

Educational Policies to Promote a
Competitive Knowledge Based Economy
in the Palestinian Territory



M A S

PALESTINE ECONOMIC POLICY RESEARCH INSTITUTE

2006



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Founded in Jerusalem in 1994 as an independent, non-profit institution to contribute to the policy-making process by conducting economic and social policy research. MAS is governed by a Board of Trustees consisting of prominent academics, businessmen and distinguished personalities from Palestine and the Arab Countries.

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MAS is dedicated to producing sound and innovative policy research, relevant to economic and social development in Palestine, with the aim of assisting policy-makers and fostering public participation in the formulation of economic and social policies.

Strategic Objectives

- ♦ Promoting knowledge-based policy formulation by conducting economic and social policy research in accordance with the expressed priorities and needs of decision-makers.
- ♦ Evaluating economic and social policies and their impact at different levels for correction and review of existing policies.
- ♦ Providing a forum for free, open and democratic public debate among all stakeholders on the socio-economic policy-making process.
- ♦ Disseminating up-to-date socio-economic information and research results.
- ♦ Providing technical support and expert advice to PNA bodies, the private sector, and NGOs to enhance their engagement and participation in policy formulation.
- ♦ Strengthening economic and social policy research capabilities and resources in Palestine.

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This study was prepared by Palestine Economic Policy Research Institute-MAS research team, particularly by the following researchers:

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FOREWORD

This study is an important addition to MAS's increased efforts throughout the past few years to forge a proper vision for the development of the Palestinian economy in the era of knowledge economies. It also represents one of the key components among the Institutes' scheduled programs with the aim of improving the competitiveness of the Palestinian economy. In fact, the institute drafted a vision for the development of the Palestinian economy in a paper titled '*Towards a Palestinian Development Vision*'. The paper was widely debated by local and international experts as well as policymakers across all economic sectors in the country. It ultimately reached the conclusion that human capital will represent the main engine for development in the country and that the competitiveness of the economy will mainly hinge on the accumulation of human capital. In light of the critical role that education plays in the development of human resources, the study at hand was conducted so as to research and extend a more detailed analysis to the general conclusions arrived at in the earlier study. More specifically, this paper aims at envisaging the quality of education required for the creation of the appropriate human resources that would make the implementation of the desired development plans possible.

I hope that this paper provides the extra motivation needed to place its contents and findings on the list of issues that deserve further debate and research across various spheres of expertise and specialized-interest groups. I would like to extend my gratitude to the senior researcher and his team of assistants for the great efforts exerted on their part in carrying out such an original and valuable study to assist policymakers in carrying out effective policies for development. I also thank IDRC and OPEC Fund for their continuous support of the institute's activities and their kind contribution to the preparation, printing and distribution of this study.

Dr. Samir Abdullah
Director General

Executive Summary

This study will explore a knowledge-based economy and its importance in keeping up with global economic trends through analysis of the Palestinian education system, and the challenges facing human resources development efforts in public education towards a knowledge-based economy. It will offer some recommendations that present a framework for its implementation.

Knowledge-based society: General Concept

A Knowledge-based society is one based on the production, circulation, and efficient utilization of knowledge in all social activities; economic, political, civic, as well as private and the progressive advancement of human conditions; knowledge here means the thoughts or perceptions of individuals, institutions, or society. Knowledge therefore is used to produce effective behavior to achieve the goals of the individual or the institution or society at large.

We can confidently state that knowledge has become the fourth element of national wealth after natural, capital, and human resources. The power of information has in fact made knowledge a major national source of wealth.

Global transformation towards knowledge-based economic activity has left a great and long lasting impact on today's world and has become a significant symbol of national power and prominence. Nations that are trying to develop their economy and catch up with the rest of the developing world can no longer ignore this fact, or delay their efforts at achieving this knowledge-based revolution.

A main priority should be a sharp increase in spending on knowledge production and distribution, especially in the field of education at all levels, research and development, in addition to strategies for human resources development and capacity building through the training of experts, researchers, the encouragement of innovation, copyright regulations and its enforcement and support for genius and distinguished persons.

Knowledge society and knowledge-based economy have six characteristics: 1. information revolution, 2. acceleration, 3. technological

development, 4. competition and disappearance of geographic barriers, 5. investment in research, and 6. increase in knowledge components and decrease in material components.

Impact of knowledge economy transformation on education

Progress and transformation caused by technology in the economy not only affect the degree and speed of growth, but also the lifestyle and quality of life for people of that society. The technological revolution, especially in the fields of communications and the Internet, has had serious effect on the person's education, behavioral development, and training. A society's inability to cope with scientific progress and development will find itself far behind in the new knowledge-based economy.

Knowledge gained by the individual in school or college is no longer sufficient for entering and staying in the labor market as in the past. Here lies the importance of education for empowering students to adapt to a changing knowledge environment.

Studies by the World Bank and UNESCO found that countries that do not realize that knowledge will find themselves marginalized. Studies also point out that for developing nations to achieve a knowledge-based economy, they will need to put greater efforts in a new educational system and training. The rapid development of knowledge demands life-long training and staying aware of trends and a higher level of science and technology for both labor and production.

Looking at experiences of other developed nations that succeeded in the transformation to knowledge-based economies and human resource development (Singapore, Japan, Korea, and Thailand), we find that most educational conversions in this regard consisted of a reform of the system of education, through focus on the student's learning methods of acquiring knowledge, adaptation to his new society's changing conditions, and developing student's personal potential, at all stages of education. This of course required changes in some educational perceptions.

Conceptual changes in educational

The transformation of education to knowledge-based systems in the age of information and globalism, according to a UNESCO authors, needs to achieve four objectives: Learn to know, learn to work, learn to live, and learn to share with others.

Learn to know: In the past, learning has focused on what you learn, not how you learn, but the knowledge explosion has changed the focus to the means of acquiring knowledge, and how to effectively deal with it; understanding how to deal with the accumulated information; the inclusive, expanded and sustainable knowledge; and the development of thinking skills.

Learn to work: This learning aims to qualify individuals to meet society's needs in dealing with the real and virtual worlds, in addition to other types of work like distance working, collective working, working in transition of travel. The time and space lines between the worker and his place of work have gradually disappeared, and the education systems must therefore equip students for such work eventualities with distance learning, group learning, and symbiotic learning through training and rehabilitation, in addition to official education.

Learn to live: Aims to prepare the learners physically, mentally, emotionally, and spiritually for life; with attention to personal aspects of learning practices, empowerment and individual's responsibility, acquisition of skills, innovation and creative imagination.

Learn to share with others: The age of information has led to broadening the individual's life environment from local to global, which required changes in the education trends and administration, most important of which has been the introduction of the English language along with Arabic, teaching science and math, enhancing the concept of critical thinking and thinking skills, use of technology as a foundation in education, and investment in the field of research, and in basic as well as secondary education which involves development of teaching methods in curricula, instructional materials, libraries, labs, computers; and developing administrative capacity in education, assessment and evaluation, trainings strategies, and quality control.

Palestinian education and social composition and their impact on human resource development

Palestine has experienced living through varied political and historical stages during Islamic, Ottoman, British Mandate, and Israeli occupation controls; studies have provided ample evidence that Palestinians spared no efforts in developing the educational sector in their country, despite of the lack of resources. In 1937, under British rule, 42,000 students, out of the 270,000 school-age children, were enrolled in schools. Available data also

shows that 85% of Palestinian peasants were illiterate, while the enrolment rate for Jews in 1946 was 100%.

After the 1948 catastrophe (Nakbah) the content and form of Palestinian education became part of the countries that ruled Palestinian communities, including the West Bank and Gaza Strip which were ruled by Jordan and Egypt respectively. The United Nations Relief and Work Agency (ANRWA) also provided education to the Palestinian refugees with 1% of its budget allocated for education. Palestinians who lived in the newly created state of Israel were subjected to discriminatory regulations that created separated systems of education, one for Jews and one for non-Jews.

Current characteristics of education in the West Bank and Gaza Strip

The population growth rate, used to estimate the projected number of school-age children, was 3.97% in 1997, and 4.63% in 2004; the number of schools in the Palestinian territories reached 2276; the number of students is currently around 1.1 million, with 48,674 teachers. According to these statistics there are no noticeable differences in gender enrolment rates except in secondary education (grades 11 and 12) where male student enrolment is slightly larger. According to available data, enrolment rate in basic education (grades 1-10) reached 98% in the school year 2004-2005; with a high rate of crowded classes despite efforts at decreasing it since 1994; and there was a decrease in student failure rate gradually from 2.4% in 1995 to 0.7% in 2005.

Higher Education

This study revealed a wide distribution of student enrolment in the fields of social sciences, commerce and humanities with enrolment of 100,000 students. It illustrates the progress made in the higher education sector, under the Israeli occupation and its academic and administrative obstruction since 1967, due to tireless efforts of civil society.

Greater advances were made in education after the establishment of the PNA, in founding the first Palestinian Ministry of Education, the rebuilding of the educational system in the WBGS and the expansion of school buildings and institutions.

In the sphere of higher education, the major progress was made in accommodating growth in the number of student enrolment; introduction of the higher education law and its organizational structure; reorganization of the Council of Higher Education, the establishment of the National Commission for Accreditation and Quality, the Council for Scientific Research, the University Student Fund, and other specialized administrative units; and converting middle colleges to vocational and technical colleges.

Developing Palestinian education for the knowledge economy, rehabilitation and skills

Palestine lives under peculiar conditions, still under military occupation, and has not achieved national independence. This situation makes national planning restricted, subject to outside interference and complicated in all its social, economic, and political relations with others nations.

The study concludes that Palestinians must develop strategies for dealing with all educational, economic, and social spheres of national life in order to face these difficult challenges. In the field of education there has to be a certain national commitment to increases in spending, efficient use of resources, and serious commitment to achieving equality and integration in all educational programs.

At the official national level, essential legislation has to be passed to insure that education at all levels remains a national priority; reorganization of the national education system must never be based on factionalism, or subject to one party's control; expansion of the system to marginalized areas in the rural areas; and guaranteed education for all females.

Despite the difficult circumstances, the study reveals a popular apprehension about reduction of the general and the higher education budget. The budget currently has no provisions for systematic development; about 80% of the higher education budget, for instance, is allocated for employee wages.

The study also calls for increasing the education budget to 25%, from the current 16% of the national budget; finding additional resources for education; allocating the greater part of foreign donations for the education and health sectors; and trying to help students through grants and loans, in order not to deprive them of education.

In the field of administration, the study proposes legislative involvement and extensive efforts in implementing a plan for decentralization of the education, as was tried successfully in other countries; focusing on developing strategies for improving the quality of education through needed improvements, especially at pre-school levels; achieving gender equality in education and eliminating inequalities by the year 2015; providing student-centered quality education, with special consideration given to student's varied needs; and integration of the subjects of English language and Information Technology into the curricula.

The study puts special emphasis on providing a balance in all secondary school subjects where two-thirds of students enroll in humanities at the expense of science and vocational subjects; calls for updating the evaluation system of student, teacher, and school achievement; special attention to behavior of teachers and their pre-service and in-service training, and it recommends setting standards and indicators for assessment and evaluation of education quality and learning. The study also proposes that teachers be awarded based on their measurable achievements.

Additionally, the study urges all Palestinian educational institutions to expand greater efforts in offering future strategies for education that take into consideration a developing Palestinian economy in the areas of industry, agriculture, trade, and the service sector. In the area of quality of higher education the study calls for an added emphasis on languages, information technology, efficient use of technology and school labs, and integration of students into training programs to insure improved output at the higher education level.

The most significant recommendation is to make changes in the study plans for all fields of study, the methodology, the content of higher education, and increasing subjects relevant to languages and technology; moreover, it proposes establishing private institutions that offer international licenses in the fields of study and the establishment of training institutions that cooperate with the private sector in the fields of research and development and the economic and social spheres.