the duration of training is no more than 6 months. **Box 7** is indicative, but provides the qualifications in service technician training that can be provided by registered TVET institutions.

Box 7: Indicative qualification and skill sets central to the preparation of service technicians

Typical qualifications	Those provided in League Centers
Certificate I in Engineering (Mechanical)	Level 2 in Heating, Ventilation and Air-conditioning
Certificate II in Electrotechnology (Electrical)	Level 2 in Telecommunications
Certificate II in Electrotechnology (Electrical/Refrigeration)	Level 2 in Information Technology
Certificate II in Plumbing (pre-vocational)	Level 1 and 2 in Electronics
Certificate I in Automotive (Light Vehicles)	Level 1 and 2 in Electrical
Certificate II in Automotive Vehicle Servicing	
Certificate II in Automotive Mechanical	
Certificate II in Automotive Vehicle Body	
Certificate II in Air-conditioning	
Certificate II in Computer Assembly and Repair	
Certificate III in Computer Systems Equipment	

G. Automotive

The importation of cars into Palestine increased by 145% from 2009 to 2010. With higher volumes of traffic and the steady reduction in road blocks across the West Bank it can be expected that the demand for new workers across the five key fields of automotive will steadily increase. In support of strengthening Palestinian access to vehicles, the Minister of Transportation has reduced tariffs on imported vehicles including electric cars[46]. Tariff reductions will be as high as 50%. This action is primarily aimed at reducing the illegal import of vehicles. As demand for vehicles has already risen sharply, the reduction in tariffs and levies should encourage an increase in the overall volume of vehicles. This in turn will place pressure on demand for access to automotive servicing and repair.[47]

Automotive training in TVET Centers in Palestine tends to be very basic. Few Centers have workshops that replicate or simulate actual working environments with modern equipment and power tools. In developed economies, the volume and range of vehicles requires a significant infrastructure in support of the automotive and transportation industries as a whole.

Much investment in this area in developed countries is provided by the major manufacturers and retailers. Until such time that the private sector provides education and training in these fields, there will be a need across the Palestinian TVET sub-sector to provide training in the areas of automotive servicing and repair. Eventually, this training will need to be more advanced to cover

46 Found in http://www.nablustv.net/internal.asp?page=details&newsID=54979&cat=19.

47 The study prepared for USAID by DAI Washington advised that **Transportation** and **Logistics** were promising for further development as a cluster (2007, p.19). In its assessment DAI advised that given ’the importance to all clusters of transfer of raw materials, products, and people within the West Bank and Gaza, between the West Bank and Gaza, and between West Bank/Gaza and other export destinations, the transportation and logistics cluster needs strengthening. This cluster comprises shipping companies, packaging and materials handling firms, customs clearance providers, and passenger and cargo transporters.

automotive technology owing to the widening use of computer systems in vehicles. Skill shortages in automotive can be expected if the volume of vehicles in Palestine continues to increase. As there are several international vehicle outlets in Ramallah servicing a range of European vehicles, there are opportunities for small TVET Centers to strengthen their current provision for education and training in automotive (light vehicle) by entering industry engagement partnerships with the relevant manufacturers.

Box 8: Indicative qualification and skill sets central to automotive

Typical qualifications	**Those provided in League Centers**
Certificate I in Automotive	Level 1 and 2 in Auto-mechanical
Certificate II in Automotive Administration	Level 1 and 2 in Auto-electronics
Certificate II in Automotive Aftermarket Manufacturing	
Certificate II in Automotive Electrical Technology	
Certificate II in Automotive Vehicle Servicing	
Certificate II in Automotive Mechanical	
Certificate II in Automotive Vehicle Body	
Certificate II in Automotive Sales	
Certificate II in Automotive Warehousing/Distribution Operations	
Certificate III in Automotive Administration	
Certificate III in Automotive Electrical Technology	
Certificate III in Automotive Mechanical Technology	
Certificate III in Automotive Specialist	
Certificate III in Automotive Vehicle Body	
Certificate III in Automotive Sales	
Certificate III in Automotive Warehousing/Distribution Operations	
Certificate III in Automotive Retail, Service and Repair	
Certificate IV in Automotive Management	
Certificate IV in Automotive Technology	

H. Agriculture/Agri-business

Both the Palestine Trade Center and DAI highlighted the importance of agriculture to the economies of Palestine and Israel. The Palestine Trade Center assessment of the sector advised that historically, Palestine had been a key provider of unskilled and skilled labor to the agricultural sectors of Palestine and Israel. But since the new millennium, this has changed significantly:

> *"... tens of thousands of Palestinians used to work in Israeli agriculture. In the early 2000s, Palestinian workers were replaced by foreign laborers, mainly from Thailand ... [now a] shortage of seasoned workers has become a major impediment for Israeli agriculture. The most acute problem is in picking periods and other peak periods of the agricultural cycle. Palestinian agricultural workers are considered to be the best solution to supply this demand[48]."*

[48] Palestine Trade Center, *The Untapped Potential. Palestinian-Israeli Economic Relations: Policy Options and Recommendations*, Ramallah, 2006, p.47.

This theme of uncertainty across the sector is picked up by the DAI study in relation to agro-industry:

> *"This cluster is reasonably well positioned from a competiveness standpoint, with international market trends encouraging for its growth potential and the (albeit gradual) movement of the West Bank and Gaza cluster toward niche markets in ethnic and organic foods … Agro-industry offers high potential on issues that are particularly important in the West Bank and Gaza economy, such as employment generation, which as a labor-intensive cluster its growth would entail; however, the cluster's health is somewhat sensitive to border closures."*[49]

During this study many people we met, and in employer survey results, agriculture was often mentioned as a sector of strong potential for growth, particularly in food processing. Respondents mentioned strong potential for the production of almonds in Hebron and the continuing strengthening of olive and citrus fruit production in Jericho. It remains a strong sector represented by 7,000 registered businesses, making it the fourth highest registered business after wholesale and retail trade, manufacturing and social and personal services.

As food production and processing is a major activity in many large Palestinian cities, including Ramallah, the value chain between agriculture, food processing and retail including restaurants, suggests a firm foundation for developing the sector further. Although having some potential for employment, there is not much activity in formal education and training for the sector. This is one area of education and employment clouded by uncertainty, particularly as the movement of people on a seasonal or cyclic basis is hampered. This is unfortunate as this is an area where donor support has made significant contributions.[50]

Donor Activity and Support for Private Sector Development

As has been mentioned frequently the international donor community makes a significant contribution to the economy of Palestine, owing to high-levels of annual spending. In addition to these areas of likely economic growth and expansion, our study team considered donor activity. Donor funds make a significant contribution to Palestine's GDP and GNI, which means that GDP as an economic indicator is often inflated by these annual contributions. Wide swings in

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[49] DAI Washington, *Cluster Competitiveness Assessment. Eight industrial and service clusters in the West Bank and Gaza*, Washington DC, 2007, p.15.

[50] USAID has been a key player with activity including (i) over 11,000 Palestinian agribusinesses, farmers, and fishermen receiving assistance and training through the *Palestinian Agribusiness Partnership Activity*. This activity created nearly 1,400 jobs in farming and agribusiness, (ii) through the EDIP initiative working relationships with olive farmers were put in place and improved to upgrade farming practices and increase harvest yields, and (iii) also through EDIP, provision of support to vegetable farmers in the Jenin area was made available by providing greenhouses and ongoing agricultural subject matter training. These activities increased harvest yields and reduced wasteful practices (particularly water usage).

GDP, as occurred over the 2000-2005 period can often be explained by sudden decreases in donor contributions to the Palestinian Authority and spending on development activities in general[51]. Although donors do not constitute an economic sector *per se*, contributions to economic activity are significant.

Donor investments have contributed significantly to private sector development. The collective effort reflects an expanded and sustained approach particularly in the area of micro-finance and other poverty reduction interventions. Donors have implemented programs and projects to support private sector activity ranging from small-scale social sector interventions to large programs of civil construction. USAID, GTZ and UNDP have indicated that they will continue to provide support to the private sector, which will have implications for education and employment. As the global donor community continues to closely monitor progress towards the Millennium Development Goals, it is safe to assume that donor support to Palestine will remain robust.

The key development at this point involves improved donor coordination when there is multiple activity in the same sector. This activity is now summarized. As can be noted, much of the donor investments are in the area of micro-finance, raising again the issue for the need to provide more consistent education and training to micro and small business operations and the possible role of the TVET sub-sector in the planning and provision of this training.

Donor Activity in Palestine

Agence Française de Développement (AFD)

AFD promotes microfinance as part of a broader financial sector development approach and uses a wide range of flexible instruments to support early-stage financial institutions. In Palestine, AFD has supported the ACAD to increase lending to farming cooperatives and women in rural areas by providing loan capital, technical assistance focused on capacity and compliance issues, and monitoring and evaluation.

European Commission (EC)

The EC's support in Palestine has been focused on promoting food security through an increase in agricultural production and the incomes of small landholding farmers. Under a pilot project, the EC has provided the Reef Finance Company with grants for capital lending to small farmers for sustainable agriculture through a range of new products and service offerings.

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51 See *Overview of current economic conditions in Palestine*, Democracy and Workers' Rights Center, Ramallah, West Bank, posted to the Global Policy Network (www.gpn.org) on 13 September 2006.

Germany (Ministry for Economic Development and Cooperation)

German Cooperation is supporting the Palestinian financial sector development through its Development Bank (KfW). KFW's activities are focused on enhancing local financial institutions to satisfy the significant unmet demand for finance of local micro, small and medium-sized enterprises (MSME). This is conducted through risk sharing mechanisms, such as the European Palestinian Credit Guarantee Fund that provides guarantees to banks lending to the micro-level. While the focus of these interventions has been on small and medium enterprises, expansion of the program for the areas of microfinance and rural finance are under consideration. KfW is also planning to launch a regional fund for MSME financing in selected countries of the Middle East.

Islamic Development Bank (IDB)

The IDB supports self-employment and micro-enterprise development as a means to reduce unemployment, to achieve higher growth and to reduce poverty. Through a pilot program, the *Deprived Families Economic Empowerment Program* implemented by UNDP/PAPP in partnership with the Ministries of Labor, Planning and Social Affairs, IDB contributes to the economic empowerment of families via grants with Islamic microfinance services. This assists to help poor families escape from poverty through better management of money.

OPEC Fund for International Development (OFID)

The OFID supports micro-enterprise strengthening and small business development in the Palestine private-sector through the PalFund Trust Fund. This financial instrument is administered by UNRWA through its microfinance department.

Oxfam/Novib

Oxfam/Novib's support in Palestine is focused on strengthening transparency and the exchange of best practices in the Palestinian microfinance sector through support to the microfinance network, Sharakeh. Its project has an emphasis on capacity building in Gaza in order to support the delivery of high quality micro finance services to clients in the Gaza strip. Oxfam Novib's support will also facilitate the linking of Sharakeh to regional and international developments, through the regional network Sanabel.

Spanish Agency for International Development Cooperation (AECID)

AECID's support focuses on financial literacy among rural populations to create enabling conditions to better access to financial services. AECID plans to promote the development of the first agricultural microfinance bank in Palestine.

United States Agency for International Development (USAID)

USAID supports the development of a more inclusive financial sector in Palestine to increase sustainable access to financial services for households and small businesses, including micro-enterprises through the *Expanded and Sustained Access to Financial Services* program (ESAF). Through a variety of interventions, ESAF addresses identified weaknesses in the financial system for both consumers and institutions. Interventions include improving consumer protection practices, technical assistance on commercial bank downscaling, microfinance institution capacity building and advice to the Palestinian Monetary Authority.

Of particular relevance to the Regional Economic Status Report, is USAID activity in business operations and development. *The Enterprise Development and Investment Promotion* (EDIP) provides support to a wide range of industries in the area of state-of-the-art technology, improvements in product quality, and market opportunities for Palestinian products beyond the national border. The focus of the EDIP is on industry clusters showing promise for sustained growth including agriculture and agribusiness; information and communication technology; stone and marble production; and tourism and hospitality.

Of interest to this study is the support that EDIP provides to NGOs. EDIP provides small grants of up to $50,000 to promising non-governmental organizations that plan to address business gaps in the marketplace. This initiative is relevant to the need to provide small scale capacity development technical assistance to the private TVET Centers as a means for them to strengthen their role in planning for business development. Success stories with the EDIP can be transferred to TVET development more generally. For instance, the project provided training for 167 businessmen and women in state-of-the-art information technology central to their business operations.

Much training conducted within USAID projects is short-term, demand-driven and related to a broader investment program of activity. It therefore occurs within a well-defined training framework. The promising industry clusters clearly need support from key donors in the area of education and training and in particular vocational skills development that leads to clearly defined job outcomes in areas experiencing skill shortages. The question is therefore raised if the private TVET providers can meet current and expected needs in these areas of employment?

TVET League Capacity to Meet Training Demand

Box 9: TVET and market gaps in Palestine

The challenge of new job creation and higher living standards will have to be accompanied by an education system capable of producing the right skills in a context of increased integration to world markets. So far, Palestine lags behind other countries of the world in terms of trade expansion, and job creation has not been able to keep pace with the expansion of the labor force. In addition, increasing numbers of unemployed among the educated indicate an increasing mismatch between education and jobs. The private modern sector has not yet become the main source of new jobs. Expanding trade and attracting private investment flows will be the key for private-sector led job creation in the country. And it will require an education and training system that can adapt and produce the necessary skills.

Source: *Revised TVET Strategy. Winning for a future. Chances for our youth*, Ramallah, Palestine November 2010, pp.4-5.

The Gap Analysis conducted in parallel with the Regional Economic Status Report provides the key data on the situation of the private VET-NGO League TVET Centers. In this section the opportunity is taken to briefly review the capacity of the League to meet training demand in the growing and promising industry clusters of Palestine.

The TVET system in Palestine is neither unified nor regulated. It is described as being largely unsystematic in operations with most TVET providers too small in their scope of work and capacity to deliver practical and relevant education and training programs, including workplace attachments. Equipment, tools, student resources are out-of-date and learning environments are substandard and in some cases dangerous. As a result, the TVET system in Palestine is described as being fragmented leading to a 'training policy which is diffuse and uncoordinated, making it difficult for employers to interact with the training system at the regional or national level'[52]. It is within this poorly developed education and training environment that the majority of TVET Centers find themselves.

The VET-NGO League consists of the following TVET Centers:

- East Jerusalem YMCA Vocational Training Center
- Lutheran World Federation Vocational Training Center (LWF-VTC), Jerusalem
- Lutheran World Federation Vocational Training Center (LWF-VTCR), Ramallah
- The Arab Orphan's Committee - Industrial Secondary School-Jerusalem (AOC-JISS)
- Al-Bir, VTC, Jericho
- YWCA- Palestine Vocational Training Center, Jerusalem (YWCA-VTC)
- Salesian Industrial Secondary School and Vocational Training Center, Bethlehem
- YWCA, Ramallah
- Talitha Kumi Community College, Beit Jala
- Dar Al-Kalimah Community College, Bethlehem
- Palestine Polytechnic University (TVET program), Hebron
- HHCOT-Nablus.

The profile of the TVET Centers is similar. Most are small institutions with enrollments between 150 and 200 students. Several have enrollments as low as 50 or 60 students. The exception is the Palestine Polytechnic University in Hebron with about 4,000 students, but its branch TVET Center, the Continuing Education Department, has an enrollment of 250. The range of courses offered among the TVET institutions is also similar. Key offerings include: carpentry, plumbing, auto-mechanics, electrical, telecommunications and lathe machinery. Talitha Kumi Community College offers programs in hospitality and tourism and food and beverage service and the

[52] See www.tvet-pal.org/Tvet_palestine-introduction.

YWCA in Ramallah offers secretarial and office-related occupations, but these are the exceptions.

Most courses are delivered in a one-year instructional program and the level of difficulty is normally pitched at Level 1 (semi-skilled) and/or Level 2 (skilled). Frequently, the courses of study do not lead to an academic award (credential), except at those colleges where Level 3 and Level 4 courses are offered (at Talitha Kumi Community College, Beit Jala, Dar Al Kalimah Community College, Bethlehem and Palestine Polytechnic University, Hebron for instance).

In terms of international standards, Level 1 and 2 TVET is regarded as pre-vocational or pre-apprenticeship preparation (entry-level) and graduates are not normally regarded as skilled in the sense of having met requirements according to identified student learning outcomes in industry with defined occupational skill standards which describe good practice in a particular area of work[53]. For instance, training in automotive training in Palestine can last from 9 to 24-months, but the volume and duration of training does not reflect a pathway towards a higher level qualification. Training in carpentry is similar but often the skills developed are in the area of furniture making and joinery which does not enable graduates to work on construction sites as carpenters.

From the range of training and qualifications provided with each industry cluster examined in this report, the TVET League is poorly placed to meet market demand in the important industry clusters, except in a small number of niche markets including banking and financial services and hospitality. The inescapable conclusion is that the gap is very wide between the demand for skilled labor, the formal training and qualifications normally linked to the development of skilled labor, and the capacity of the League to provide those qualifications to meet market demand. *Bridging this gap remains not only a challenge to the League members, but also the Palestinian TVET system as a whole.*

Summative Conclusion

The situational analysis indicates that emerging and forward looking clusters of employment identified by DAI in 2007 have remained reasonably consistent[54]. According to DAI, these clusters were chosen because of ‘their historical importance to the West Bank and Gaza economy, their competitive potential, or their nature as emerging or forward-looking clusters’. By late 2010 it is clear that this assessment remains relevant. Further, in addition to the eight clusters worthy of receiving support through the USAID funded *Palestine Enterprise*

[53] See www.ukstandards.org and www.unevoc.de.

[54] DAI, *Cluster Competitiveness Assessment. Eight industrial and service sectors in the West Bank and Gaza*, Washington DC, January 2007.

Development project, are the emerging potential industries, including transportation and logistics and financial services. This is consistent with this study which notes that automotive is on the increase and that planned industrial zones are predicated on sound and consistent transportation.

As the banking sector strengthens, the need for a wider range of financial services is evident which USAID has been supporting consistently for some time. As will be seen in the analysis of each of the two regions under this study, there are opportunities for further development of these industry clusters in specific governorates.

Many people interviewed indicated that the Palestinian industries with potential for growth beyond those described above include stone and marble, pharmaceuticals and food processing. Most of the growth sectors identified include occupations which are, or can be taught, in the TVET institutions, provided that the Centers are conducting the required planning with industry, thereby enabling TVET Centers to respond to these opportunities.

There now are several challenges to address. Students graduating from public and private TVET institutions are perceived by employer groups as not sufficiently trained or qualified to work in modern working environments. Communication skills, literacy and numeracy (business English and book keeping for instance) and general workplace discipline is poor among these graduates and this represents a widening skills shortage as these major commercial and industrial sectors continue to expand. Still, as is observed in the Gap Analysis, parallel to this study, TVET graduates, although well short of being work ready, do secure employment on graduation.

The specifics of the two regions under investigation can now be examined.

5. Profiles of the Targeted Geographic Areas

Table 6: Indicators for West Bank and Gaza industry clusters in 2006

Cluster Indicator	Pharma-ceuticals	Agro-industry	Furniture	Tourism	Handicraft	Stone & marble	Construction	ICT
Total enterprises	6	1,532	1,100	608	1,020	1,124	900	400
Contribution to GDP (%)	<1	4	3	4	<1	5.5	4.6	1.08
Share of local market (%)	45	52	76	20	30	50	80	65
Contribution to employment (%)	3.16	15.37	4.56	1.90	2.37	9.85	12.66	0.73
Total employees in cluster	20,000	97,168	28,800	12,000	15,000	62,250	80,000	4,600
Average monthly pay ($)	550.00	365.17	440.00	390.00	200.00	230-500	300-800	500-800

Source: DAI Washington, *Cluster Competitive Assessment*, Washington DC, 2007 using Palestinian Central Bureau of Statistics website (www.pcbs.gov.ps)

Introduction

Developing an appreciation of the economic reality of the West Bank is constrained by a number of variables. For instance, a description of the economic situation of the West Bank in 2005 reads very differently from that in 2010. The contrast goes further with a comparison of the economic situation of Hebron bearing few similarities to that of Ramallah. An article from Reuters on 2 August 2010 declared that "*Ramallah building boom symbolizes West Bank growth*". The article advised that '*once a mere village on the outskirts of Jerusalem, Ramallah has seen its population double in the last 10 years and land prices surge, in part, due to the fact it falls within the 40 percent of the West Bank where Palestinians can build without Israeli permission*'. Ramallah has a buoyant economy, but the features of this growth and allied population expansion is not shared in other key West Bank towns and settlements including Nablus, an industrial city 45 minutes to the north.

Ramallah's growth continues to draw Palestinians from other West Bank towns where jobs are fewer. In terms of urbanization, Ramallah has extended to absorb the neighboring town of Al-Bireh so that the current population is now 280,000 residents, comparatively quite a large city. Accordingly, putting together an economic profile of the West Bank reflects a micro-economic analysis of key governorates in a context where the socio-economic situation in Ramallah is not typical of other West Bank settlements. It is therefore valuable to look at the profile of each geographic area separately.

In terms of urbanization, Ramallah has extended its borders steadily. With the removal of many Israeli military road blocks and check points, this scenario of economic development lends itself to the possibility of stability (adding to the prosperity of Ramallah).

Accordingly, putting together an economic profile of the West Bank boils down to a micro-economic analysis of key governorates. The context, provided in this introductory section, is that the socio-economic situation in Ramallah is not typical of other West Bank settlements and should not be seen as the over arching picture of the West Bank as a whole.

When appraising the economic situation in Bethlehem, Hebron and Jericho, the very different circumstance of growth in Ramallah cannot be seen as being typical for the West Bank in general. Our analysis is therefore based on the following observations and assumptions which rest on a very recent historical backdrop:

- When appraising the economic situation and by implication, TVET Program/Project environment in the West Bank, analysts are not dealing with a typical economy. Growth areas are localized and subject to tight external constraints. Under these circumstances, the usual labor market analysis, including large-scale longitudinal studies by economic and/or industrial sectors is not always possible and when possible, can have a limited shelf-life;

- Employer surveys will need to gravitate towards a large number of small employers - often micro-enterprises, and this overshadows accurate employment trend analysis at the macro-level. Under these circumstances, household surveys can be quite important research tools, as often, a micro-enterprise is a family business employing family members and relatives;

- The formal labor and employment market is small and can suddenly shrink owing to border sensitivities. The number of large employers covering the key sectors, although expanding, remains small. Currently, outside of banking, and general and civil construction industries, there are too few large employers to consider a detailed employment trend analysis including labor market forecasting;

- According to the UN agency UNCTAD, formal sector employment for Palestinians is shrinking and therefore the prospects for planned labor/employment expansion are weak; and,

- Palestine falls within a post-conflict environment with a dual economy within the same time and space of other neighboring economies that are not subject to strong domestic controls. This means that dimensions for economic development in a post-conflict environment need to be drawn upon to fully understand the economy and prospects for employment. Given the size of the population and its border areas with a dominant nearby economy, the situation in Palestine can be likened to that of Timor-Leste some 10-years ago.

These observations are not listed here as a means to limit the economic analysis, but as a geo-political backdrop for understanding the current economy of Palestine and likely trends in employment that will have bearing on TVET program planning and TVET systems development. It is important for TVET planning to have a degree of certainty about economic development, including labor market growth. Inefficient TVET systems are often described as supply-driven and there are consequently expectations that for the system to improve and become more responsive to employment trends, it must move toward a demand-driven model. This equation though often simplifies the connection between TVET and employment. A recent ILO study provides an overview of the ideal situation for TVET:

> *"The growing recognition of the need for continuous training throughout a person's working life, linked to basic education and broad-based initial training has encouraged governments to involve the private sector in the development and delivery of TVET and to develop market-driven mechanisms to make it*

> *competitive and responsive to demand. A more entrepreneurial spirit has accordingly been introduced that tailors the content and delivery of training to enterprise needs, attention has been given to cost recovery, and criteria have been devised to regulate the quality of the training delivered by the private sector … In its most advanced form, the [TVET] system is driven by the private sector, while the government establishes the overall framework and provides the necessary incentives to motivate the collective effort.*[55]*"*

In Palestine, the TVET situation is a long way from the ideal. The ILO description is based on a TVET system that has gone through several phases of development, one that is embedded in a robust, free market economy with a strong industrial and commercial base and an expanding labor market that is constantly being upskilled. This demand-driven system is heavily funded by the private sector itself with governments complimenting funding arrangements through State Training Funds, government subsidized apprenticeship systems and the provision of sufficient funding to support a TVET bureaucracy consisting of a range of agencies and instruments tasked to keep the system regulated, uniform, bench-marked and accountable. Publically funded competitive grants to TVET institutions are often a feature of this demand-driven system and these grants are performance-based, bench-marked and time-bound.

Palestine does not yet have the commercial and industrial infrastructure to support the demand-driven TVET system described above. Provisions for TVET in Palestine are more hybrid in nature, whereby demand is best understood as **need**: the needs of small enterprises; the need of employers whose routine staffing compliment can be as small as two employees and as high as 10,000 employees; and the needs of many family businesses described as micro-enterprises[56]. The type of responsive TVET system that could most likely be developed in Palestine at this time could be described as:

> *Vocational education and training institutions outside the [national] education system … [these TVET centers] have been established outside the formal education system … and may be publicly owned, or privately owned by voluntary non-profit organizations, by proprietary agencies operated for profit, or by enterprises.*

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55 *The Changing Role of Government and Other Stakeholders in Vocational Education and Training*, Training Policies and Systems Branch Employment and Training Department International Labour Office (ILO) 4, route des Morillons CH-1211 Geneva, Switzerland, 2009.

56 The Gap Analysis conducted in parallel to the Regional Economic Status Report reveals that many private TVET Centers are poorly equipped to meet new labor demand. Most are subject to severe financial limitations so running costs are kept very low. Poor salaries make finding qualified teachers difficult. Many Centers depend on fund raising and donations to cover operating costs but this activity is insufficient to fund improved salaries or purchase new equipment or tools. Moreover, these Centers cater to poor household and families and to attract students, fees must be kept low. The unit cost to train each student even in basic TVET courses can be around $2000 and $3000 per annum, yet students, owing to poverty, are often charged as little as $700 per annum.

> *Many large enterprises, recognizing the importance of a well qualified labor force and dissatisfied with the quality of workers provided by the VET system, have set up their own training centres*[57].

It is this TVET scenario that might fit best to the economic situation of Palestine at this time. However, it is fragmented and not ideal. The narrative in the introduction provides a backdrop for forging a better understanding of the local economy of each governorate in the two regions, where labor demand is not being met and how the TVET sub-sector in general, and specifically League members, can respond to unmet demand as the economy of Palestine continues to improve.

Governorate of Bethlehem

Bethlehem area stretches from the south of East Jerusalem to the Hebron Area in the south and the Dead Sea in the East. It stands at an elevation of about 775m (2,510 ft) above sea level, thus 30 meters (100 feet) higher than Jerusalem. Bethlehem is well known to be the Birth Place of Jesus. The Nativity Church attracts tourists and pilgrims from all over the world. Bethlehem has an abundance of souvenir shops and restaurants which are part of the hospitality and services that mark the city. Bethlehem and its satellite towns, Beit Sahour and Beit Jala, have many churches, convents, schools and hospitals among its expanding urban areas.

Owing to its religious attractions and historical sites, the tourism and hospitality sector is steadily improving. Tourism witnessed a nearly 100% increase from 2009 to 2010[58]. Accordingly, Bethlehem is well endowed with hotels, including 5-star resorts linked to international

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57 *The Changing Role of Government and Other Stakeholders in Vocational Education and Training*, Training Policies and Systems Branch Employment and Training Department International Labour Office (ILO) 4, route des Morillons CH-1211 Geneva, Switzerland, 2009.

58 The report prepared by the government of Israel *Measures Taken by Israel in Support of Developing the Palestinian Economy and Socio-Economic Structure.* Report of the Government of Israel to the Ad Hoc Liaison Committee (AHLC) New-York, September 2010 (p.4) advised that growth was recorded in the tourism sector in the West Bank. It claimed that 'between June 2009 and March 2010, the number of guests staying in hotels rose by 13.7%, the average number of nights spent in hotels rose by 11.8%, and occupancy rates rose by 10.6%, to 32.7%. During the second quarter of 2010, the total number of guests was recorded at 140,009.3 In particular, a significant increase in tourism was recorded in Bethlehem and Jericho ... in the first half of 2010, external tourism in these two cities amounted to 824,000, in comparison to 441,000 in the first half of 2009'.

hotel chains. Bethlehem has a healthy retail sector including many stores specializing in handicrafts but the full potential is not being realized. Tourism to Bethlehem is subject to some controls whereby large numbers of foreign visitors, although remaining in the governorate for the day, often return to Jerusalem in the evening. This tends to reduce the volume of spending by visitors and also reduces occupancy rates in local hotels and resorts. If existing restrictions are removed, Bethlehem is likely to experience significant growth in the retail, handicrafts, and hospitality and tourism industry clusters, which in turn will lead to substantially higher levels of employment.

Bethlehem once had a robust stone and marble industry. Activity has shrunk in this industry cluster owing to restrictions on Palestinians working in Israeli settlements and Jerusalem (construction sector activity) and restrictions by Palestinian authorities on the sale of stone and marble to certain areas of Israel. This has not yet been off-set by international demand and sensitivity to border closures, and the movement of people remains a concern. As stone and marble products from Bethlehem are of a high quality, there is strong potential for this to change. But at this time the industry cluster is constrained, by complex geo-political policies and regulations.

Bethlehem is well served by education and training. It has two important universities, Bethlehem University and Al Quds Open University, and two VET-NGO Centers are located there: Dar Al Kalima and Salesian Technical School. Dar Al-Kalima has a focus on non-traditional TVET areas including Fine Arts and the Performing Arts. Both colleges report sound results for graduates securing employment.

In its most recent survey, the Palestinian Central Bureau of Statistics (PCBS) [59] advised that the size of the employable labor force of the Governorate of Bethlehem stood at 50,300 or 45.7% of the total population in the governorate. The number of formally employed Palestinians is 40,800, leaving 9,500 officially unemployed. Income in the Governorate is low with the average daily wage at NIS103. The majority of formal employment is located in the Governorate itself with 9.0% of the labor force working in Israel and 4.9% in other governorates, mainly Ramallah. The range of employers interviewed by industry sector for each governorate is located in Appendix 3.

Of the total formal employment situation only 12.4% work for the public sector. This is consistent with the larger employment profile of the West Bank which has 88% of the workforce employed in the private sector, with many of these self-employed or working within a micro-enterprise work environment[60]. According to the PCBS and the interviews undertaken with key

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[59] Palestinian Central Bureau of Statistics, *Labour Force Survey:* (April-June, 2010) Round, (Q2/2010). *Press Release on the Labour Force Survey Results.* Ramallah, Palestine, 2010. Also see *Environmental Profile for the West Bank. Volume 4: Bethlehem District,* Applied Research Institute, Jerusalem, October 1995.

[60] About 7.7% of this workforce force are unpaid family members, 61.5% are wage employees, and 22.3% are self-employed. Only 8.5% are employers in SME sized businesses.

people, the key economic activities in Bethlehem, based on the number of formally registered establishments in each activity are:

- wholesale and retail trade and repair
- maintenance service technicians for a wide range of industries
- manufacturing
  - ✓ food processing and beverages
  - ✓ furniture production
  - ✓ jewelry (including gold and silver work)
  - ✓ footwear and leather work
  - ✓ mattresses
  - ✓ sheet metal work
  - ✓ plastics
  - ✓ pottery and handicrafts
  - ✓ pharmaceuticals
- real estate, housing and office lease and renting
- land acquisition and property development
- hotels, restaurants and tourism and hospitality services (tour guides for instance)
- stone and marble
- agribusiness including animal husbandry (cattle, goats, sheep)
- transport and storage, and
- ICT (a range of applications including service, repair, retail and research and development).

Table 7 shows the registered establishments with the Bethlehem Chamber of Commerce in 2010.

Table 7: Growth in key industry clusters, Bethlehem 2010

Industry cluster	The number of establishments formally registered with the Bethlehem Chamber of Commerce					Is the sector promising?	
	2006	2007	2008	2009	2010	Yes	No
Agro-industries (e.g., olive pickling, olive oil, dairy products, pasta products)					1		
Handicrafts (e.g., olive wood, carving, embroidery)					30		
ICT							
Pharmaceuticals					1		
Marble and stone					69		
Furniture					63		
Construction/building					46		
Hotels					6		
Tourism and restaurants					18		

Note: The Chamber of Commerce, Bethlehem, owing to the process of upgrading information systems could not provide data for 2006 to 2009. It is also important to note that many businesses in Bethlehem are not registered with the Chamber of Commerce.

Governorate of Hebron

Hebron is located 36 kilometers south of Jerusalem City in the southern part of the West Bank. The Governorate of Hebron contains many religious, historical and archeological sites, the most important of which are: the Ibrahimi mosque, the Tel Arumaida area of ancient Hebron which started in the Bronze age (3500 BC), the biblical site of Mamreh where Abraham pitched his tent and dug a well after his journey from Mesopotamia in 1,850 BC, Al Ma'mudiay spring (probable baptismal site of Saint John the Baptist in the village of Taffuh), and Saint Philip's spring in Halhul where Saint Philip baptized the Ethiopian eunuch.

Hebron has a dense population given the topography consisting of some 552,164 people[61]. This population is relatively young with 44.7% of the population in the 0-14 year old cohort. About 4.5% of the total population is classified as handicapped or disabled[62]. Very similar to Bethlehem, formal employment patterns reveal that 84.5 % of the employed persons work in the Governorate of Hebron, while 9.2% work in Israel and settlements, and 6.3% work in other governorates of the West Bank. Of this, 77.3% of the formal workforce is employed by the private sector with only 11.7% employed in the public sector[63].

According to the PCBS and the interviews undertaken with key people, the key industries and trades of Hebron, based on the number of formally registered establishments in each activity are:

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[61] Palestinian Central Bureau of Statistics, *Census Final Results- Summary- (Population, Buildings, Housing, Establishments) - Hebron Governorate.* Ramallah, Palestine, 2009.

[62] Handicapped and disabled: Disabled is defined as the person suffering from a clear and evident weakness in performing certain activities due to continuous difficulties emanating from a physical, mental or health state that lasted for more than 6-months.

[63] Proportunately, 19.8% of the workforce are unpaid family members, 50.5% are wage employees, 19.2% are self employed, and 10.5% are employers.

- wholesale and retail trade
- maintenance and service technicians
- manufacturing
  - ✓ food processing and beverages
  - ✓ furniture production
  - ✓ jewelry (gold and silver work)
  - ✓ footwear and leather work
  - ✓ metal work
  - ✓ plastics
  - ✓ pottery and handicrafts
- pharmaceuticals
- real estate and property development
- hotels and restaurants
- furniture
- agriculture
- transport and storage and communications
- stone and marble
- construction (civil and general)
- utility services and technicians, and
- mining and quarrying.

Table 8 details growth in key industries in Hebron since 2005. The surge of growth in 2010 reflects growing stability and confidence in this governorate by employers and investors. New activity soared in marble and stone, construction and property development and agro-industries. But it should be noted that owing to ongoing political tension, activity in tourism and hospitality is low with weak potential for improvement.

Table 8: Growth in key industry clusters, Hebron 2006-2010

Industry cluster	The number of establishments formally registered with the Hebron Chamber of Commerce					Is the sector promising at this time?	
	2006	2007	2008	2009	2010	Yes	No
Agro-industries (e.g., olive pickling, olive oil, dairy products, pasta products)	3	5	4	5	19		
Handicrafts (e.g., olive wood, carving, embroidery)	3	2	6	4	25		
ICT	2	2	6	9	19		
Pharmaceuticals							
Marble and stone	16	13	17	12	78		
Furniture	13	10	13	11	34		
Construction/building	23	29	20	19	56		
Hotels					1		
Tourism and restaurants	5	4	4	4	8		

Governorate of Jericho and Al Aghwar

The relatively remote area of Jericho, bordering the Dead Sea, and Jordan, has a small population of about 42,320 people[64]. As with Hebron, the population is quite young with nearly 17,000 within the 0-14 age cohort (or 41.2% of the total population). Jericho is considered to be the oldest continuously inhabited city in the world. It has been home to humans for 10,000 years. Jericho is one of the most famous cities of Palestine, and worldwide, because of its religious and historical importance. A number of historical and archeological sites are located in the area.

Jericho has two main refugee camps; Aqbat Jaber and Ain Al Sultan. Jericho, and along with Gaza, was the first city to witness the birth of the Palestinian Authority in the early 1990s. Main sites in Jericho include: Deir Hajla Monastery, the Monastery of St. John the Baptist, Mount of Temptation and its monastery, Sanctuary of the Prophet Moses, Hisham's Palace, the most magnificent architectural site in the area, was once an Umayyad winter retreat, Qumran, 20 kilometers south of Jericho; Qumran is where the Arab shepherd boy found the ancient Dead Sea Scrolls, and the Dead Sea.

Jericho is watered by wells, springs, and has two major fertile valleys. The most important spring is Ein es-Sultan. There are four main springs in the Jericho area, but only one, Ein es-Sultan, is under Palestinian control. Because of its climate and the availability of water, Jericho is known for agriculture, mainly dates and citrus.

64 Palestinian Central Bureau of Statistics, *Census Final Results Summary (Population, Buildings, Housing Establishments, Jericho & Al Aghwar Governorate.* Ramallah, Palestine, 2009.

In the most recent report from the Palestinian Central Bureau of Statistics[65] it advised that 12,700 people are in formal employment, earning an average daily wage as low as NIS74.3. The same source advises that 78.4 % of the employed persons work in the Governorate of Jericho, while 17.6 % work in Israel and settlements, and 4.0 % work in other governorates of the West Bank.

In contrast to other governorates, at least 57% of the workforce is employed by the private sector while 21.0% are employed in the public sector. Data on self-employed suggest that some 19.1% were self-employed and/or working for families. According to the PCBS and interviews, the key economic activities of Jericho based on the number of formally registered establishments in each activity are:

- wholesale and retail trade
- major hotels and resorts
- tourism and hospitality
- manufacturing
  - ✓ food processing and beverages
  - ✓ furniture production
  - ✓ metal work
- real estate and property development
- tourism, hotels and restaurants
- farming including dates, citrus and melons
- transport and storage
- financial services
- construction (civil and general), and
- mining and quarrying

Table 9: Growth in key industry clusters, Jericho 2010

Industry cluster	The number of establishments formally registered with the Jericho Chamber of Commerce and Industry					Is the sector promising?	
	2006	2007	2008	2009	2010	Yes	No
Agro-industries (e.g., olive pickling, olive oil, dairy products, pasta products)	1	1	1	1	1		
Handicrafts (e.g., olive wood, carving, embroidery)							
ICT					12		
Pharmaceuticals							
Marble and stone					7		
Furniture					12		
Construction/building					20		
Hotels			4	4	4		
Tourism and restaurants			19	19	19		

Note: The Chamber of Commerce and Industry, Jericho, was unable to provide data on registered businesses for 2006-2010. The Chamber advised that the governorate has large tracts of vacant agricultural lands available for farming. Its climate enables Jericho to produce 50% of vegetables cultivated in the West Bank. In winter it produces 100% of the banana and date harvest for the West Bank. It also has an abundant water supply. As Jericho is a tourist center there is strong potential for the production and sale of handicrafts. The infrastructure in support of hotels is strong with considerable potential for future growth.

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[65] Palestinian Central Bureau of Statistics, *Labour Force Survey:* (April-June, 2010) Round, (Q2/2010). *Press Release on the Labour Force Survey Results.* Ramallah, Palestine, 2010.

Governorate of Ramallah and Al Bireh

Ramallah Governorate lies in the central section of the West Bank. With the status of the City of Jerusalem still being decided, Ramallah is currently considered as the capital of the West Bank and is one of the largest governorates of the Palestinian Territory with a total land area of 848,828 km^2. As noted earlier, the city is rapidly expanding with its construction boom as one of the most obvious signs of West Bank economic growth, with an estimated annual rate of 20%. Palestinian policymakers attribute the growth to relative stability and healthy donor support. Property values in Ramallah have risen by 30% since 2008.

According to the *Oslo II Interim Agreement* (September 1995) between the Palestinian Liberation Organization (PLO) and Government of Israel 101,731 km^2 of Ramallah Governorate are classified as area A (areas under Palestinian control)[66].

The total population count of Ramallah and Al Bireh governorate in 2007 was 279,730 people including 140,827 males and 138,903 females[67]. Data from the Central Bureau of Statistics advises that there was a decrease in average household size[68]. The average family household's size in the Governorate of Ramallah and Al Bireh was 5.3 persons in 2007 compared with 6.7 in the West Bank in general, the last time a census was taken. As with other governorates, the 0-14 age cohort is strong and growing with 38% of the total population in this group.

Ramallah and Al Bireh Governorate is the current seat of the Palestine government and the wealthiest Governorate in the West Bank. It is the home of the biggest private sector companies. Almost all of Palestine's insurance and telecommunication

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66 Applied Research Institute Jerusalem**,** *Geopolitical Status in Ramallah Governorate*, 2009.

67 Palestinian Central Bureau of Statistics, *Census Final Results Summary. Population, Buildings, Housing Establishments, Ramallah and Al-Bireh Governorate.* Ramallah, Palestine, 2009.

68 Palestinian Central Bureau of Statistics, *Palestine in Figures 2009.* Ramallah, Palestine, 2010.

companies are based in the governorate, including Paltel, Palestine's foremost telecommunications provider, and parent company of Jawwal, the main provider of mobile phone service and high-speed internet.

Leading private-sector organizations are based in Ramallah including Pal Trade, the Federation of Industries, and the Federation of Chambers of Commerce. Ramallah houses the Palestinian Broadcasting Corporation, transmitting the West Bank's "Voice of Palestine" and Palestine's only satellite television to regional viewers. Service industries including retail, hotels and apartments and transportation play a major role in Ramallah's economy. Clearly, real estate and property is a booming industry and economic sector. Finally, Ramallah is the home of the government ministries, and diplomatic missions to the PNA.

According to the Palestinian Monetary Authority, the Governorate of Ramallah and Al Bireh includes the head offices of 15 of the 21 regional, national, and international banks that operate throughout Palestine. Global Insurance, the fifth, large size, insurance company in the West Bank, opened in Ramallah in October, 2010. Recent construction and building development in Ramallah has increased the demand for insurance companies. **Table 10** provides a summary of growth in key industry clusters in Ramallah since 2005. It reveals that construction and property development have steadily risen with consistent expansion in most sectors. Tourism and hospitality have almost doubled since 2008. Pharmaceuticals, seen to be emerging as an industry cluster in 2006, has remained relatively constant.

Table 10: Growth in key industry clusters, Ramallah 2006-2010

Industry cluster	The number of establishments formally registered in Ramallah Chamber of Commerce					Is the sector promising at this time?	
	2006	2007	2008	2009	2010	Yes	No
Agro-industries (e.g., olive pickling, olive oil, dairy products, pasta products)	20	22	26	34	40		
Handicrafts (e.g., olive wood, carving, embroidery)							
ICT	50	62	79	101	124		
Pharmaceuticals	10	10	11	11	13		
Marble and stone	26	27	32	34	40		
Furniture	27	32	33	40	52		
Construction/building	105	117	126	146	175		
Hotels	7	8	8	12	13		
Tourism and restaurants	22	30	40	62	83		

Summative Conclusion

The economic profiles of the four governorates have similarities. The key industries present a similar landscape of activity, reflecting that demand rests primarily with the domestic market, rather than a broadly based export market. UN reports on Palestine often refer to the tight restrictions exercised by the Government of Israel on the economy of Palestine and in particular the West Bank. Accordingly, understanding the economic reality of each governorate is constrained to an examination of domestic or local demand for goods and services rather than a highly competitive regional and global market place with seasonal variations.

From PCBS, our employer surveys, and discussions with a wide range of stakeholders, the most robust employment sector in all four governorates is wholesale and retail trade, largely based on minimarkets, supermarkets, clothing and footwear stores, coffee shops, cafes and food stalls and the many cottage industries concerned with the production of bread, pastries and confectionary. The great majority of these businesses are micro-enterprises and small business operations. Employment in this area tends to be based on labor absorption, rather than the planned recruitment of qualified, trained and skilled labor.

There are though, some concentrated industry clusters and areas of employment generic to each governorate. They nonetheless cover a broad spectrum. In **Ramallah** they include: (i) construction, property development and realty; (ii) banking and financial services; (iii) pharmaceuticals (which the DAI study assessed as having weak potential for employment); (iv) hospitality and tourism; and (v) automotive (sales, service and repair). At the other end of the spectrum, **Jericho** has concentrated activity in agro-industry which has the promise of strong prospects for employment growth, tourism and hospitality and automotive.

In **Bethlehem**, the stone and marble cluster continues to be important, but as an area of employment, is shrinking. As with Ramallah and Jericho, tourism and hospitality and automotive are important for the ever increasing number of tourists, both Palestinian and foreign, who need to be catered to in the areas of transportation, taxis and buses, food and beverage services and a reasonable volume of accommodation. Furniture production is important, but as with stone and marble, it is sensitive to border closures which can impede the export of finished products.

Finally in **Hebron**, stone and marble, jewelry based on gold and silver, handicrafts, food processing, footwear manufacture and automotive are among the most prominent industries for growth and employment. Stone and marble is experiencing boom conditions. Furniture production, though important, is less promising, but there has been a sharp rise in the number of businesses. Issues with border sensitivity continue to constrain activity in this industry so the spike in growth over 2010 is worth further exploration. Agro-industries appear to be on the rise, but the sector must be tracked to see if the trend is consistently improving.

In Palestine there is not a tradition of TVET Centers working with industry to prepare students to enter these growing or expanding industry clusters in each governorate. Indeed in Jericho, a TVET Center next to a five star resort that is frequently fully occupied, does not have courses in tourism and hospitality at this time. It does provide basic training in automotive mechanics, but not automotive servicing and detailing, despite the large number of vehicles including taxis throughout Jericho.

Of relevance to the analysis is the interest in all governorates for improved access to information and communication technology as a potential growth area. ICT activity, beyond servicing, is not particularly strong in each governorate, except Ramallah despite claims that TVET Centers need to meet demand in this area. According to the Palestinian Central Bureau of Statistics (2009) only 33% of homes have a computer and only 16% of households can access the internet. As 57.3% of the population of Palestine is living under the poverty line,, and with the average net daily wage for employees at US$20.00, the lack of ownership or use of computers is not surprising for ICT. Indeed, one major hotel in Ramallah is charging a guest US$10.00 a day for internet access which is half the net daily wage for Palestinians.

The following **Table 11** summarizes access to ICT throughout Palestine. It does not provide strong evidence for re-calibrating the TVET subsector to meet demand in this field for the short to medium-term. However, our team would recommend the integration of technology into the training for any vocation.

Table 11: ICT access throughout Palestine, 2007

Indicator	Percentage
Percentage of businesses/enterprises using a computer	21.3
Percentage of business/enterprises using the Internet	12.7
Percentage of businesses/enterprises using electronic transactions (e-business)	2.3
Percentage of businesses/enterprises having a website	2.6
Percentage of enterprises engaged in the research and development of ICT	1.2
Number of computers in businesses/enterprises per 100 employees	24.0
Percentage of employees using a computer	22.0
Percentage of employees using the Internet	15.0
Percentage of ICT specialists	3.5

Source: PCBS, 2008.

6. Summary of Survey Results

The General Context

Although the study team drew on a range of qualitative research methods and tools for the collection of data, a number of limitations were encountered. A key issue was that much of the information gained, particularly from employers, was based on individual perceptions. There did not seem to be a commercial outlook by many employers, except those operating quite large businesses or enterprises. Impressions of industry growth, new markets, and the need for new skills sets among the next generation of employees seemed to be a matter of speculation rather than an informed forecast. The general approach of employers was somewhat dismissive and many responded to an issue, such as a potential skills shortage, as if it was of little or no consequence, a matter of '*time will sort this out*'.

For instance, the need for improved and/or increased business and employment activity in information and communication technology was often discussed. But this was not raised in a context of market or industry growth or potential for profit or specific interventions that would contribute to the further development of that industry cluster. Further, although recognized that ICT is central to global competiveness, few employers were actively pursuing professional training in this area or seeking opportunities to modernize core business operations through the introduction of modern ICT equipment and systems.

This lack of business or commercial outlook is no doubt based on years of uncertainty and economic instability, one that does not allow industries to contemplate industrial growth based on a rapidly expanding export market to meet the needs of robust economies and markets elsewhere. But it does reflect a poor infrastructure in support of business, including low capacity for e-business. As can be seen from Graph 1 on the next page, while Palestine remains the almost only market for businesses at this time, it will be difficult for many employers to develop a global outlook, which in turn limits their opportunity to consider the diversification of core business. The type and number of employers by industry sector in each governorate surveyed by the study team is found in Appendix 3. It is of interest that the number of employers in each category, and by implication volume of employment, is consistent across each governorate.

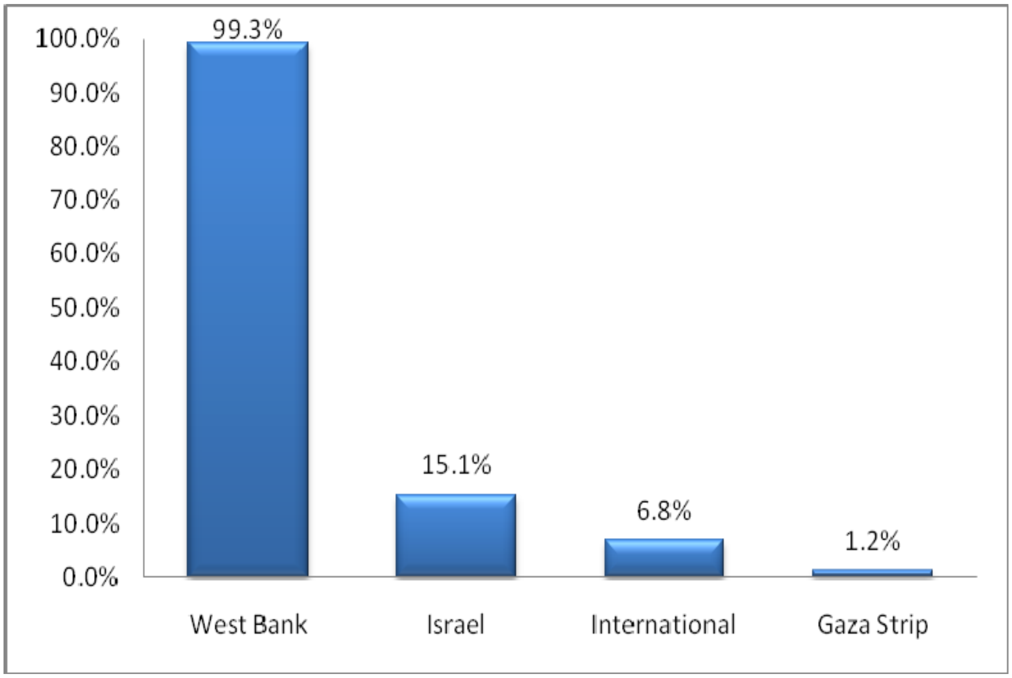
Key Observations

Of the 492 employers the study team met and interviewed, 59.2% were family owned businesses, often micro or small business operations, and 40.8% were either medium or large enterprises. Among the small businesses, most consisted of 10-employees or less. In this study the mean number of employees was 9.11 for the 492 businesses. Most employees were full-time. Males outnumbered women, almost 6 to 1. Very few disabled people are employed (0.05 per company). There is not much evidence at this stage that the strategies identified in *A Strategy for the Development of the Labour Sector in Palestine* (Ministry of Labour, February 2010) has filtered down to benefit women, the disabled and marginalized populations of Palestine's eligible working population[69].

[69] This is important as building strong links between Centers and employers is necessary for realizing successful school to work transition. TVET alone 'is unlikely to solve the social problems of restructuring gender-biased patterns of employment or meeting all the needs of disadvantaged youth'. A. Adams, *The Role of Youth Skills Development in the Transition to Work: A Global Review*, The International Bank for Reconstruction and Development/The World Bank, Washington DC, 2007.

Perhaps owing to the small size of most businesses, most companies lack effective human resource management procedures which are fundamental for improving productivity and output, and central for the development of business plans. Only 33% held job descriptions for their staff. Only 40.9% of employers had employee or company policies.

Graph 1: Main markets where Palestinian companies provide services or products

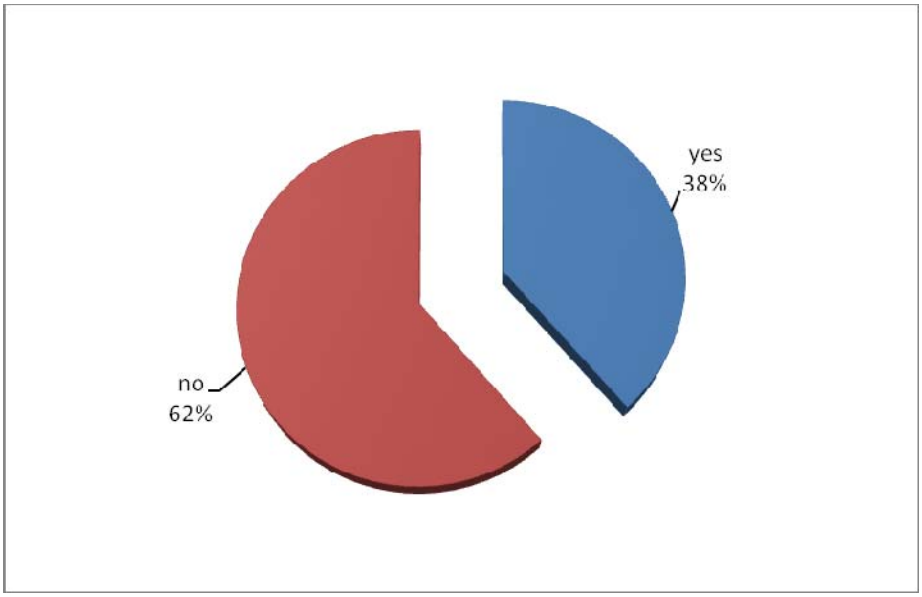


Note: Almost all Palestinian employers interviewed, do not export their products and services. Work and trade is predominantly carried out within the Palestinian Occupied Territory. A few industries have markets in Israel, but very few are active internationally or in Gaza. This has multiple training and marketing implications as modern TVET is based on working and competing in a global market place requiring a global world view and best developed through internationally relevant education and training.

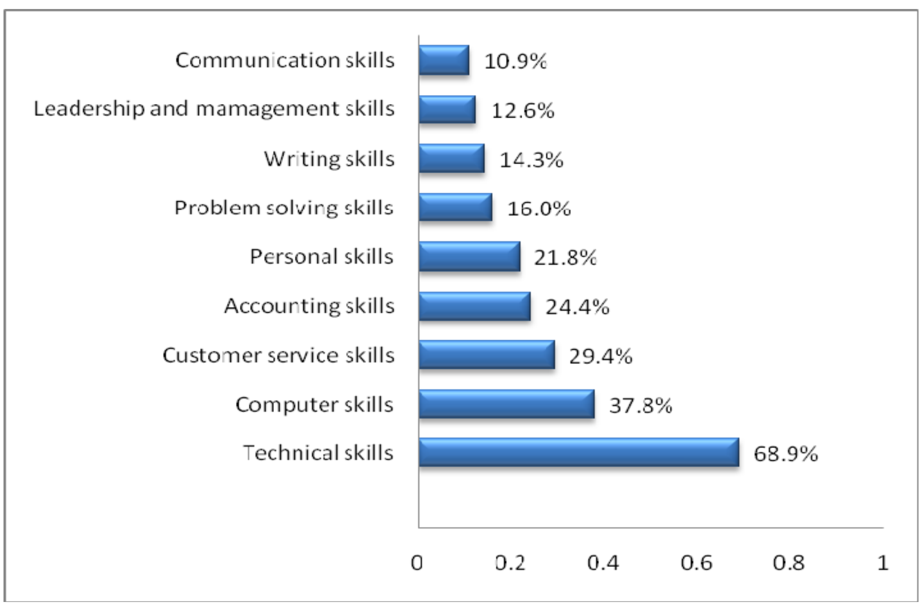
However, 67.8% of employers advised that they would benefit from having improved and more diverse operational policies. Of the employers surveyed, 51.6% held financial management procedures which they believed were followed. A little over half (53.9%) advised that they drew upon modern business technology including word processing and electronic communication, financial records management, computerized bookkeeping and e-business. Only 41.4% indicated that they had some kind of computerized systems for organizing the finances of the business. Moreover, only 20% had a system to track the production or provision of their goods and services.

Production increased in the past year for 52.4% of employers, but of all the employers who indicated they had experienced increases in production, they reported only an 18.8% increase in production. Others advised of a 25.4% decrease. When marketing their products or services (i) 77.4% said they used personal selling and networks to inform customers, (ii) 56.7% used commercial outlets for marketing, (iii) 8.9% employed the internet or e-business for sales and (iv) 32.7% used promotional campaigns including the media. These skill shortfalls of employers are reflected among their employees. As can be seen from Graphs 2, 3 and 4, employers consulted in this study advised that nearly 40% of workers currently working in Palestine lack the necessary skill sets to undertake their job effectively and the skills lacking, cover a very wide range including basic literacy and technical skills, ranging from basic to complex.

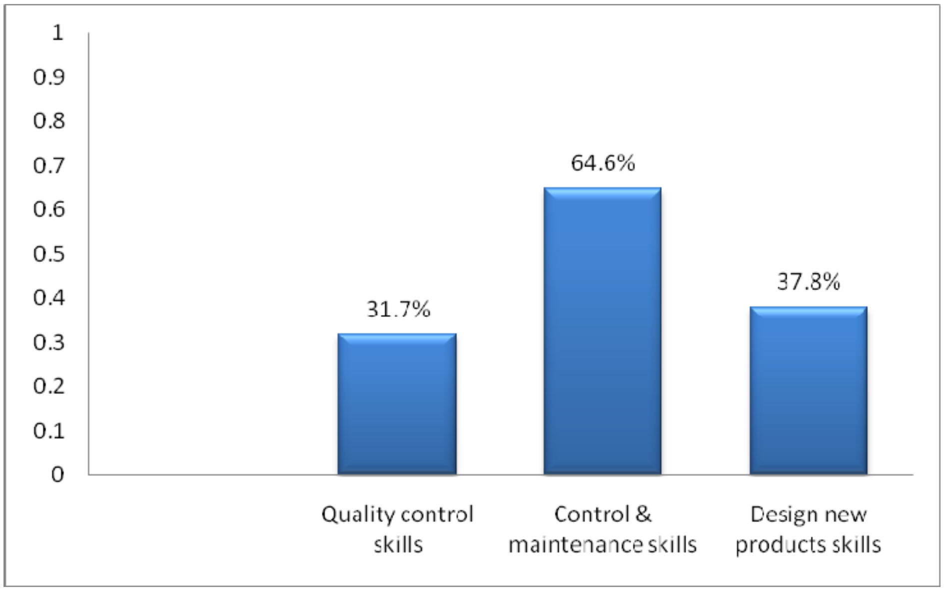
Graph 2: Employer perceptions of employees who have required skill sets



Graph 3: The type of skill shortages as perceived by employers



Graph 4: Types of technical skills employees are lacking



Despite poor conditions or opportunities for modernizing their business operations, and despite perceived skill gaps among their employees in almost all areas, employers consulted during this study intended to expand their core business into new areas. Information gathered did not shed light on if these employers had a business development plan or a financing plan to expand operations. However, 63% were optimistic about broadening their business horizons for the short to medium term (Graph 5). What plans are in place to ensure that this expansion would include a better trained workforce are unclear, but in most cases employers had not discussed their plans with key providers of education and training within their own governorates.

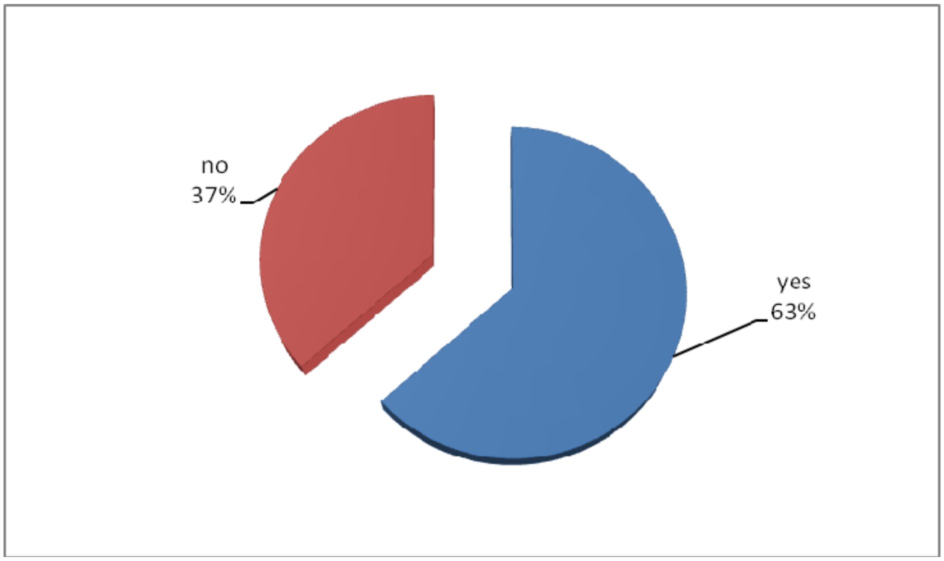
Interestingly, only 30% of employers had hired new staff in the last 12 months and it is clear as a result of information conveyed to the study team formally and informally, that this recruitment was based on the absorption of family, relatives or friends requiring employment, rather than the need to recruit skilled labor to meet a specific work purpose. What is also interesting is that employers believed they would be significantly increasing the recruitment of new staff in 2011 with a 31% increase in employment planned for that year. Again, it was not clear if these proposals for expanding employment were because of greater demand for goods and services, the expansion or diversification of core business, or an anticipated much strengthened economic performance of the Palestinian economy.

In relationship to the type of graduate best suited for this proposed business expansion and new employment, almost 42% of employers said they are interested in hiring technically qualified graduates from TVET Centers (Graphs 6 and 7). Indeed, employers expressed an interest in new recruits who were not necessarily equipped with a high school diploma suggesting again that the source of new recruits could be entry-level workers from the TVET sub-sector[70].

The key areas for the expansion of existing businesses into new enterprises is wide and includes the opening of new branches or outlets and the introduction of new product lines. Implicit to expanded activity is the possibility that employers will go beyond their current work location into a new environment (new suburb, new region, or new city). Expanded business, such as the growth of cities such as Ramallah and the opening up of new commercial opportunities to meet the needs of urban growth will need qualified workers. This is certainly the case with retail workers, where urban growth generates the need for new shopping malls, supermarkets and minimarkets.

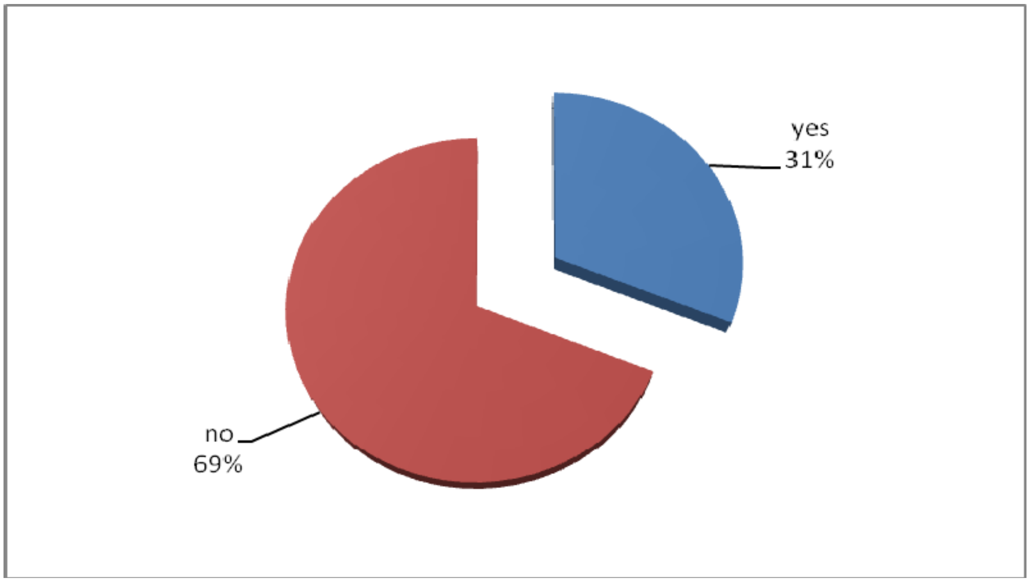
As was noted in the area of the need for business development plans for the expansion of commercial and industrial activity, the study team had the impression that where employers identified their needs for expansion opportunities, the decision was based more on a hunch than a predictable economic and employment horizon. For instance, the various Chambers of Commerce tend not to be active in assisting employers in this area of market analysis, including the release of market alerts as a trigger for employers to begin thinking about the next steps for strengthening their business operations. As access to computers and software is quite poor and employers are not accessing the internet for growth or training opportunities, there is clearly a need to provide employers with a better way to upgrade their own professional training to become more competitive as the economy of Palestine continues to improve.

Graph 5: Employers planning to expand business operations

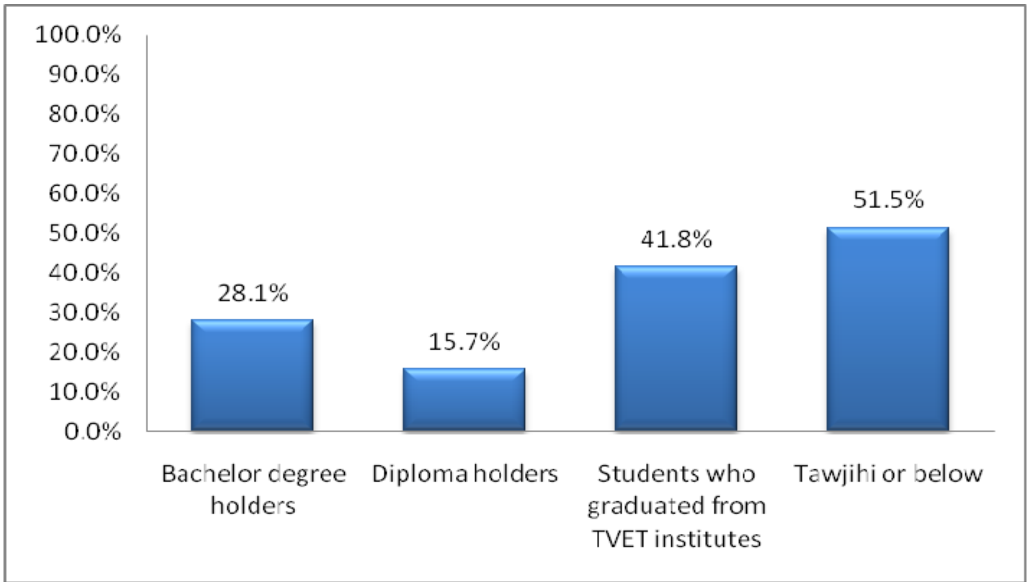


[70] Typically a small private TVET Center in Palestine will offer education and training in carpentry, metalwork, plumbing, automechanics, autoelectronics, and telecommunications. These areas lend themselves to a variety of apprenticeship models enabling work attachments in local, small businesses. It is often on this basis that employers recruit new labor.

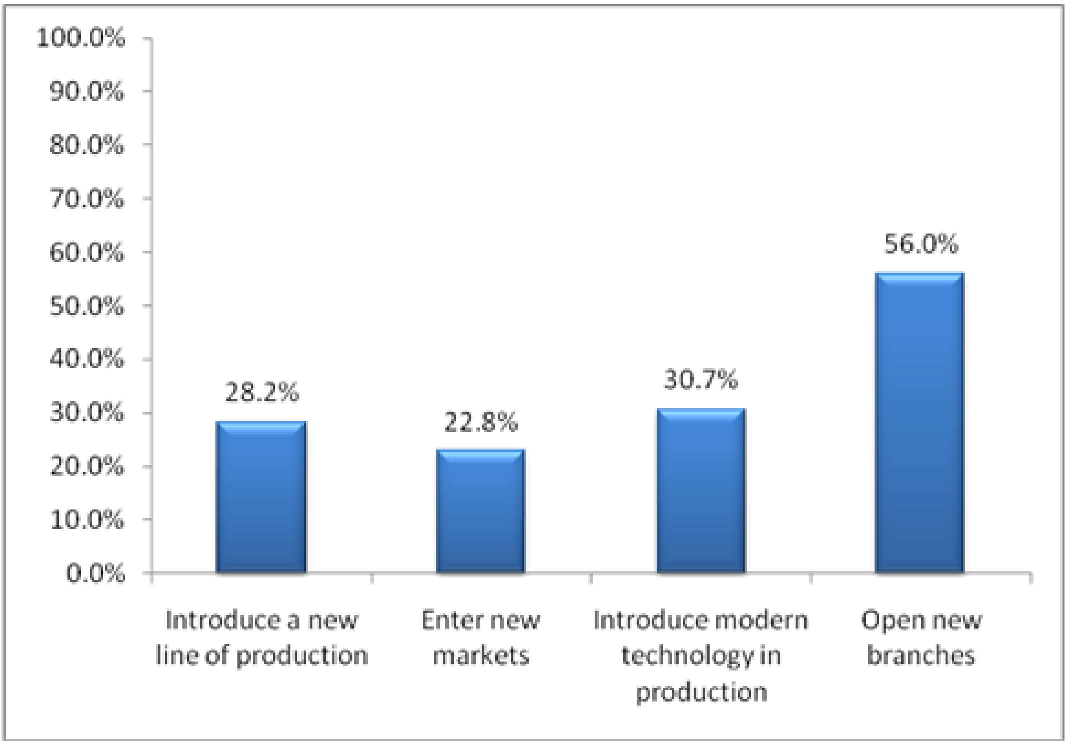
Graph 6: Employers planning to hire new employees



Graph 7: Planned sources of recruitment by education level



Graph 8: Indicative areas for the expansion of business operations



Note: With almost 60% of employers planning to open new branches, this highlights the need for universal and transferrable skills being taught in TVET Centers to allow graduates to move from one region to another. This also indicates that students need to be ready to move to new industrial zones or new branch offices as needed.

In relation to ongoing vocational education and technical training, including the continuous improvement of business operations, only 15.1% of the employers interviewed said they provide technical or professional training for their staff. Of those who do consider ongoing training to be of importance, only 19.2% were prepared to meet the cost of training. On the other hand, the number of employers interested in internships with TVET Centers was 35.8%, with most of this group prepared to accommodate internships for up to three trainees. In the right circumstances, they were prepared to sponsor a trainee. Indeed, 46.3% advised they were willing to pay for the internship but stressed the need for financial support for the internship to help meet the costs of on-the-job training and the systematic upskilling of the trainee.

Consistent with their plans for the expansion and diversification of core business, 63.3% of employers claimed that in their efforts to increase business they would be open to hiring TVET students or graduates in several industry clusters, regardless of whether they were interested in an internship or not. About 25% of employers interested in sponsoring an internship with a TVET student advised that their current workforce also requires additional or special technical training. **Table 12** summarizes the key areas of employment where TVET graduates are currently sought and where internships or a trainee system could be planned. **Table 13** details the interest of employers in being involved with internships by key areas of employment.

Table 12: Employer demand for TVET graduates by employment category

Employment Category	Percentage
Stone and marble	20.0%
Manufacture of food and beverage products	58.8%
Electricity, gas, steam and air conditioning supply	50.0%
Construction and contracting	26.7%
Wholesale and retail	19.7%
Accommodation, food services and hospitality	17.4%
Information and communication	66.7%
Financial and insurance activities	0.0%
Professional, scientific and technical activities (advertising and market research)	31.6%
Administrative and support service activities (travel agency, tour operator, reservation services and related activities).	0.0%
Other service activities (repair of computers, personal and household goods; laundry and dry-cleaning, hairdressing).	69.1%
Manufacture of textiles, leather and related products, paper and paper products, chemicals and chemical products, pharmaceuticals, medicinal and botanical products, basic metal, furniture, jewelry.	40.0%
Agriculture	0.0%

Table 13: Employer demand for internships by employment category

Employment Category	Percentage
Stone and marble	35.3%
Manufacture of food and beverage products	33.8%
Electricity, gas, steam and air conditioning supply	35.7%
Construction and contracting	46.7%
Wholesale and retail	38.0%
Accommodation, food service and hospitality	45.8%
Information and communication	50.0%
Financial and insurance activities	50.0%
Professional, scientific and technical activities (advertising and market research)	31.6%
Administrative and support service activities: (travel agency, tour operator, reservation service and related activities).	0.0%
Other service activities: (repair of computers, personal and household goods, laundry and dry-cleaning, hairdressing).	36.1%
Manufacture of textiles, leather and related products, paper and paper products, chemicals and chemical products, pharmaceuticals, medicinal and botanical products, basic metal, furniture, jewelry.	20.0%
Agriculture	50.0%

It is clear from the tables above, that there are a large number of employers who are not only interested in hiring TVET graduates, but an even larger number of employers who would be willing to provide an internship. The employment sectors with the greatest interest in hiring TVET graduates are food processing, electrical supply and maintenance, information and communication technology and a range of services including service technicians and domestic assistance.

The employment sectors with the greatest interest in providing an internship for TVET graduates are construction, tourism and hospitality, information and communication technology, financial and insurance services and agriculture. Both Tables indicate a strong interest in workers who have gone through a TVET program and preparation for work. This is despite the popular perception that vocational education and training is not adequate for the labor market of Palestine. **Table 14** reflects the interest of employers working directly with TVET Centers in the provision and management of an internship (by governorate).

Table 14: Employer interest in industry engagement and internships with TVET Centers

Sector	Question: Would you be interested in an internship with a TVET institute?			
	Ramallah	Jericho	Hebron	Bethlehem
Stone and marble	4.5%	13.6%	9.1%	4.5%
Manufacture of food and beverage products	1.3%	2.5%	27.8%	.0%
Electricity, gas, steam and air conditioning supply	11.8%	5.9%	11.8%	.0%
Construction and contracting	28.0%	.0%	16.0%	12.0%
Wholesale and retail	15.8%	5.3%	14.5%	1.3%
Accommodation and food service activities (hospitality)	33.3%	8.3%	.0%	4.2%
Information and communication	26.7%	6.7%	.0%	6.7%
Financial and insurance activities	.0%	.0%	50.0%	.0%
Professional, scientific and technical activities (advertising and market research)	4.2%	12.5%	12.5%	8.3%
Administrative and support service activities: (travel agency, tour operator, reservation service and related activities)	11.1%	.0%	7.4%	3.7%
Other service activities: (repair of computers, personal and household goods, other personal service activities, washing and dry- cleaning of textile, hairdressing and other beauty treatment)	7.8%	9.1%	16.9%	2.6%
Manufacture of textiles, leather and related products, paper and paper products, chemicals and chemical products, pharmaceuticals, medicinal chemical and botanical products, basic metal, furniture, jewelry	.0%	7.1%	7.1%	7.1%
Agriculture	.0%	50.0%	.0%	.0%

Below in **Box 10** is a list of the courses currently offered by the League TVET Centers.

Box 10: Courses by subject offered by the League TVET Centers across Palestine

Construction Trades
Carpentry (general)
Carpentry (décor)
Carpentry (painting)
Office furniture construction
Upholstery and décor
Central heating and ventilation
Air-conditioning
Blacksmithing & Aluminum
Electricity (1st phase)
Electricity maintenance
Electricity (home networks)
Industrial electronics
Electronics
Blacksmithing/Metal forming
Wall construction
Water supply and sanitation
Drainage
Civil construction design
General construction design

Automotive
Modern vehicle systems
Auto-electrical
Mechanical design
Mechanical electronics

Business Studies
Executive Secretary
Accounting
Management
Capacity building
Office equipment repair
Foreign languages
Office automation

Computing and ICT
Computer applications
Communication
Applied programming
Repair of mobile phones
Satellite communications
Basic computing
Satellite communication repair
Information/computer techniques
Computerized formations
Digital design
Radio and television repair
Internet
Graphic design
Computer maintenance
Computer networking
Computer repair

Hospitality and Tourism
Hotel management and tourism
Hospitality
Reception
Accommodation
Food and beverage production
Housekeeping
Kitchen hand
Foreign languages

Handicrafts/Craftsmen
Handicrafts
Pottery
Jewelry
Mosaics
Painting
Glass work
Silk printing

General Studies
Tailoring and design
Women's training
Driving
Primary health care
Wellness

Film Production
Film and video shooting
Digital photography
Cartoon production

Summative Conclusion

In Ramallah**,** the employment sectors where employers have expressed interest in internships are consistent with the strong industry clusters: construction, tourism and hospitality and information and communication technology. In Jericho, the situation is similar with employer interest in the priority industry clusters including stone and marble, information and communication technology and a wide range of manufacturing. There is also great interest in strengthening provisions for agriculture but survey data does not offer an explanation for this interest or if the interest is in farming or agro-industry. In the Hebron governorate employment sectors of interest are more broadly based and includes food processing, utilities including electricity and gas supply and maintenance, wholesale and retail trade and financial services. In the Bethlehem governorate there is interest in internships in construction, marketing and manufacturing. Interest in hospitality and marketing can involve group training rather than an internship.

The surveys provide evidence that for the four governorates included in our survey, employer interest in expanding and diversifying their businesses and in relation to this, the recruitment of new staff, are in those industrial clusters identified by DAI in 2007 as having the most promise for employment. However, the interest is very specific and the surveys do not provide evidence that all eight industry sectors, plus the additional four promising sectors feature prominently in employer perceptions.

Employer interest in TVET development, and in particular the recruitment of TVET graduates and the provision of internships needs additional examination. The private TVET Centers provide quite basic training in the priority sectors of construction and transportation. Graduates from these courses cannot be assessed as skilled in the key trades that contribute to construction and transportation.

Formal provisions for skills development in tourism and hospitality in the private institutions are also quite weak, as are provisions for the wide range of training central to information and communication technology. In this context, it seems that employer interest in TVET graduates is not based on perceptions of work readiness or the belief that the TVET Centers will be preparing students to move smoothly into formal employment to increase productivity and provide the basis for the diversification of an employer’s core business. Something else is driving their approach.

The interest in internships is more interesting as it reflects a commitment to on-the-job training, provided that the TVET Centers provide a context or framework for making that internship meaningful for the trainee and of a commercial benefit to the employer. **Box 11** provides a useful appraisal of the challenges facing employers and the Palestinian economy in general in securing favorable returns from TVET graduates and internships in an economy that is still transitioning towards stability and certainty, including higher levels of employment and productivity.

The Revised TVET Strategy for Palestine advises that a more modern system should entail the revision of training in existing vocations to promote employability. The suggested approach to revised education and training is modular training oriented to complex tasks that can be carried out in the workplace. The Strategy recommends that students be awarded with certificates after successfully completing a modular training course.

Many TVET courses in Palestine are based on long-term curriculum programs. Few TVET Centers have adopted a modular form of training based on linked units of competency. School to work transition therefore involves ongoing, informal on-the-job training until employers are satisfied that employees are work ready. Much of the employer interest reflected in Tables 9, 10 and 11, must be predicated on the basis that employers would be expecting TVET students to be trained for a working environment where they would be assessed as work ready by employers.

Box 11: Global trends in vocational education and training and employment

Does technical and vocational education (TVE) in a school setting payoff in facilitating the transition to work? The answer from rigorous evaluations controlling for selection bias is that it can, under the right conditions ... Attention to apprenticeship and structured work experience as means to promote the school to work transition has grown over the past several decades to join the continued emphasis on school-based vocational programs for entry-level skills. Evidence favors these programs, but with qualifications. Employment growth is a key ingredient to demand for apprentices and interns. Employers are unlikely to take on board large numbers of youths for training when conditions for sustained employment are not present. The strongest evidence favoring formal apprenticeships is their positive impact on employment, but largely for young men. The impact on earnings is more problematic, again especially for young women. Traditional apprenticeships have proven cost-effective for delivering skills in an informal economy, but face problems of quality and transfer of new technologies in modern economies. Steps can be taken to improve traditional apprenticeships. The challenge remains to expand apprenticeship and work experience beyond the traditional craft and technical trades. Efforts to do so in the U.K. and Australia have shown some success.

Source: A. Adams, *The Role of Youth Skills Development in the Transition to Work: A Global Review*, The International Bank for Reconstruction and Development/The World Bank, Washington DC, 2007.

7. Conclusion

The economic situation in Palestine has been mixed for over a decade. A steady improvement to the economy since 2008 has been promising for restoring confidence in a range of economic activity including the strengthening of the banking sector and property development. Stability in the economy and confidence in investment has enabled a return to some sense of normality in identifying links between vocational education and training, employment, employability and social mobility. How this more stable situation is apparent in each targeted region and governorate is still unclear. Ramallah is experiencing rapid growth accompanied by an escalation in urbanization. This growth is not typical of the other governorates where micro-enterprises and SMEs form the bulk of the employment market[71].

It is within this economic context that the requirements for a responsive TVET system needs to be explored. As the TVET system in Palestine is still in something of a hybrid state, forging a stronger connection between formal provisions for TVET and improved employment will be challenging until it is quite clear that the political situation between Palestine and Israel has normalized. Until such time, measures for strengthening the TVET system and increasing the responsiveness of TVET institutions to the market place will be constrained.

Drawing on international comparisons for identifying good practice in creating a responsive TVET system, in this context, may not be helpful, even if the political situation normalizes. Recent studies from the World Bank provide a mixed impression of what works well in TVET

[71] The figures vary but there is agreement that 97% of these enterprises employ less than 9-workers and 99% employ less than 20-workers. Many workers are family members, relatives and acquaintances. These places of employment are reasonably stable but do not have a great potential for rapidly expanding their workforce.

for particular countries and regions[72]. The temptation to draw on one TVET system as being a sound model for TVET development in Palestine is constrained by the fact that an effective TVET system is as much a reflection of a strongly performing economy as it is about good education governance. Both are seriously lacking at the present time.

Following is a chart showing our team's analysis of the top five (5) growth sectors where we believe the NGO-TVET League should focus their development. The chart indicates the readiness of the employers in those sectors, the ability of the TVET Centers to train in those sectors, the readiness of the courses of study and the need for investment in the development of the TVET training in each sector:

Table 15: Indicative survey of TVET Center readiness to absorb new demand for labor

Growth sector/ industry cluster	Industry readiness/work attachment	Appropriate TVET Center (not including state-owned TVET schools and colleges).	Readiness in terms of courses of study	Invest in program development?
Banking	Not ready. High-level of interest in recruiting work ready TVET graduates but is experiencing difficulty in locating suitable recruits, women in particular.	YWCA, Ramallah is providing office support related training and secretarial preparation. The Palestine Polytechnic University has courses that are provided in a Bachelor of Arts program but not in its Continuing Education Department (i.e., branch TVET College). Hope School has promise to contribute to this sector.	Not ready. Basic provisions only. A positive factor is that women are well represented in current provisions for skills development.	Yes
Property Development and Construction	The industry is absorbing unemployed workers formerly working in Israeli settlements. The industry is not yet seeking TVET graduates.	Salesian Technical School, Bethlehem, Al Bir Society, Jericho and LWF-VTC, Ramallah. All provide Level 1 and 2 in carpentry and metal work but the Centers require re-development of learning environments and workshops to prepare work ready graduates. Work attachments are not group learning based which is essential.	Not ready. Basic provisions only.	Yes

[72] A. Banerji, *Stepping Up Skills: for more jobs and higher productivity*, The International Bank for Reconstruction and Development/The World Bank, Washington DC, 2010; A. Adams, *The Role of Youth Skills Development in the Transition to Work: A Global Review*, The International Bank for Reconstruction and Development/The World Bank, Washington DC, 2007; R. Johanson & A. Adams, *Skills Development in Sub-Saharan Africa*, The International Bank for Reconstruction and Development/The World Bank, 2004.

Growth sector/ industry cluster	Industry readiness/work attachment	Appropriate TVET Center (not including state-owned TVET schools and colleges).	Readiness in terms of courses of study	Invest in program development?
Hospitality and Tourism	Hotel and restaurant growth is steady. Hotels are prepared to accept students as part of a work attachment program, subject to appropriate supervision by TVET Center staff.	Talitha College provides training in this area but the campus needs extensive upgrading. Courses of study are pitched at Level 1 and 2. Advanced training is provided by universities. Al Bir Society, Jericho as it is situated by the Intercontinental Hotel which has almost full occupancy rate all year, is well placed to provide courses of study but has not responded to market demand.	Not ready. Basic provisions only. No provisions are in place for articulating Level 1 and 2 training with Diplomas offered by universities. There is a shortage of females in this industry.	Yes
Automotive and Transportation	Expanding and has expressed need for apprentices. Many operators are small and do not manage work attachments very well. Would benefit from robust industry engagement arrangements.	LWF-VTC, Ramallah is providing courses but the campus requires an extensive upgrading. Salesion Technical School, Bethlehem is already providing the course but the campus needs upgrading and access to new tools and modern vehicle servicing technology. Many TVET colleges, private and public, provide the training but courses and equipment are outdated. All TVET Centers would benefit from new power tools and hand tools.	Level 1 and 2 training is provided but learning arrangements are outdated and equipment is scarce including power tools. Poor provisions for simulated work environments.	Yes
Agriculture/Agro Business	Not ready for new graduates but some interest in drawing on a pool of qualified skilled labor. Increasing activity in food processing will require skilled assembly line workers.	Al Bir Society, Jericho as Jericho is considered an agricultural area so there is potential for this Center to move into agricultural courses of study and the management of micro-businesses. Palestine Polytechnic University has potential as Hebron is considered an agricultural area. Strong growth in stone and marble may prove to be more attractive.	Not ready. Courses of study are not yet offered in farming, animal husbandry, good agricultural practice and farm to market value chains.	Yes

Good TVET is subject to many conditions and what may constitute favorable conditions in one setting may not work at all well somewhere else. As the geo-political situation in Palestine has a significant impact upon the Palestinian economy and its performance, caution must be exercised when seeking a sound solution for forging a stronger link between provisions for vocational education and training and the perceived benefits this will have on improved employment and employability.

This economic analysis reveals a positive outlook for the Palestinian economy with the likelihood of good prospects for the growth in jobs as specific economic sectors enjoy a stable period to consolidate and expand upon earlier growth. Considering this positive outlook and an increasingly stable environment, employers are continually looking at improvements in education and training to promote school to work transition.

The employment situation throughout the West Bank is gradually becoming clearer, but while the major core of employment lies with micro-enterprises there will need to be a dual strategy for ensuring that vocational education and training is relevant to employment. Traditional apprenticeships appear to be the most logical area for improving school to work transition for micro-enterprise employment and indeed small SMEs. Traditional apprenticeships do vary widely in terms of duration and application, but in terms of TVET systems development, these apprenticeship programs do benefit from a pre-vocational or pre-apprenticeship program which a number of private TVET Centers are in a strong position to provide.

The steadily expanding construction industry has the potential for providing a platform of apprenticeships across a range of occupations. There is also the potential for group training in this industry. However, the approach to vocational education and training will require a significant re-calibration of current TVET Center provisions enabling strong articulation between classroom-based instruction and that provided on work sites.

The key conclusion from our analysis is that the Palestinian economy and labor market appear to be strengthening, and while an environment of stability and confidence can be maintained, the reform of the TVET sector can be examined in a more realistic school to employment context. From the parallel Gap Analysis it is clear that the VET-NGO League has the required TVET Centers to provide some level of leadership in the reform process. This will entail much strengthened provisions for, and approaches to, industry engagement enabling employers to play a more visible role in the selection and delivery of the relevant instructional programs for supporting school to work transition.

The economic study reveals that the industries maintaining steady employment of each targeted governorate are broadly similar. New industrial zones that will be developed in several governorates are still in the planning stage. It is envisaged that these zones will generate considerable new employment. If new employment will result in a broadening of the governorate's industrial base or will mainly expand and consolidate employment in existing sectors is unclear.

The study also indicates that most employment is found at the micro-enterprise and SME level. As noted, the SME share of the Palestinian workforce amounts to 84% and of the total 77,000 registered businesses throughout Palestine, 97% are SMEs including micro-enterprises. In relation to this it has also been established that about two thirds of students enrolled in TVET Centers are already working in, or will be employed in, a micro-enterprise or SME. This reflects a close connection between TVET and employment in SMEs and also sound evidence of successful arrangements for school to work transition[73]. But as the results of the economic survey demonstrates, employers do not regard this as adequate preparation and resulting graduates as work ready.

As expected the economic study points to the need for ongoing analytical work to fully understand the context of TVET in Palestine as the regional economic status for the target geographic regions becomes more settled and predictable. This is even more pressing as the national strategy for TVET will now have to be piloted to assess its political, commercial and educational viability. The strategy abounds with sound advice but time will tell if there is the political will and financial resources to translate recommendations into action. TVET Centers will be waiting on evidence of action to develop confidence to revise their approaches to education, training and vocational skills development. Still there are clear areas where action is required immediately. They include:

- there is a need for a joint PNA and donor education sector review to clarify understandings about the status of the *national* education system of Palestine, including areas of major funding shortfalls. It is not clear if the formal TVET system makes up a sub-sector of the national education system or if some areas fall outside of that system. This sector analysis is important to develop a sharp definition of the range of credible and responsive TVET schools, colleges and services and where there are clear gaps that need to be addressed for securing a much improved TVET sub-sector[74];

- trends for growth and employment noted in this report include the banking and financial sector; real estate and property development, general construction and civil construction. Demand for labor in these areas is being met, but the source of labor is often not based on

[73] See M. Khalifa & A. Aziz, *Policies to improve capacity of technical education and vocational training to meet SME needs*, Palestine Economic Policy Research Institute (MAS), Ramallah, 2010.

[74] This study and strategy is important as many observers advise that too many TVET colleges are being licensed (registered) in a context where too many are offering the same range of education and training.

the recruitment of TVET graduates beyond small niche or boutique markets being serviced by a specific TVET Center. Although it is likely that there will continue to be high demand for new employees in these industries, the private TVET Centers are not well placed to meet this need;

- the indications are, that if the economy continues to improve, and political stability is maintained, conditions for a widening labor market will consolidate. Ongoing expansion of employment in the key areas of commercial and industrial growth will result in a skills shortage as current TVET courses of study and curriculum programs do not address these critical skills. In other countries this results in skilled labor migration, but if conditions do not allow for this in Palestine, there will be a chronic skills and labor shortage in the short to medium-term. Strong growth in the planned industrial zones will exacerbate skill shortages; and

- there appears to be a situation emerging where proposed strengthened provisions for planning TVET system development will be out-paced by economic growth. The potential is there for large enterprises, in recognizing the importance of a well qualified labor force and dissatisfied with the quality of workers provided by the current TVET system, will be tempted to establish their own training institutions. This has certainly been the case with the tourism and hospitality industry in other countries.

8. Recommendations

The MTC/GCT team has conducted a solid quantum of research and data collection in a very short period of time. Keeping this in mind, our recommendations include some elements of further research to fully identify and define the next steps for the training providers in Palestine and those Ministries/entities who will have the opportunity to develop a new, refined system of TVET in Palestine. Bearing in mind that any work exploring the relationship between TVET, employment and economic development in Palestine remains a work-in-progress, the following is recommended:

- The responsible ministries for education, employment and workforce development will need to provide for adequate introduction and training on the new National Revised TVET Strategy to provide TVET training providers the opportunities and resources to upgrade their programs to meet new TVET system requirements in a short, but reasonable amount of time. The TVET system in Palestine is not national, uniform or regulated and the process of bringing a wide range of programs, both formal and informal, into a unified system will require investment. A highly developed TVET system is expensive to operate and maintain and careful financial planning will need to occur.

- The new TVET strategy argues for the creation of new agencies to regulate and control registered training organizations whose mandate is the provision of vocational education and training within a regulated and uniform system. To be of value, these agencies must be authorized to audit the TVET system and register all qualified training providers. A key function of these agencies is oversight of a national training and qualifications framework and ensuring that all registered TVET institutions comply with the standards and certifications central to that framework.

- Vocational skills development requires the development and approval of courses of study and a curriculum framework consistent with educational and industry standards. Well-defined skill sets are central for defining student learning outcomes by level and within agreed standards. The delivery of TVET courses of study must be flexible. Classroom instruction is combined with (i) learning in real or simulated work environments, (ii) work attachments, (iii) simulated work that would normally involve heavy equipment and machinery and (iv) individual instruction. The delivery of each session of learning can be face-to-face, online, blended online, e-learning and distance. In all cases, learning is self-paced with adequate provisions for regular assessment. To this end, vocational education and training programs need to be very flexible and adaptable to an ever changing education environment and wildly swinging economic shifts impacting annually on employment and labor demand. A responsive TVET system must have all of these ingredients to be described as relevant, responsive, practical and hands-on. Further, education and training programs need to be sufficiently flexible to accommodate the specialized training that small enterprises will need to address skill gaps and shortages of their incumbent workers, as well as the workers of the future.

- The current TVET subsector populated by private TVET Centers is fragmented and characterized by courses of study and trade specialization resulting in duplicative, competitive and repetitive programs. This is highly inefficient and does not allow for a TVET institution to diversify courses of study and instructional programs in response to new labor demand. Nor does it address the issues of the oversupply of graduates in a small cluster of common trades. An upgraded TVET subsector will need to move towards collaborative, industry driven, training approaches that not only prepare potential workers for work in Palestine, but workers who can adapt to global workforce opportunities.

- A well developed Labor Market System to inform employers, investors and training and education entities of the growth sectors and potential markets currently in the region, and in the future, is essential, as is career advice for school leavers. Access through an internet portal for all training providers is important.

- Public and Private partnerships should be developed to include all entities offering jobs, services or training for the workforce. All members of the partnerships need to contribute to the outcome of a more skilled and productive workforce.

- Modern schemes for apprenticeship, entrepreneurial endeavors and creation of new sectors and jobs, should be encouraged in Palestine, but extensive efforts need to be made to ensure that apprenticeships are well managed. Those wanting to start their own businesses need to have the support and information they need to be successful and the laws and policies governing all aspects of development and growth within Palestine need to be collaborative and conducive to helping employers and employees work better and be successful.

- All training providers, employers and beneficiaries/communities should be encouraged to do their part in preparing and developing a more skilled workforce. This message can be conveyed through media campaigns and other efforts where a holistic approach is taken for the development of the workforce. Apprenticeships, development of incumbent workers, as well as new workers, are ideally, holistic in nature. Courses of study need to be organized around Core Skills and Elective Skills (i.e., the chosen career path). Core Skills include: life skills, specific vocational development skills, basic skill remediation, workplace habits including occupational health and safety, culture and values, good citizenship and civic responsibilities and personal finance management.

Many of these recommendations are also found in the Revised TVET Strategy for Palestine released during November 2010. That strategy involves many directives for a new TVET system, including the installation of key TVET agencies and instruments including a revitalized Higher Council for TVET, Centers of Technological Competence and a Labor Market Information System. A National Qualifications Framework is suggested to strengthen the work of the National Accreditation and Quality Assurance Unit and the Accreditation and Quality Assurance Committee. National Occupational Standards are also proposed with consideration of the Arab Occupational Classification system.

This Regional Economic Status Report is an attempt to inform all stakeholders of the economic indicators currently in Palestine so they will be able to forge links between the labor demand and the capacity of private TVET providers to meet that demand. Our team urges the upgrading and streamlining of the VET-NGO TVET Centers, as well as all TVET institutions in Palestine, so that they can fulfill the needs of the employers in their governorates, prepare and train a better workforce, and contribute to the economic growth of Palestine.

Appendix 1: Literature Reviewed

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Appendix 2: List of Key People Interviewed

Appendix 2: List of the key people interviewed for the Regional Economic Status Report and the Gap Analysis Report

People interviewed	
1	Name: Mr. Abdel Rahman Ishtayyeh Title: General Director Organization: The Palestine Industrial Estate and Free Zone Authority (PIEFZA) Address: Ramallah
2	Name: Mr. Ahmad Aker Title: Assistant Investment Manager Organization: Bank of Palestine Address: Headquarters- Ramallah
3	Name: Mr. Ayman Sbeih Title: Secretary General Organization: The Palestinian Federation of Industries Address: Ramallah
4	Mr. Chriss Scott- Chief of Party/Palestinian Authority Capacity Enhancement Project - Comunics (phone interview)
5	Name: Mr. Eli Shehadeh Title: Director Organization: Bethlehem Multidisciplinary Industrial Park Address: Bethlehem
6	Name: Dr. Hassan Al Khatib Title: Deputy Minister Organization: Ministry of Labor Address: Ramallah
7	Name: Mr. Jafar Hdaid Title: Director General Organization: The Palestinian Investment Promotion Agency Address: Ramallah
8	Name: Mr. Jamal Jawabreh Title: Director General of the Federation of Palestine Chambers of Commerce, Industry and Agriculture, chairman of Small Enterprises Center, and Board member of the Palestine Industrial Estate and Free Zone Authority Organization: Federation of Palestine Chambers of Commerce, Industry and Agriculture Address: Headquarters- Ramallah
9	Ms. Julia Pitner- Chief of Party/Aswatuna Project- Inter New Network
10	Name: Ms. Layla Abu Khalil Title: HR Director Organization: Palestine Real Estate and Investment Company (PRICO)
11	Mr. Maher Hshayesh, the Executive Director of the Stone and Marble Union in Palestine (phone interview)
12	Name: Mr. Mahmoud Njoum Tile: Director General of TVET Organization: Ministry of Labor Address: Ramallah
13	Name: Mrs. Malak Masri/ Hamouri Title: General Director Organization: Palestinian Education for Employment Foundation Address: Ramallah

People interviewed	
14	Name: Mr. Mohamad Jawad Title: Head of the Investment and Microfinance Department Organization: Cairo Amman Bank Address: Headquarters- Ramallah
15	Name: Eng, Mohamad Salah Title: Manager of Kaser Al Thakafah Project Organization: PRICO Palestine Real Estate Investment Co. Address: Ramallah
16	Dr. Mohammad Nasser/Economic Specialist, Dean of the Economic Department, Bir Zeit University (phone interview)
17	Name: Mr. Motasem Al Natsheh Title: Director General Organization: Hebron Chamber of Commerce Address: Hebron
18	Name: Mr. Mounir Kleibo Title: ILO representative in Jerusalem. Address: Jerusalem
19	Mr. Nidal Abu Lawi, General Manager Organization: PRICO Palestine Real Estate Investment Co. Address: Ramallah
20	Name: Dr. Sabri Sedam Organization: Office of the President
21	Name: Mr. Salah Odeh Title: Director General Organization: Ramallah Chamber of Commerce Address: Ramallah
22	Name: Dr. Stephan Salameh Title: Special Advisor to the Minister Organization: Ministry of Planning and Administrative Development
23	Name: Mr. Tayseer Saeed Title: Head of the Vocational Training Department Organization: Hebron Chamber of Commerce
24	Name: Mr. Volker Ihde Title: Team Leader of the Vocational Education and Labour Market Program Organization: German Technical Cooperation (GTZ)
25	Name: Dr. Zeyad Jweiles Title: Director General of TVET Organization: Ministry of Higher Education

Appendix 3: List of Employers Surveyed

Appendix 3: Employers surveyed by governorate and industry sector

BETHLEHEM

Accommodation and food service activities

No	Company name
1	Abu Adass Restaurants
2	Abu Ala Restaurant and Grills
3	Al-Hosane Restaurant and Grills
4	Mundo Restaurants
5	Grand Hotel
6	Nativity Hotel
7	Paradise Hotel
8	Star Hotel

Administrative and support service activities (travel agency, tour operator, reservation service and related activities)

No	Company name
1	Arab Agency for Tourism and Travel
2	Angels for travel and tourism
3	Albwaba Al-thahbya for travel and tourism
4	Brothers for travel and tourism
5	Turkish airlines
6	Lila Tours Office for Tourism
7	Musallam for global tourism

Construction and Contracting

No	Company name
1	Abid Rabbo for General Contracting
2	Abu-aker for contracting
3	Al-helo for contracting
4	Araj company for industry and contracting
5	Al-Wefaq Company for General Contracting and Excavation
6	George khoury for general contracting
7	Zakaryia for contracting

Electricity, gas, steam and air conditioning supply

No	Company name
1	Al-Etali for Air Conditioning
2	Al-Mkrkr for Engineering Services and Conditioning
3	Home Line for Engineering Services and Conditioning

Information and communication

No	Company name
1	Al-Majal for computers and software
2	Al-Khyar Al-Afda for Electronics
3	B C Express
4	Khoury Computers
5	Jala Teck

Manufacture of food and beverage products

No	Company name
1	Al-Ekhwa for Drinks
2	Al-Jarashi National Company
3	Al-Mkhbaz Al-Thahabi
4	Al-Moshtari Company
5	Abu-Shamsya Company

Manufacture of textiles, leather and related products, paper and paper products, chemicals and chemical products, basic metal, furniture, jewelry

No	Company name
1	Al-Dejne Aluminum Factory
2	Al-Nojoom for Shoes
3	Beit Jala Pharmaceutical Manufacturing co.
4	Comet for Screws
5	Fakosa factory for Olive Wood
6	Hossam Olive Wood
7	Issa Olive Wood Store
8	Jakaman Jewelry
9	Messi Textile Factory
10	Nasir Al-Sharqya Textile Company
11	National Textile Company
12	One Company for Furniture
13	Saeed Factory for Aluminum
14	Shayeb Factory for Eastern Textile
15	Teet Factory for Textile

Professional, scientific and technical activities (advertising and market research)

No	Company name
1	Al-Nebras Technical Press
2	Al-Sakhra Al-Hadetha Press
3	HMC Press

Wholesale and retail

No	Company name
1	Abu –Malik Super Market
2	Al-Brdwel Trading Company
3	Al-Pardise Super Market
4	Bethlehem Commercial Shops
5	George Super Market
6	Classic House Gallery
7	Hajj Abu Ayman Doha Carpentry and Gallery`

Other service activities (repair of computers and personal and household goods, other personal service activities, laundry and dry-cleaning, hairdressing and other beauty treatments

No	Company name
1	A D Salon
2	Al- Amana Garage
3	Al-Sharaqa Garage
4	Beauty Center
5	Esh Salon
6	Elias Salon
7	Karaman Company for Printing and Desktops
8	Nativity Dry Clean

Stone and marble

No	Company name
1	Al-Ahlam for Stone and Marble
2	Al-Halayqa for Stone
3	Al-Hosani for Granite
4	Al-Zafran for Marble
5	Stone and Marble Union

HEBRON

Accommodation and food service activities

No	Company name
1	Abu- Mazen Restaurant
2	Al-Dahya Restaurant
3	Al-Sharif Restaurant
4	Fakhouri Restaurant
5	Royal Hotel
6	Rabee Restaurant

Administrative and support service activities (travel agency, tour operator, reservation service and related activities)

No	Company name
1	Al-Ola Company for Travel and Tourism
2	Al-Jolani for Travel and Tourism
3	Blue Star for Travel and Tourism
4	Ostora for Travel and Tourism
5	Sabine for Travel and Tourism

Construction and contracting

No	Company name
1	Al-Ashqa for Contracting
2	Al-Ekhwa Al-Arab for Contracting
3	Al-Eshaa for Contracting
4	Al-Halayka for Construction and Contracting
5	Al-Qazaz Company for Building Materials
6	T F C for Investment and Stone

Financial and insurance activities

No	Company name
1	Al-Alamya for Insurance
2	Al-Masrre for Insurance
3	Experts for Insurance

Manufacture of food and beverage products

No	Company name
1	Al- Qasrawi for Food Supplies
2	Azka for Food Supplies Industry
3	Mojahed Company for Food/ Dairy Products
4	Takakesh for Food

Manufacture of textiles, leather and related products, paper and paper products, chemicals and chemical products, pharmaceuticals, medicinal, chemical and botanical products, basic metal, furniture, jewelry

No	Company name
1	Abu-Arafa Blacksmith
2	Abu Aziza for Detergents
3	Abu-Rmelee for Jewelry
4	Abu-Sultan Sewn/ Clothes Designing
5	Acer for Upholstery
6	Al-Alamia for Conditioning
7	Al-Ali for Iron Lathing
8	Al-Amana for Décor
9	Al-Ammal Carpentry
10	Al-Ameer Jewelry
11	Al-Baseem for Aluminum
12	Al-Ekhaa Lathe
13	Al-Ekhwa for Aluminum
14	Al-Ekhwa for Zenko
15	Al-Falah Fashion /Fashion Designing
16	Al-Forukh Aluminum
17	Al-General for Aluminum
18	Al-Halhole /Goldsmithing
19	Al-Haytham for Furniture
20	Al-Hetha El-Orope and Leather Shoes Tanning and Industry
21	Al-Janoob Carpentry
22	Al-Jban/Cheese Manufacturing
23	Al-Jbawee Jewelry
24	Al-Nyrooz Lathe
25	Al-Raeed for Aluminium
26	Al-Sbah Fashion
27	Al-Sdaqa for Commerce and Bedrooms
28	Al-Sharawee for Leather Tanning and Industry
29	Al-Shwaheen Lathe
30	Al-Snabel for Soap
31	Al-Sweiti for Décor
32	Al-Tamime Furniture
33	Al-Tatweer for Blacksmithing
34	Al-Waeel Blacksmith
35	Al-Worod for Oil Perfume

No	Company name
36	Al-Yosree for Oil Perfume
37	Automatic Factory for Tailoring
38	Back Fire / Leather Tanning and Shoes Industry
39	Bisan for Furniture
40	Brofol for Shoes
41	Castles for Furniture
42	Diab Shlalde Carpentry
43	Dubai Gallery/All Kinds and Shapes of Wooden Decors
44	Firas shlalde for Carpentry
45	Hassonah for Nylon
46	In House
47	Khalil Rahman Blacksmith
48	Khayri Jabari Sons Industrial Company
49	Lhroob Jewelry
50	Mahdan for Wood
51	Mahran for Decor - Carpentry
52	Modern Factory for Light Electronics
53	Modern Lathe
54	Nabloli
55	National Co. for the Manufacture of Cardboard Boxes
56	Needle and Thread for Embroidery
57	Palestine Blacksmith
58	Roma Shoes
59	Sadeed Furniture
60	Sadel Gallery for Décor ,Curtain Design and Sofa Upholstery
61	Samooh for Shoes Manufacture
62	Shadeko For Decoration/Designing Modern Decoration
63	Shajaret Al-Amir
64	Shajaret Smraa/Bedroom Furniture and Any Wooden Industries
65	Shaoer Fashion /Underwear Industry
66	Swette for Furniture
67	Turkish Embroidery
68	Zaheda Company for Nylon Industry
69	Zughayyar for Leather

Other service activities (repair of computers and personal and household goods, other personal service activities, laundry, dry-cleaning, hairdressing and other beauty treatments)

No	Company name
1	Abdo Garage
2	Abu Khalaf for Electrical Devices
3	Al-Ammer Dry Cleaner
4	Al-Anaqa Dry Cleaner
5	Al-Anaqa for Men
6	Al-Anwar Dry Cleaner
7	Al-Arkob for Electrical Devices Maintenance
8	Al-Bostan Garage
9	Al-Faris Salon
10	Al- Hashemi
11	Al-Maha Salon
12	Al-Manara for Mobiles
13	Al-mnara for Repairing and Buying Mobiles

No	Company name
14	Al-Omra for Cars Painting
15	Al-Sadek for Electrical Devices Maintenance
16	Al-Shark Dry Clean
17	Al-Woorod for Mobiles
18	Al-Yasser Salon for Beauty
19	Al-Zahra Al-Bydaa Dry Cleaner
20	Aresh for Body and Paint
21	Armeen Salon
22	Dawoud for Heavy Equipment Repair
23	Dora Dry Cleaner
24	Dray Clean
25	Faten Salon for Ladies
26	Firas Phone Center
27	Haia Salon
28	Hanini Telecom
29	Kazar Salon for Ladies
30	Madleen Salon
31	Majdoleen Salon
32	Marqa for Cars Electricity
33	Nadem Salon for Men
34	Rami Salon for Men
35	Razan Salon for Ladies
36	Saed al-skafi Dry Cleaner
37	Sallet for Electricity
38	Sharawi for Telecom
39	Qamar Al-Zamman
40	White Flower Dry Cleaner
41	Zughayyar for Cars Electricity

Professional, scientific and technical activities (advertising and market research)

No	Company name
1	Al-Eman for Advertising
2	Al-Forsan for Advertising
3	Eslamko for Digital Printing
4	Nour for Advertising
5	Tief for Advertising

Stone and marble

No	Company name
1	Adham for Stones
2	Al-Ajloni for Marble
3	Al-Ekhwa Ceramic
4	Al-Hadetha for Marble
5	Al-Hezam Al-Thahbi
6	Al-Islamia for Stone and Marble
7	Al-kobra for Stone
8	Al-Lahaja for Carpentry and Marble
9	Al-Mizan for Marble and Building Stone
10	Al-Qzaz for Décor and Plaster
11	Al-Salam for Glass and Ceramic
12	Al-Wefaq Décor and Plaster
13	Al-Wefaq for Stone and Marble

No	Company name
14	Ceramic Industries
15	Grand Lathe for Stones and Marble
16	Hassan Nssar and Sons/Building Stones and Local Marble
17	Hebron Factory for Glass and Ceramics
18	Khalil Rahman/Glass Ceramics marble and stone
19	Literal factory of Ceramic Industries
20	Loli Factory for Bricks
21	Modern Development Company/Cutting Stone

Wholesale and retail

No	Company name
1	Abu Al-Saeed
2	Abu-Farh for Jewelry
3	Abu Hassan for Wholesale
4	Al-Adarba for Jewelry
5	Al-ayed for Wholesale
6	Al-Aqsa Trade Foundation
7	Al-Byan for Body and Paint
8	Al-Deyaa for Dairy Products
9	Al-Fajer for Food
10	Al-Harmeen Carpentry
11	Al-Henene for Telecom
12	Al-Jaber for Wholesale & Retail
13	Al-Jnedy Company for Wholesale and Retail
14	Al-Mannara for Telecom
15	Al-Masri for Telecom
16	Al-Munther for Lathing
17	Al-Naeem Furniture
18	Al-Najma for Plastic
19	Al-Nather for Aluminum
20	Al-Natsheh for Conditioning
21	Al-Natshe and Sons for Wholesale
22	Al-Sadek for Electrical Devices Maintenance
23	Amdesh for Food
24	Aramco for Cellular
25	Awawdeh Building Materials
26	Ayham for Refrigerating
27	Caroline/Cleaning Materials and Make-up
28	Consumer Corporation
29	Dubai Gallery for Furniture
30	Firas Phone
31	Hunter Ship
32	Ibrahim Hassan and Sons
33	Isra for Telecom and Mobiles
34	Modern Blacksmith
35	Modern Factory for Conditioning
36	Natsheh Ceramic
37	Phone Center
38	Royal Telecom
39	Saeed Stores for Wholesale
40	Sarhan Shops
41	Yuseef Al-Amayra and Brothers

JERICO

Accommodation and food service activities

No	Company name
1	Halawani Restaurant
2	Jericho's Tourist Village
3	Tel Frick Company and al- Sultan Tourist Complex

Agriculture

No	Company name
1	Ahmed Daabs Farms
2	Khadr Dwedar Farms

Construction and contracting

No	Company name
1	Al -Ammal Factory
2	Marar for Contracting and General Services

Electricity, gas, steam and air conditioning supply

No	Company name
1	Abu Hayye for Commercial and Air Conditioners
2	Aleza for Gas
3	Al-Shaab Station for Fuel
4	Al-Shaab for Gas

Financial and insurance activities

No	Company name
1	Arab Bank/Jericho Branch
2	Cairo Amman Bank/Jericho Branch
3	Issawi Exchange Shops
4	General Commercial and Insurance Office

Information and communication

No	Company name
1	Al-Rahma Center for Internet Service
2	Just For You for Communications
3	Isaid For-Public Services and Communications
4	Ghoul Computer Services and Electronics

Manufacture of food and beverage products

No	Company name
1	Al-Quds Bakery
2	Ghosh Company for Food Industries

Manufacture of textiles, leather and related products, paper and paper products, chemicals and chemical products, basic metal, furniture, jewelry

No	Company name
1	Al-Shawa Foundation for Garment Industry
2	Jericho Factory for Blacksmith and Air Conditioning
3	Jihad Shawa Sewn for Clothing

Other service activities (repair of computers and personal and household goods, other personal service activities, washing and dry-cleaning, hairdressing and other beauty treatments)

No	Company name
1	Al- Anwar Garage for Car Maintenance
2	Al-Asdeqaa Salon
3	Bali for Public Services Mobiles
4	Palestine Dry Cleaner

Professional, scientific and technical activities (advertising and market research)

No	Company name
1	Al-Remawi for Advertising
2	Fityani Advertising Foundation
3	Jerusalem Press Trendy

Stone and marble

No	Company name
1	Al-Huda Institute for Marble and Granite
2	Wahdan for Marble and Granite

Wholesale and retail

No	Company name
1	Abu Omar Al-Barieh and Sons Super Market
2	Al-Etekal ala Allah Gallery and Stores
3	Al-Jehad Pharmacy
4	Ajouri for Construction and Building Materials
5	Al-Khatib Supermarket
6	Al-Naseem for Marble and Granite
7	Alolla Super Market
8	Ard Al-Nakhel Foundation
9	Al-Siauri for Scrap Pieces
10	Ateya Telecom
11	Janet Aden for Fruits and Vegetable
12	Kl Shi Shops
13	Ghosheh Stores for Fruits and Vegetables
14	Maher Electronic
15	Mhnna and Sons Mini-market
16	Yaghi Library
17	Yazouri Supermarket

RAMALLAH

Accommodation and food service activities

No	Company name
1	Al-Arrab Restaurant
2	Al-Eqtsad Restaurant
3	Al-Siauri Restaurant
4	Al-Watane Restaurant
5	Arafat Company
6	Best Eastern

No	Company name
7	Bonjour Qubain
8	City Inn Hotel
9	Elite Cafe
10	Mais Al-Reem Restaurant
11	Mister Baker Restaurant

Administrative and support service activities (travel agency, tour operator, reservation service and related activities)

No	Company name
1	Al-Afwaj for Hajj and Umrah
2	Aldaoa for Hajj and Umrah
3	Al-Rayaa for Hajj and Umrah
4	Amani Tours
5	Anwar for Tourism and Travel
6	Arsima
7	Bal tour
8	Dar Al-Hejra for Hajj and Umrah
9	Ghassan for Travel and Tourism
10	Mriba for Travel and Tourism
11	Raha for tourism and travel
12	Royal for Travel and Tourism
13	Salah for Travel and Tourism
14	Travel house

Agriculture

No	Company name
1	Al-Arad Al-Moqdsa Company

Construction and contracting

No	Company name
1	Al-Tarsha Company
2	Al-Qebab Company for Contracting
3	Asia Engineering Company
4	Jerusalem Company for Contracting
5	Qsuane Engineering Foundation
6	Miar Company for Contracting
7	Nbali and Faris for Contacting
8	Orbit Office for Engineering
9	Qastal Company
10	Rafati Abdel-Hadi and Sons Company
11	Rama's Office for Engineering Consulting

Electricity, gas, steam and air conditioning supply

No	Company name
1	Abu Diab for Health Supplies
2	Abu Mohammad for Electricity
3	Al-Ajuli Center for Electricity and Sanitary Ware
4	Al-Kasas Company for Gas
5	Aruri for Conditions
6	Astia Company for Heating
7	Beit Rima Gallery and Factory for Electricity

Information and communication

No	Company name
1	Abdullah Khalaf Gallery
2	Al-Snabeel Center for computer and Internet
3	Baladna Cafe for Internet
4	Baladna Center for Culture
5	Der Abu Mishaal for Communications and Electronics
6	International Foundation for Communications
7	Kfr-Nemma Center for Internet
8	Myarnet Company
9	NasIm and Arafat Internet Center

Manufacture of food and beverage products

No	Company name
1	Al-Aqsa Sweet Factory
2	Al-Mahsiri Company for Food
3	Al-Ommal Bakery
4	Al-Salwa Company
5	Al-Snabeel House
6	Palestine Feed Co.

Manufacture of textiles, leather and related products, paper and paper products, chemicals and chemical products, pharmaceuticals, medicinal chemical and botanical products, basic metal, furniture, jewelry

No	Company name
1	Abu Gloss Shops For Sanitary Ware
2	Al-Amen Company for Furniture
3	Al-America for Furniture
4	Al-Alamiah Furniture
5	Al-Ajuli Aluminum Shops
6	Al-Bakri Shoes
7	Al-Helah Carpentry
8	Al-Hjawi Stores for Aluminum
9	Al-Shaab Sewn
10	Al-Wesam Stores for Blacksmith Shops, Advertising and Publicity
11	Asfoor for Gifts
12	Bahaa Abu Fkheda Carpentry
13	Bahaa Al-Khatib Blacksmith
14	Birzeit Pharmaceutical Co.
15	Hanifa Marble Company
16	Hilal Gallery for Furniture
17	Home Center
18	Hndlia for Trade
19	Izhiman for Furniture
20	Maia for Furniture
21	Mohammed Jibril Carpentry
22	Palestine Welding
23	Peace Lathe
24	Saad Carpentry
25	Sameh Al-Ajuli Carpentry
26	Shaeawi for Leather

No	Company name
27	Sport Castle
28	Tabli/Leather Tanning
29	Toys for Us
30	Wahab for Shoes and Sportswear
31	Wasfee Phones
32	Wasef Mtee Furniture/Bedrooms
33	Weaam Sewn
34	Yaghi Furniture
35	Zaher Aluminum

Other service activities (repair of computers and personal and household goods, other personal service activities, laundry and dry-cleaning, hairdressing and other beauty treatments)

No	Company name
1	Al-Karama for Advanced Technology
2	Al-Najah Electricity
3	Al-Rahhal Computer
4	Al-Sabah for Maintenance
5	Anis Factory for Refrigerators
6	Arabic Engineering Company
7	Bisan Electronic
8	Cars Electrets
9	Computer Center Service
10	Emad Factory
11	GMC Company Leftawi
12	Hashim Alhto Garage
13	Jerusalem Engineering Company
14	Maliki Communications
15	Modern Maintenance Center
16	Nabali for Refrigerator
17	Nizar for Maintenance
18	Osama al-Haj Ali Garage
19	Peugeot Maintenance
20	Rami Mutz for Maintenance
21	Safad/Computer Maintenance
22	Super Décor
23	Super Phone
24	Tahan Factory and Gallery
25	2008 Garage for Car Maintenance

Professional, scientific and technical activities (advertising and market research)

No	Company name
1	Adwaa
2	Al-Ayyam
3	Al-Fayrous for Advertising
4	Bzar for Printing and Advertising
5	Jazman for Advertising
6	Jeet for Advertising
7	Jemzo for Advertising
8	Reda for Advertising
9	Rocket for Advertising
10	Sama for Advertising

No	Company name
11	Tkto Graff Company for Advertising and Design
12	Zajel for Advertising
13	Zoom for Advertising

Stone and marble

No	Company name
1	Abu Taha Saw
2	Al-Amal Bricks and tiles
3	Al-Etehad saw
4	Al-Qwedre Saw
5	Al-Wefaq for Gypsum & Decoration
6	Carara Company for marble and granite
7	Dar Smman Saw
8	Mahmud Shehadeh Saw
9	Mohamed Hassan Saw
10	Mohammad Yousef Saw
11	Milano Marble and Granite
12	Petra Factory for Marble & Granite Production and Import
13	Samhan Saw

Wholesale and retail

No	Company name
1	Abu Adham Supermarket
2	Abu Qura Shops for General Commercial
3	Al-Amal Company for Building Materials
4	Al-Ajuli Mini-market
5	Al-Baladin Foundation
6	Al-Ethaad for Fish, Meat and Dairy Products
7	Al-Msayeef Shop
8	Al-Pinar
9	Al-Rafeden Supermarket
10	Al-Saada Supermarkets
11	Al-Smman Shops for Sport Equipment
12	Al-Qasrawi for Food Items
13	Arab Industrial Company Ltd
14	Bab Al-Harra Grocery Store 2008
15	Bab Al-Harra Supermarket
16	Ktan Shops
17	Mahmud Mini Market
18	Min Zughayya
19	Nimer Grocery
20	Palestine Fishery
21	Salsabil Company for General Commercial
22	Silver Shoes
23	Smman Harish Shops

Appendix 4: Sample Survey

Appendix 4: Sample Survey

MTC/ GCT Evaluator/s ____________

____

Date of interview ____________

Employer Analysis Tool

(Company profile)

Save the Children

Technical and Vocational Education and Training (TVET) Program

#	FACILITY IDENTIFICATION					Notes
Q1.	Name of company					
Q2.	Contact person					
Q3.	Address					
Q4.	Additional locations?					
Q5.	Website					
Q6.	E-mail					
Q7.	Year business was started					
Q8.	Interviewee- position					
Q9.	Family business?	1.	Yes	2.	No	

Q10.	Classification of the business?	1.Sole proprietorship	
		2.Partnership	
		3.Corporation	
		4. Cooperative	

#	**STAFFING**							Notes
Q11.		Total number of employees		11.a Full time		11.b Part time		
Q12.	Gender			12.a Men		12.b Women		
Q13.	Number of handicapped							
Q14.	Is there handicapped access?							
Q15.	Are there job descriptions?		1.	Yes	2.	No		
Q16.1	Have you increased the number of employees since last year?		1.	Yes	2.	No		
Q16.2	If yes, by how many?							
Q16.3	For which positions?							
Q16.4	Have you replaced any employee?		1.	Yes	2.	No		
Q16.5	If yes, how many?							
Q16.6	For which positions?							
Q17.	By what percentage has your production increased or decreased in the last year?		1.	Increased……		2.	Decreased…..	

#	**OPERATING POLICIES & PROCEDURES**					Notes
Q18.1	Do you have policies?	1.	Yes	2.	No	
Q18.2	If yes, what are they?	1.				
		2.				
		3.				

Q18.3	If no, do you think your business will benefit from having those policies?					
Q19.	Are those policies followed?	1.	Yes	2.	No	
Q20.	Is there a financial system?	1.	Yes	2.	No	

	Operations					Notes
Q21.	Type of business	1. Manufacturing				
		2. Commercial Wholesale b. Distribution				
		3. Industrial				
		4. Services				
		5. Contracting				
		6. Others				
Q22.	Main products/ services	1.				
		2.				
		3.				
		4.				
Q23.1	Do you use technology in your operations?	1.	Yes	2.	No	
Q23.2	If yes, How?	1.Automatic production lines				
		2.Computerized financial and internal systems				
		3.Production information system				
		4. Communication system				
		5.Others				

Q24.	Target groups/ final customers	1. Individuals, specify………………………….				
		2. Families				
		3.Retailers				
		4. Wholesalers, and distributors.				
		5. Others				
Q25.	Marketing techniques	1.Personal selling				
		2.Outlets				
		3.Internet				
		4. Promotional campaigns				
		5. Others, specify…………………………..				
Q26.	Main markets and their percentages	1. West Bank …………..				
		2. Gaza………………….				
		3. Israel…………………				
		4. International, specify………………………… ………………………………… …………………………………				
Q27.1	Do your current employees lack skills?	1.	Yes	2.	No	
Q27.2	If yes, what are they?	1. Writing skills				
		2. Communication skills				
		3. Computer skills				
		4. Personal skills				
		5. Leadership and management skills				
		6. Accounting skills				
		7. Problem solving skills				
		8. Customer service skills				
		9. Technical skills				

		Quality control skills Maintenance Develop and design new products Others, specify				
		10. Others, specify				
Q27.3	What is the most important skill they lack among the previously mentioned skills?					
Q28.1	Do you send your employees to training?	1.	Yes	2.	No	
Q28.2	If yes, in what particularly?	1.				
		2.				
		3.				
Q28.3	Do you pay for the training?					
Q29.1	Are you planning to expand your scope of operations?	1.	Yes	2.	No	
Q29.2	If yes, specify the type of expansion.	1. Introduce a new line of production.				
		2. Enter new markets.				
		3. Introduce modern technology in production.				
		4. Open new branches.				
		5.Others				
Q30.	What benefits do your employees get?	1.				
		2.				
		3.				
		4.				
Q31.1	Are you planning to hire new employees in the near future?	1.	Yes	2.	No	
Q31.2	If yes, how many?					

Q31.3	For what positions?	1.			
		2.			
		3.			
		4.			
Q31.4	If no, why?				
Q32.	How do you currently find employees to hire?	1.Social networks			
		2.Ads			
		3.Contact institutions, institutes, etc.			
		4.Others, specify			
Q33.	Which employees do you seek to hire?	Bachelor degree holders			
		Diploma holders			
		Students who graduated from TVET institutes.			
		Employees with practical experience.			
Q34.1	Have you ever approached a vocational training institute for potential employees?	1. Yes	2. No		
Q34.2	If no, why?				
Q35.	What employee qualities/ skills are most important to you and your business?	1. Writing skills			
		2. Communication skills			
		3. Computer skills			
		4. Technical skills Quality control skills Maintenance Develop and design new products Others, specify			
		5. Personal skills			

		6. Leadership and management skills				
		7. Accounting skills				
		8. Problem solving skills				
		9. Customer service skills				
		10. Others, specify………………………………				
Q36.	What are the main obstacles facing your business?	1.Competition				
		2. Israeli measures including checkpoints.				
		3.Financing				
		4.Enter new markets				
		5. Enter Israeli markets				
		6.Low enforcement of law				
		7.Raw material prices and availability				
		8.Exchange rates				
		9.Others				
Q37.1	Do your employees need special technical training?	1.	Yes	2.	No	
Q37.2	If yes, specify	1.				
		2.				
		3.				
		4.				
Q38.1	Do your employees need training for management and leadership skills?	1.	Yes	2.	No	
Q38.2	If yes, please specify	1.				
		2.				
		3.				
		4.				

Q39.1	Would you be interested in an internship with TVET institute?	1.	Yes	2.	No	
Q39.2	If yes, for how many employees?					
Q39.3	For what positions?	1.				
		2.				
		3.				
Q39.4	Are you willing to pay for the training?					
Q39.5	Do you expect any support?					

Appendix 5: Methodology

Appendix 5: Methodology for surveys and interviews

Methodology for the Employer Survey

The MTC/GCT Team developed a methodology for collecting information for the study and report and criteria for selecting employers and industries. With a short period of time to collect data, and with limitations such as Ramadan and summer vacations where the TVET schools were closed, the team needed to develop a system of collecting data that would provide the largest amount of information in the shortest period of time.

The team started with assumptions based on the sector experience and connections with labor organizations of the Deputy Project Manager and Team Leaders. The team chose not to select a quantitative data tool only for the survey, because the short period of time would not allow for at least 700 samples in each sector as required for a quantitative only survey. Also, the study team could not predict the number of jobs available for students, the number of employers working with the schools, the number of apprenticeships, etc. until the second part of the project. The team could however, collect information on the skills required by employers, potential for growth in the industries, numbers currently working, and staff training available at any given time.

To further refine assumptions on sectors for the review, the study team:

- reviewed Economic Indicator Reports;
- held interviews with Chambers of Commerce, business associations, new industrial zone chairmen and managers;
- investigated potential sectors for sector distribution, geographic distribution and business size, small/medium/large;
- reviewed job openings in newspapers;
- made visits to branch managers of banks to determine trends in loans and new businesses;
- determined statistical theory, objectives of the survey, potential job opportunities and skills in the context of the sectors; and
- gathered input from NGOs, donors and other projects related to employment and technical training.

Other considerations for selecting employers to include in the survey sample concerned questions on:

- Who are the main exporters/importers?
- Which businesses have strong growth potential?
- Companies that have been in business at least 2 years or longer.
- Companies having at least 3 employees.
- Businesses referred to the study team by other companies.
- Companies which currently value training.
- Businesses that are currently connected with the schools.
- New businesses that have not opened yet, but have advertised they will be hiring soon, and who will need to "ramp-up" with employees quickly.

Employers were surveyed in several different ways:

- face to face, using the survey translated into Arabic for ease of use;
- in forums where multiple employers received information on the project and then answered the survey and responded verbally within the forum (focus groups);
- employer phone surveys;
- association meetings where members received information on the project and answered the survey;
- meetings or forums held in schools; and
- interviews with employers who hired TVET graduates in the past.

Survey teams met one day a week to review the methodology and criteria and made adjustments to the survey or the process as needed. The team developed, and used a Quality Control Process and Survey Integrity Assurance Procedure as advised by Save the Children. Both quantitative and qualitative measures were drawn upon in the collection of data over what would prove to be a limited time.[75]

In this **Economic Status Report**, a mixed method research (qualitative and quantitative methods) is ideal. In the literature, leading researchers support a mixed survey method. In the concept of pragmatism the focus is on quantitative and qualitative methods being compatible. Therefore, researchers could use both. Tashakkori and Teddlie (1998) summarize the view that

[75] New methodologies and epistemologies have emerged that allow for the integration of a variety of research methods and tools. Researchers are being encouraged to use mixed methods including robust quantitative and qualitative approaches that can be cross referenced and triangulated.

pragmatism forms a paradigm distinct from others (such as positivism, post-positivism and constructivism) and that this paradigm allows for the use of quantitative and qualitative methods in social and behavioral research. As business research is a form of social and behavioral research there is every reason to believe that *pragmatism* is applicable as a paradigm to this report.

The study team's mixed methodology is simply an approach with strategies that enables comparisons between quantitative and qualitative data. The quantitative data in this report is data in numerical form, derived from questionnaires or structured interviews. The qualitative data is descriptive data from observation or semi structured interviews, including comments from employers that will drive our suggestions for the refinement of training programs. For a truly demand-driven system, employers will need to share their opinions and observations as to what skills are needed by their workers and to what quality level.

Classification of the Economic and Industrial Sectors in the Two Geographic Regions

For the methodology, the MTC/GTC study team adopted the *International Standard Industrial Classification of All Economic Activities* (ISIC) to determine the key economic and industrial sectors of Palestine. The ILO representative in Jerusalem recommended that the MTC/GCT team adopt this international classification of economic activities in determining the economic sectors. The Palestinian Central Bureau of Statistics has relied on the ISIC in its national statistics with a slight process of contextualization, job merging and modifications to approximate the job settings in the Palestinian labor market.

The *International Standard Industrial Classification of All Economic Activities* is the international reference classification of productive activities. Its main purpose is to provide a set of activity categories that can be utilized for the collection and reporting of statistics according to such activities within a global context.

A List of ISIC Occupations Relevant to Palestine

Since the adoption of the original version of ISIC in 1948, the majority of countries, around the world, have used ISIC as their national activity classification or have developed national classifications derived from ISIC. ISIC has provided guidance to countries in developing national activity classifications. It has become an important tool for comparing statistical data on economic activities at the global/international level. Wide use has been made of ISIC, both nationally and internationally, in classifying data according to the kind of economic activity in the fields of economic and social statistics, such as for statistics on national accounts, demography of enterprises, and employment. Moreover, the ISIC is increasingly used for non-statistical purposes.

The structure of the 4th revision of ISIC was considered and approved by the Statistical Commission at its 37th session in March 2006, as the internationally accepted standard. It now replaces the 3rd revision of the classification and its update, Revision 3.1, which have been in use since 1989 and 2002, respectively[76].

An increasing number of countries have adapted their national activity classifications or can provide statistical series according to ISIC. The United Nations, the United Nations Industrial Development Organization, the International Labor Organization (ILO), the Food and Agriculture Organization of the United Nations, and the United Nations Educational, Scientific and Cultural Organization are a few. Other international bodies use ISIC when publishing and analyzing statistical data.

For the purposes of this study and for assisting the TVET Centers to re-calibrate their approach to the selection of trade training, leading to recognized job outcomes, the individual categories of ISIC have been aggregated into the following 21 sections:

ISIC categories relevant to employment in Palestine

A	Agriculture, forestry and fishing
B	Mining and quarrying
C	Manufacturing
D	Electricity, gas, steam and air conditioning supply
E	Water supply, sewerage, waste management and remediation activities
F	Construction
G	Wholesale and retail trade; repair of motor vehicles and motorcycles
H	Transportation and storage
I	Accommodation and food service activities
J	Information and communication
K	Financial and insurance activities
L	Real estate activities
M	Professional, scientific and technical activities
N	Administrative and support service activities
O	Public administration and defense; compulsory social security
P	Education
Q	Human health and social work activities
R	Arts, entertainment and recreation
S	Other service activities
T	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use
U	Activities of extraterritorial organizations and bodies.

Each of these sections has subcategories. The MTC/GCT team determined the main sections and subcategories that apply to Palestine based on interviews with key people and a thorough

[76] United Nations, 2008. *International Standard Industrial Classification of All Economic Activities Revision 4.* New York, USA.

literature review. The list of economic sectors from the ILO were applied in the two targeted geographic areas includes the following:

Section B
Mining and quarrying
Division 8: Other mining and quarrying
Quarrying of stone

Section C
Manufacturing
Division 10: Manufacture of food products
Processing and preserving of fruit and vegetables
Manufacture of dairy products
Manufacture of other food products
Manufacture of bakery products
Manufacture of macaroni, noodles, couscous and similar farinaceous products
Manufacture of prepared animal feeds

Division 11: Manufacture of beverages
Distilling, rectifying and blending of spirits
Manufacture of wines
Manufacture of soft drinks; production of mineral waters and other bottled waters

Division 13: Manufacture of textiles
Spinning, weaving and finishing of textiles

Division 15: Manufacture of leather and related products
Tanning and dressing of leather; manufacture of luggage, handbags

Division 17: Manufacture of paper and paper products

Division 20: Manufacture of chemicals and chemical products
Manufacture of basic chemicals, fertilizers and nitrogen compounds, plastics and synthetic rubber in primary forms

Division 21: Manufacture of pharmaceuticals, medicinal chemical and botanical products

Division 24: Manufacture of basic metals
Manufacture of basic iron and steel

Division 31: Manufacture of furniture

Division 32: Other manufacturing
Manufacture of jewelry, bijouterie and related articles

Division 33: Repair and installation of machinery and equipment

Section D
Electricity, gas, steam and air conditioning supply
Steam and air conditioning supply

Section F
Construction

Section G
Wholesale and retail trade

Section I
Accommodation and food service activities

Section J
Information and communication
Division 63: Information service activities

Section K
Financial and insurance activities

Section M
Professional, scientific and technical activities
Division 73: Advertising and market research

Section N
Administrative and support service activities
Division 79: Travel agency, tour operator, reservation service and related activities

Section S
Other service activities
Division 95: Repair of computers and personal and household goods
Division 96: Other personal service activities
Washing and (dry) cleaning of textile
Hairdressing and other beauty treatment

Working with the study team's two Survey Team Leaders, the project developed a survey tool including questions to inform the **Economic Status Report** and the resulting **Gap Analysis** on the TVET League. The study team received feedback to survey methodologies and instruments from Save the Children. MTC/GCT further refined the research process.

Quantitative Data

Sample size: The study team determined the size of sample to ensure a research quantum of respondents to obtain an accurate analysis and measurements needed to be objective, accurate and statistically valid. The sample size needed for the survey was to provide findings with at least a 95% confidence interval, plus/minus a margin error of 5% points.

However, the mathematics of probability proved the size of the population to be irrelevant unless the size of the sample exceeded a few percent of the total population being examined. This means that a sample of 500 people is equally useful in exploring the opinions of a region of 15,000,000 people as it would a city of 100,000 people. For this reason, the Survey System ignores the population size when it is "large" or unknown. Population size is only likely to be a factor when working with a relatively small and known group of people (e.g., the members of an association)[77].

Save the Children asked for a Regional Economic Status report for the target geographic regions served by the TVET institutions. The combined total population for the region surrounding Hebron, Bethlehem, Ramallah and Jericho is only slightly over a million. The study team adjusted to the population of employees needed by the viable sectors in the near future or the

77 http://www.surveysystem.com/sscalc.htm.

number of companies in viable sectors. Then the team determined this number by using the Palestine Central Bureau of Statistics and validated assumptions by reviewing economic literature and discussing approaches with key industry and economic experts of Palestine.

Based on a *Central Limit Theory* and the qualitative nature of some of the questions to be asked, the result indicated that 30 employers per sector was needed to enable the team to reach sound conclusions. The number 30 is required to achieve a normal distribution for a large population when there is a 95% confidence area. The study team recognized that it needed to interview at least 30 employers in each identified viable sector, but keeping in mind time restraints, the team estimated that they would be interviewing employers in about 10 large sectors and several other small sectors which would not require interviews with 30 employers. The study team anticipated interviewing 384 employers, but ended up holding 492 interviews. As advised, the study team used the Palestinian Central Bureau of Statistics definition of the average size of employer namely, **small** (5 employees and under), **medium** (5-50 employees) and **large** (over 50 employees).

Statisticians prove that a sample size of 384 is indicative for a large population. Accordingly, the study team decided that this applied to the study. Dividing this sample size between the two main geographic regions; the center and the south, it can be assumed that 192 surveys for each region was adequate. Still, this did not prevent the study team from conducting more surveys in occupations that included a larger number of companies and in high-population areas, such as the urban and peri-urban areas of Ramallah.

To determine the number of surveys for each governorate in the region, the study team relied on the businesses registered at the Chamber of Commerce and Industry in each governorate as follows:

Distribution of surveys – Region 1

Governorate	Number of businesses registered at the Chamber of Commerce	Percentage of the total number of businesses registered	Total number of sample size 192. Sample size for the Governorate
Ramallah	3313	0.72	138
Jericho	1333	0.28	54
Total	4646	1.0	192

Distribution of surveys – Region 2

Governorate	Number of businesses registered at the Chamber of Commerce	Percentage of the total number of businesses registered	Total number of sample size 192. Sample size for the Governorate
Hebron	8573	0.85	163
Bethlehem	1510	0.15	29
Total	10083	1.0	192

Actual final distribution of surveys

Governorate	Frequency	Percent	Valid percent	Cumulative percent
Ramallah	168	34.9	34.9	34.9
Jericho	50	10.7	10.7	45.6
Hebron	201	40.7	40.7	86.3
Bethlehem	73	13.7	13.7	100.0
Total	492	100.0	100.0	100.0

The number of surveys in each governorate was divided among the most important sectors with potential for growth as per our interviews with key people and labor statistics. Our team needed to survey at least 384 employers. The study team actually surveyed 492 employers to ensure that the study team covered the smaller vocations with less than five employers, such as pharmaceuticals which really only consists of seven companies in Palestine.

Data Collection Methods: Surveys, Questionnaires and Structured Interviews

The questionnaire was designed according to international standards and recommendations. The questionnaire was thoroughly updated as a result of a field test. Questionnaires were undertaken by face-to-face interviews with employers, rather than only through a self-administered questionnaire. Interviewers read the questions exactly as they appear on the survey questionnaire. The choice of answers to the questions were mostly close-ended, though open-ended questions were also part of the survey. A Quality Control Process and Integrity Assurance Procedure were developed as advised by Save the Children.

Quality of data: The field surveyors taking part in the implementation of the survey were selected from resumes of experienced staff who had designed and implemented large surveys in the past. Both were Palestinians who were familiar with the region and the employers. Mid-way through the process MTC hired a local statistician to aggregate data to assist the analysis. The statistician also conducted some of the surveys with the larger employers who hire multiple employees.

Completed questionnaires were delivered for office editing after undertaking necessary field editing. Any faulty questionnaires were returned back to the field. Upon completion of data editing, the questionnaires were verified and coded and submitted for data entry.

Tabulation and data entry: After being edited, verified and coded, the data was entered using SPSS. Before initiating data entry, necessary theoretical and practical training sessions were offered to data entry operators. In addition, random quality checks were undertaken to ensure error free data entry. Accordingly, a list of faulty questionnaires could be identified, if needed.

Semi- structured interviews: Semi-structured interviews were used as qualitative techniques in the data collection for this report. Those interviews were flexible, allowing new questions to be brought up during the interview as a result of what the interviewee advised.

Appendix 6: Donor Activity Matrix

Appendix 6: Donor activity matrix

Strategy: Strengthen Capital and Institutional Base Among NGOs

Actions to be taken	Key activities	Timeframe	Parties involved	Lead agency	Budget
1. Support to MFI consolidation and transformation into specialized non-deposit taking MFIs	**1.1 Reef Transformation** 1.1.1 Technical Assistance for legal structuring, new bi-laws, ownership, etc.	December 2010 – ongoing	Reef, Netherlands	Reef	
	1.2 Reef Greenfield 1.2.1 Technical assistance for MFI creation 1.2.2 Capital for on-lending	September 2007 – December 2009	Netherlands, PARC	PARC	$1,200,000 $2,500,000
	1.3 Ryada Transformation 1.3.1 Technical support to CHF Ryada for becoming a commercially oriented non-bank financial institution, which is professionally run and able to comply with PMA regulations while accessing commercial and quasi-commercial sources of funds	October 2008 – September 2011	USAID, AED, CHF, Ryada	USAID	$180,000
	1.4 UNRWA Transformation 1.4.1 Technical assistance for developing a transformation plan and feasibility study for UNRWA's microfinance operations in Palestine (as well Jordan and Syria)	September 2009 – March 2010	UNRWA, Luxembourg, ShoreBank	UNRWA	$138,000

2. Focus technical assistance on the managerial, technical and financial skills (including strategic and business planning, asset, risk and liquidity management, internal controls, capital mobilization strategies, as well as social performance measures and client protection policies) needed to professionalize operations, comply with new PMA regulations and diversify their funding base	**2.1 Technical Support to NGO MFIs** 2.1.1 *Faten*, focal areas for TA are business & strategic planning; product pricing & costing 2.1.2 *Reef Finance Company* TA is focused on product development, marketing, MIS enhancements and staff training 2.1.3 *Asala* technical assistance on operational and strategic issues related to transforming into a company under PMA supervision	October 2008 – September 2011	AED, ShoreBank, Reef, Faten, Asala	USAID	$300,000
	2.2 Technical Support to ACAD 2.2.1 Compliance Procedures: Put in place anti-money laundering (AML) procedures, in conformity with the PMA laws, especially the Anti-Money Laundering Decree dated October 25, 2007, and other related AML/CFT regulation	September 2010	ACAD, AFD	ACAD	€38,229
	2.2.2 Technical Assistance: Grant funding for MIS, rating, TA to farming cooperatives to enable them to apply for a loan to ACAD, monitoring and supervision of the project by SIDI	September 2010	ACAD, AFD	AFD	€327,000
	2.3 Technical Support to UNRWA 2.3.1 Technical assistance grant funding to enhance social performance management through developing a poverty scorecard for Palestine (with separate scorecards for Jordan and Syria)	September 2009 – May 2010	Luxembourg, MicroFinanza SRL	UNRWA	$91,000
	2.4 MIS Development 2.4.1 BISAN systems: Development of a locally supported MIS that integrates the accounts and portfolio management functions and meets PMA standards for reporting	August 2008 – August 2011	USAID, AED, Bisan systems, Asala, Reef, ACAD, FATEN	USAID	$232,000

Strategy: Increase Transparency Among Service Providers

Actions to be taken	Key activities	Timeframe	Parties involved	Lead agency	Budget
3. Extend credit bureau participation to all specialized MFIs and requiring non-specialized institutions to provide standardized and comparable financial data to the PMA either directly or through the existing self-reporting mechanisms of their relevant apex agency	**3.1. PMA Capacity Building** 3.1.1. Capacity building for PMA staff to support and serve as resources for banks and MFIs on credit scoring and registry use	July 2010 – September 2010	USAID, AED, PMA	PMA, USAID	$15,000
	3.2. PMA Reporting 3.2.1. *CHF Ryada*: funding to support the adaptation of MIS to meet PMA standards of reporting	September 2009 – December 2010	USAID, AED, CHF	USAID	$20,000

Objective: Increase Product Diversification and Availability of Quality of Services in the Market

Actions to be taken	Key activities	Timeframe	Parties involved	Lead agency	Budget
4. Focus on innovation in new product development (leasing, insurance, remittances, Islamic lending) as well as frontier issues such as expanding rural access to finance through existing MFIs and new delivery channels that could be effective mechanism for increasing rural access on a massive scale	**1.1 Direct financing for ACAD** 1.1.1 Interest free loan to increase financing for framers' cooperatives and women	September 2008 – September 2010	ACAD, AFD	AFD	€673,000
	1.2 Direct financing for Reef 1.2.1 Grant for capital lending to expand small and micro-loans to farmers for sustainable agriculture	January 2010 – January 2012	European Commission (EC)	EC	€1,000,000
	1.3 Direct financing for UNRWA 1.3.1 PalFund trust fund to provide loans to Palestinian small business and microenterprise	October 2004 – Ongoing	OFID	UNRWA	$10,000,000

	1.4 Financing MFIs for new product development 1.4.1 Low cost loans for new Islamic Financing Products	January 2007 – December 2010	IDB, UNDP, MoL, MoSA, MoPAD	UNDP	$10,000,000
	1.4.2 Low cost loans for new Islamic Financing Products	2011 – 2014	IDB, UNDP, MoL, MoSA, MoPAD	UNDP (Phase 2)	$15,000,000
	1.5 Savings Mobilization 1.5.1 Demand study to determine market for savings among youth and low- income entrepreneurs. 1.5.2 TA to 2-3 commercial banks to develop and roll out products 1.5.3 Encourage relationships between MFIs and banks so as to increase outreach to un-served markets.	October 2008 – September 2011	USAID, AED, SBI	USAID	$500,000
	1.6 Enhancing Services to Youth 1.6.1 Develop youth focused microfinance products based on market research and collaboration with youth-serving organizations.	October 2008 – September 2011	USAID, AED, CHF, Ryada	USAID	$375,000

Strategy: Increase Engagement by Commercial Banks at Both the Retail and Wholesale Level

Actions to be taken	Key activities	Timeframe	Parties involved	Lead agency	Budget
2. Continue to support new commercial models of service delivery including *downscaling* of commercial banks and when allowable the *transformation* of MFIs into *specialized deposit taking institutions* that can be scaled up through access to commercial funds and replicated	**5.1 Commercial Bank Strengthening** 5.1.1 Al Rafah Microfinance Bank receiving TA on a variety of operational, financial, strategic planning and training activities	October 2008 – September 2011	AED, SBI	USAID	$500,000
	5.2 Bank of Palestine Downscaling 5.2.1 Technical Assistance to enter the microfinance market in the West Bank and Gaza: develop operational manual and staff training.	October 2008 – September 2011	AED, SBI	USAID	$300,000

Strategy: Stimulate Demand For Microfinance Services Among Micro And Small Businesses

Actions to be taken	Key activities	Timeframe	Parties involved	Lead agency	Budget
3. Support specialized institutions that provide business development services (managerial skills, bargaining, pricing, market standards and specifications, product development, etc.) and technical skills training for micro enterprise clients	**3.1 UNRWA Small Business Training**				
	3.1.1 Grant to support UNRWA microfinance department's Small and Microenterprise Training (SMET) program in Gaza	January 2009 – March 2010	Luxembourg	UNRWA	$117,100
	3.2 Empowering women entrepreneurs		SDC, ASALA	SDC	
	3.2.1 Grant to IRADA (ASALA) project to empower women entrepreneurs through training and business development services				
4. Strengthen cooperation between private, public and non-governmental actors to enhance MSE productivity, the employment of technological innovations and improved quality of products.	**4.1 Social Safety Net Program**				
	4.1.1 Provide grants to poor families to graduate as microfinance clients	January 2007 – December 2010	IDB, UNDP, MoL, MoSA, MoPAD	UNDP	$24,000,000
	4.1.2 Provide grants to poor families to graduate as microfinance clients	2011 – 2114	IDB, UNDP, MoL, MoSA, MoPAD (Phase 2)	UNDP	$35,000,000
	4.2 Support to MFI clients				
	4.2.1 Build the capacity of potential beneficiaries and develop suitable financial services, coordination and follow up	October 2009 – March 2011	Spanish, Reef	Reef	€176,400
	4.3 Consumer Protection and Financial Literacy				
	4.3.1 Conducted a study on the state of consumer protection in the West Bank and Gaza	October 2008 – September 2011	USAID, AED	USAID	$150,000
	4.3.2 Develop a major consumer awareness campaign on financial topics in coordination with the PMA, PCMA, and Association of Banks in Palestine.				
	4.4 Recapitalizing Microentrepreneurs in Gaza				
	4.4.1 Provide small grants (approximately $750, paid		USAID, AED,	USAID	$600,000

	in NIS) to clients who defaulted due to the economic conditions in Gaza and now wish to re-start their businesses and repair their credit standing. Beneficiaries must meet strict financial and social criteria		Save the Children, UNRWA, ASALA, Faten, CHF Ryada, and ACAD		

Strategy: Continue to Develop a Clear Legal and Regulatory Environment that Supports Commercial Models of Service Delivery

Actions to be taken	Key activities	Timeframe	Parties involved	Lead agency	Budget
5. Develop a categorization system for MFIs together with appropriate regulation and supervision requirements that allow for the possibility of savings mobilization in the future, if and when MFIs meet the clear registration requirements set by the PMA. Detailed articles should be developed that would allow for a tiered system of MFIs.	**5.1 Technical Assistance to the PMA**				
	5.1.1 Develop tiered regulations for the microfinance sector under the new banking law, including the possibility for a specialized deposit-taking non-bank MFI	October 2008 – September 2011	USAID, AED, IRIS Center	USAID	$50,000
	5.2 Technical Assistance to the Ministry of National Economy (MoNE)				
	5.2.1 Support MoNE to develop regulations for the registration of not-for-profit companies, one institutional form available to MFIs.	March 2009 – March 2010	USAID, AED		$10,000
	5.2.2 Assist MoNE to develop a registry for movable property in accordance with the draft Secured Transactions Law submitted to MoNE in 2008. The registry will allow MFIs and banks use moveable assets as collateral for lending.	March 2009 – August 2010	USAID, AED, IFC	IFC, USAID	$350,000
6. Continue to build the capacity of the specialized microfinance unit in the PMA to act as a monitoring, coordinating and supervisory authority for the industry	**6.1 Technical Assistance to the Palestinian Monetary Authority**				
	6.1.1 Provide technical assistance and training to the PMA to help its new non-bank financial institutions (NBFI) unit develop appropriate regulations for microfinance supervision and have the capacity to implement them.		USAID, AED, Iris Center	USAID	$50,000
	6.1.2 Work with the PMA's new consumer protection unit to improve policies and develop financial literacy materials.				

Strategy: Develop a Supportive Infrastructure to Support a Thriving Microfinance Industry

Actions to be taken	Key activities	Timeframe	Parties involved	Lead agency	Budget
7. Support the further development of the national network to act as a storehouse of knowledge for the sector, facilitating information exchange and promotion of industry standards and developments among its members.	**7.1 Support Sharakeh's capacity to deliver high quality services to its members**				
	7.1.1 Orientation and Training of Trainers programme: Develop a pool of at least 8 microfinance trainers in the Gaza Strip qualified to carry out training programmes for MFIs working there 7.1.2 A minimum of four training replications per calendar year will be carried out for MFIs in the Gaza strip by the pool of qualified trainers 7.1.3 Sharakeh's Gaza office will be functional: two employees will be trained and qualified to deliver the necessary services to member MFIs in the Gaza Strip.	October 2009 – March 2011	Sharakeh, Oxfam/Novib	Oxfam/ Novib	€176,400
	7.2 Promotion of transparency and exchange initiatives among Sharakeh members:				
	7.2.1 A total of six loan officers in the West Bank (3) and in the Gaza Strip (3) will be awarded by the end of every project year.	October 2009	Sharakeh, Oxfam/Novib	Oxfam/ Novib	$5,000
		2010	Sharakeh, UNDP	UNDP	
	7.2.2 Implementation of West Bank award event	2010	Sharakeh, UNDP	UNDP	$10,000
	7.2.3 Twelve best microentrepreneur awards in the West Bank and Gaza Strip each year.	2010	Sharakeh, UNDP	UNDP	$20,000
	7.2.4 Products Fair of MFI clients in northern West Bank.	2010	Sharakeh, UNDP	UNDP	$19,500
	7.2.5 Quarterly performance indicator reports published at the end of every quarter, reflecting the industry's performance to the national,				

	regional and international community (as well as Social Performance when possible) **7.3 Promotion of cross sector learning, international exchange:** 7.3.1 Communication materials, including monthly English-language newsletters, bi-monthly Arabic newspaper supplements, and calendars, developed and distributed 7.3.2 Sharakeh will link the sector to regional developments through participation in the annual Sanabel conference.	October 2009 – March 2011	Sharakeh, Oxfam/Novib	Oxfam/ Novib	
8. Promote the development of voluntary self-reporting mechanisms (e.g. Sharakeh and the MoL) to facilitate sector transparency of service providers under their membership, including establishing processes for enforcing the MFI Code of Conduct, promoting truth in lending in advertising, and responding to customer complaints	**8.1 Industry Association Strengthening** 8.1.1 Financial support to Sharakeh for key services, such as financial planning tool. 8.1.2 Support updated Network Capacity Assessment of the network to assess Sharakeh's strengths in advocacy, governance, service delivery, corporate and social responsibility, and communication. The activity will build Sharakeh's capacity to serve as an advocate and information disseminator and thus facilitate the growth of microfinance in Palestine. 8.1.3 Work with Sharakeh to host occasional industry level events.	March 2010 December 2009 Ongoing	USAID, AED	USAID	
9. Help to upgrade private sector service providers that can provide demand oriented, cost efficient training for MFI staff at all levels of operations from loan officers to management and executive levels.					
10. Support research and development initiatives aimed at promoting more client-responsive and cost effective services for MFIs operating in conflict situations, including the use and adaptation of new technologies such as mobile banking	**10.1 Market Research on Islamic Financing** 10.1.1 Gather information on the methodology, supply and demand for Islamic financing	2010	Sharakeh, UNDP	UNDP	

11. Work with private financing vehicles such as existing credit guarantee facilities to extend risk coverage, capacity building and other promotional activities to MFIs.	**11.1 EPCGF Credit Guarantee Scheme** 11.1.1 Extension of Credit Guarantee to MFIs wishing to borrow locally	2010 – beyond	KfW, EC, EIB	KfW	€39,000,000 (€6.73m from KfW
	11.2 CHF Guarantee Facility 11.2.1 Extension of Credit Guarantee to MFIs wishing to borrow locally	2010 – beyond	OPIC, CHF	CHF	TBD
	11.3 National Revolving Fund 11.3.1 Lending to MFIs for Islamic lending at low financing cost	2011 – 2014	IDB, UNDP, MoL, MoSA, MoPAD	UNDP	$10,000,000
	11.4 Regional MENA Fund 11.4.1 Launch Fund with Palestine window to offer MFIs with financing tailored to meet their particular needs.	End 2010	KfW and other investors	KfW	TBD
	11.5 MENA Investment Fund 11.5.1 Participation in this regional fund to support SMEs and microfinance.	November 2010	USAID, Silatech, SEAF and other investors	USAID	TBD

Appendix 7: Ministry of Labor TVET Courses

Appendix 7: Ministry of Labor TVET courses

Courses of study provided by public TVET Centers attached to the Ministry of Labor

Center	Courses of study provided
Public TVET Center of Jenin	▪ Executive secretary ▪ Cosmetology (cosmetics/beautician) ▪ Sewing and tailoring ▪ Electrical ▪ Auto-mechanical ▪ Metalwork ▪ Metal forming ▪ Carpentry ▪ Heating and air-conditioning ▪ Automotive ▪ Architecture/graphic design ▪ Water supply, sanitation and drainage ▪ Office equipment servicing and repair
Public TVET Center of Toulkarem	▪ Executive secretary ▪ Cosmetology ▪ Sewing and tailoring ▪ Electrical ▪ Auto-mechanical ▪ Carpentry ▪ Metalwork ▪ Heating and air-conditioning ▪ Water supply, sanitation and drainage
Public TVET Center of Beit Jala	▪ Executive secretary ▪ Cosmetology ▪ Sewing and tailoring ▪ Electrical ▪ Metalwork ▪ Automotive ▪ Architecture/graphic design ▪ Radio and television repair and servicing ▪ Paving ▪ Office equipment servicing and repair
Public TVET Center of Qalkilya	▪ Executive secretary ▪ Sewing and tailoring ▪ Electrical ▪ Auto-mechanical ▪ Metal work ▪ Heating and air-conditioning ▪ Automotive

Center	Courses of study provided
Public TVET Center of Nablus	▪ Executive secretary ▪ Cosmetology ▪ Sewing and tailoring ▪ Architecture/graphic design
Public TVET Center of Hebron	▪ Executive secretary ▪ Cosmetology ▪ Sewing and tailoring ▪ Electrical ▪ Metal forming ▪ Carpentry ▪ Automotive ▪ Architecture/graphic design ▪ Office equipment servicing and repair

Graduates from public TVET Centers in 2009

Number of graduates from all the Public TVET Centers							
Vocation	**Jenin**	**Toulkarem**	**Beit Jala**	**Qalkilya**	**Nables**	**Hebron**	**Total**
Executive secretary	19	26	40	11	29	25	150
Cosmetology	39	22	45	0	51	56	213
Sewing and tailoring	7	10	12	15	8	14	66
Electrical	9	16	16	19	0	14	74
Auto- mechanical	18	18	0	9	0	0	45
Metal forming	9	0	0	0	0	0	9
Carpentry	14	29	0	0	0	20	63
Metalwork	21	28	16	13	0	18	96
Heating and air-conditioning	17	25	0	19	0	0	61
Automotive	19	0	24	17	0	22	82
Architecture/graphic design	8	0	20	0	13	12	53
WS&S and drainage	12	14	0	0	0	0	26
Radio and television	0	0	13	0	0	0	13
Paving	20	0	0	0	0	0	20
Office equipment servicing and repair	0	0	13	0	0	27	40
Total	**212**	**188**	**199**	**103**	**101**	**208**	**1011**

Number of graduates in all training centers												
Vocation	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Executive secretary	201	229	156	254	258	305	266	155	220	226	150	2420
Cosmetology	121	112	103	113	124	131	108	117	92	131	313	1465
Sewing & tailoring	77	64	67	53	74	58	57	50	57	69	64	690
Electrical	18	17	18	19	20	23	44	48	43	58	70	378
Auto- mechanical	66	43	36	42	51	60	43	47	54	52	46	540
Metal forming	12	10	16	8	7	15	25	14	17	20	9	153
Carpentry	39	44	47	33	50	59	47	37	53	55	63	527
Metalwork	99	131	113	118	145	144	121	119	113	97	96	1296
Heating /air-conditioning	20	20	7	14	17	14	28	21	35	33	42	251
Body and painting	10	6	12	0	4	14	10	5	8	8	0	77
Automotive	22	31	33	21	36	33	39	32	37	34	41	359
Paving and formwork	47	107	56	37	49	60	76	51	64	47	21	615
Architecture/ graphic design	47	38	37	36	38	46	34	37	31	44	53	441
WS&S and drainage	23	22	21	23	28	26	21	19	20	18	26	247
Radio and television	7	4	17	13	20	24	22	16	18	18	13	172
Office equipment	0	0	0	0	10	12	0	9	0	26	28	85
Total	**809**	**878**	**739**	**784**	**931**	**1024**	**941**	**777**	**862**	**936**	**1035**	**9716**