TRAINING PROVISION AND EMPLOYMENT IN PALESTINE

Gaza, East Jerusalem, Refugee camps, Area C

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TVET

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Gaza, East Jerusalem, Refugee Camps, Area C

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List of Acronyms and Abbreviations

CA	Civil Administration
CIT	Computer and Information Technology
COGAT	Coordinator of Government Activities in the Territories
GDP	Gross Domestic Product
GoI	Government of Israel
LFPR	Labour Force Participation Rate
MENA	Middle East and North Africa
MoEHE	Ministry of Education and Higher Education
MoL	Ministry of Labour
MoSA	Ministry of Social Affairs
NGO	Non-Governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs
OPT	Occupied Palestinian Territory
PCBS	Palestine Central Bureau of Statistics
PNA	Palestinian National Authority
UNRWA	United Nations Relief and Works Agency
TVET	Technical and Vocational Education and Training

EXECUTIVE SUMMARY

The Palestinian economy is small, weak, and fragmented mainly as a result of the prolonged Israeli occupation. Needless to say, the economy suffers from volatile and slow growth, structural distortions, and exceptionally high levels of informality, unemployment and poverty rates. Furthermore, Palestinian employees and employers alike suffer from skills mismatch. Higher unemployment rates among university graduates, compared to TVE graduates and lower levels of education is a clear example of this phenomenon. The extremely low rate of enrolment in TVE programs is a symptom of such a skills mismatch. Palestinian education providers and TVET institutions must prepare their graduates for successful employment in the labour market. This can be done by producing the right quantity of graduates with the right quality of skills to meet the needs of the labour market.

This report aims at investigating the magnitude and nuances of these problems and at understanding the structure of the population, labour market, economy, and education in the marginalized areas of the OPT: East Jerusalem, Area C, Palestinian refugee camps in the West Bank, and the Gaza Strip. This report, which amasses all relevant and available data and information regarding the structure of the Palestinian population, economic and business structure and their individual potential, education, and technical and vocational training systems in the target areas, is prepared for the Deutsche Gesellschaftfür Internationale Zusammenarbeit (GIZ).

East Jerusalem

The economy of East Jerusalem has become increasingly marginalized as a result of Israeli policies of annexation, disintegration and isolation, especially after the construction of the Separation Wall. In 2013, 404,165 persons lived in the Jerusalem Governorate (areas J1 and J2). The population is young and suffers from high levels of structural unemployment. In 2014, 17.6% of labour force participants were unemployed - one third of them between the age of 20 and 24. The education sector suffers from several woes as a result of Israeli policies against Palestinians. It is notably disjointed as it is run by several authorities: Israeli educational and municipal authorities; UNRWA; the Islamic Waqf; and privately run schools. However, there are five main areas that exhibit strong growth potential, which should be the target of future economic development policies: the tourism sector; the trade and business activities sector; the Information and Communication Technology (ICT) sector; the housing sector; and overall social development.

In terms of the TVET centres currently operating in East Jerusalem, six are already in place: The Jerusalem Industrial Secondary School/ Arabian Orphan; the YMCA, whose TVET center is situated in Jericho; The vocational training center at the YWCA of Jerusalem; The Vocational Training Centre at the Lutheran World Federation; The Orphan Islamic Industrial School in the old city of Jerusalem; and The Qalandiya Training Centre - UNRWA. All of these centres suffer from out-dated equipment and shortage in qualified trainer, who can address the changing technological and labour market needs. To ensure the employment of graduates from TVET centres, and the matching of supply and demand in the labour market, TVET centres are advised to enhance training in specific fields that are in particularly high demand: Graphic design; telecommunications and soft skills; IT-related professions; marketing; sales; and public relations specifically hospitality in the tourism sector.

Area C

Area C is an area of the West Bank that was designated by the *Interim Agreement* to remain under full Israeli civil and military control and transferred gradually into Palestinian control. While covering 60% of the total land area of the West Bank, 5,655 km^2, 70% of area C is reserved for settlement expansion, leaving roughly 1% of the land area for further Palestinian expansion. Until this date, area C remains under full Israeli control while housing 187,000 Palestinians. 41% of this population is younger than 14 years of age (i.e. out of the labour force), while 68% of the population is younger than 29 years of age. According to a PCBS report (2013a), area C is home to 50,000 students enrolled in 183 schools. While these numbers do not indicate overpopulation, the quality of education and the difficulty to attain it raise more pressing questions. Estimates indicate that a majority of area C residents have not attained a high school diploma. Generally speaking, area C residents are far less educated than residents of areas A&B.

Information concerning employment patterns in area C remains limited. However, a few key facts are of note. Palestinian labour is highly mobile in area C – for residents of area C are more likely to leave their locales looking for jobs than their counterparts in areas A&B. Area C's workers are more likely to be agricultural workers; 39% of all jobs in area C are in agriculture compared to 12% in areas A&B. This trend continues in other low earning economic sectors. Moreover, area C's economic potential is closely tied to restrictions imposed by the Israeli Civil Administration on access to land. The most promising TVET opportunities in area C are tourism, mineral extraction, quarrying and mining, and high yielding agricultural practices. In sum, the World Bank estimates that these restrictions limit access to roughly 23% of the Palestinian GDP in potential added value. However, Palestinians are not necessarily completely stifled by these measures, for a few courses of action are quite feasible. First and foremost, the PNA must renew its focus on facilitating and encouraging private and public investment in locales in area C, where construction *is* feasible. Second, the PNA and the private sector must encourage Palestinian employers to target area C employees for jobs and training. Finally, the PNA and TVET centres in areas adjacent to area C must enable access and admission to their facilities for area C residents. As has been discussed above, Palestinians in area C are relatively poor and uneducated. Nonetheless, a majority of area C residents possess practical, yet primitive, skills in construction, agriculture, irrigation, and tending livestock. Thus, facilities that require little previous formal education and focus on such skills with practical applications could prove particularly useful. Not only does this step require reduced costs of attendance and travel for area C residents, most of whom are relatively poor, but also crucial and urgent changes to the admission process and educational curricula must be applied in order to encourage the enrolment of less (formally) educated residents of area C into these facilities.

Palestinian Refugee Camps in the West Bank

After the establishment of Israel in 1948, hundreds of thousands of Palestinians were expelled from their homes and became refugees in camps administered by the UNRWA in neighbouring Arab countries as well as the West Bank and the Gaza Strip. As of the end of 2013, the West Bank is home to 754,411 "registered refugees", 220,775 of whom live in 19 West Bank refugee camps administered by the UNRWA. The population of the West Bank's refugee camps is young and underprivileged. 42% of camp population is under the age of 14, while 69% are under the age of 29. In addition, the UNRWA operates 97 schools (mostly elementary schools) that serve 51,327 pupils in the West Bank camps. However, unemployment is rampant in these refugee camps. Camps all have higher unemployment rates than their surrounding neighbourhoods within the same districts. The discrepancy ranges from 32-percentage points difference in Ein el-Sultan in Jericho to a few percentage points in the Tulkarm camps. Thus, the UNRWA administers extensive micro-financing programs for refugees in the OPT. Since the programs commencement in 1996, 90,366 individual loans have been given out to refugees that totalled USD 128,543,091, as of January 2014.

Yet, high rates of poverty still characterize refugee camps. Therefore, refugees depend on "host" cities for specialized health care, advanced education, high-wage employment and, predictably, TVET training. As a result, immediate actions need to take place to not only ensure economic development within camps, but also to bridge the inequality between refugees in camps and their neighbours. Firstly, investment opportunities of refugees in areas surrounding camps must be increased. The PNA and the municipalities must facilitate and favour the acquisition of lands and property adjacent to camps by refugee residents of these camps. Here, government subsidies (or tax exemptions) can provide a solution to alleviate the rising prices of land in Palestinian cities, especially for refugee buyers.[1] Secondly, Palestinian (non-refugee) investment in camp business must be increased. Here, the PNA can offer tax and fee exemptions to private investors operating within refugee camps. Thirdly, the number and capacity of TVET centres that cater to refugees exclusively must be increased to meet the growing demand. As a result, future TVET programs should focus on sectors of economic potential in the context of the major cities nearest to camps. However, more TVET centres that satisfy refugee needs are urgently required. Fourthly, the PNA must address the deficiencies of the UNRWA's educational and health system within the camps.

The Gaza Strip

The Gaza Strip is an integral part of the Palestinian economy. Its GDP amounted to $2.9 billion in 2013 (at 2010 constant prices), which represents 24.4% of the total GDP. As of June 2014, more than 1.7 million people lived in the Gaza Strip on an area smaller than 360 km^2. The Gaza Strip population is rather young and outside the labour force. 43.2% of the total population in the Gaza Strip are children younger than 14 years of age. Moreover, there are 474,698 students enrolled in primary and secondary schooling crowded into 395 public schools, 245 UNRWA schools and 50 private schools to the extent of 36.31 students per class. Higher education institutes provide training to 213,581 students, as of the end of the 2012/2013 academic year. Hence, over the past decade, labour force participation rate (LFPR) increased from 37.3% in 2004 to 41.2% in 2013. However, LFPR among women recorded a low rate of 16% in the year 2013 due to social and cultural norms that stand in the way of many women willing to join the labour force.

The Israeli-imposed blockade, as well as the consecutive assaults, contributed to the depletion of the productive asset base in the Gaza Strip, and distorted its economic structure. The share of the manufacturing and agricultural sectors in the economy declined, while the service sector share expanded rapidly. Further, the Gazan economy, which used to have a vibrant export sector, has been cut off from its traditional trade destinations; namely; West Bank, Israel and Europe. The cheap and low quality of imports through the tunnels helped sustain the devastated industries in the Gaza Strip, while artificially limiting their potential for further development. More specifically, the restrictions on the importation of construction-related inputs listed as "dual use" products crippled the development of the construction sector. Nonetheless, Gaza still possesses significant areas of potential economic growth specifically; agriculture and fishing, industry and manufacturing, construction, and renewable energy.

In terms of the TVET centres, there are 13 TVET centres: four are under the provision of the Ministry of Labour (MoL); five are under the provision of the Ministry of Social Affairs (MoSA); three industrial schools are run by the Ministry of Education and Higher Education (MoEHE); and one centre is run by the Ministry of Former Detainees. Furthermore, two vocational centres are under construction and to be run by the MoL. However, the TVET sector suffers from fragmentation, efficiency issues, and multiplicity of providers. It also attracts low achievers and caters to the low end of the training needs for business and industry.

[1] Government interventionism to adjust market prices is seldom advantageous, which is not what is being recommended here.

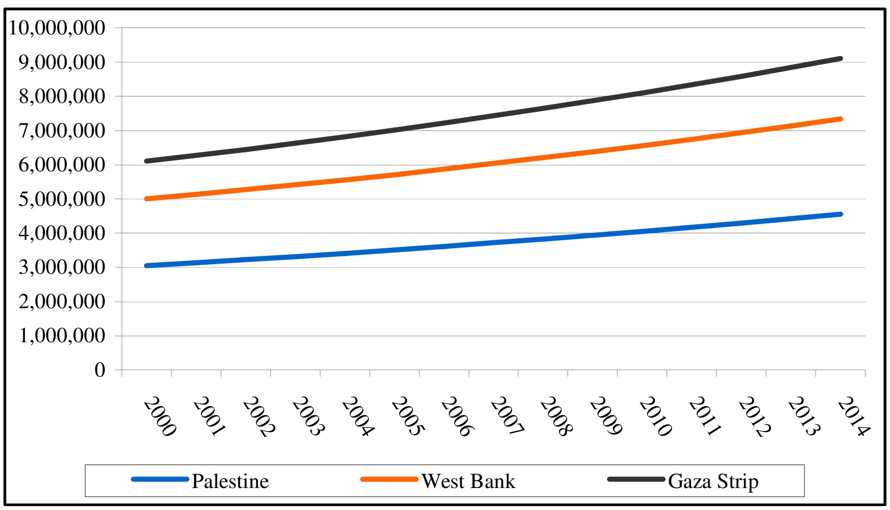
1. OVERVIEW

This section provides a brief overview of the characteristics of the Palestinian population, labour market, economic structure, and education system, including technical and vocational education and training (TVET). It also reviews education and employment regulations and the main areas of potential economic development in the occupied Palestinian territory (OPT).

1.1 Population

According to the Palestinian Central Bureau of Statistics (PCBS), there were an estimated 4.55 million people living in the OPT by mid-2014, divided between 2.79 million in the West Bank, including East Jerusalem, and 1.76 million in the Gaza Strip. The population growth rate in the OPT was 2.90%—3.41% in the Gaza Strip and 2.59% in the West Bank. The population is divided between 2.31 million males and 2.24 million females with a sex ratio of 103.3:100 males to females. Furthermore, almost three quarter of the population lives in urban areas (73.9%), while 16.7% lives in rural areas, and 9.4% lives in refugee camps (PCBS, 2014a).

Figure 1.1: Estimated population in the OPT mid-year by region (2000-2014)

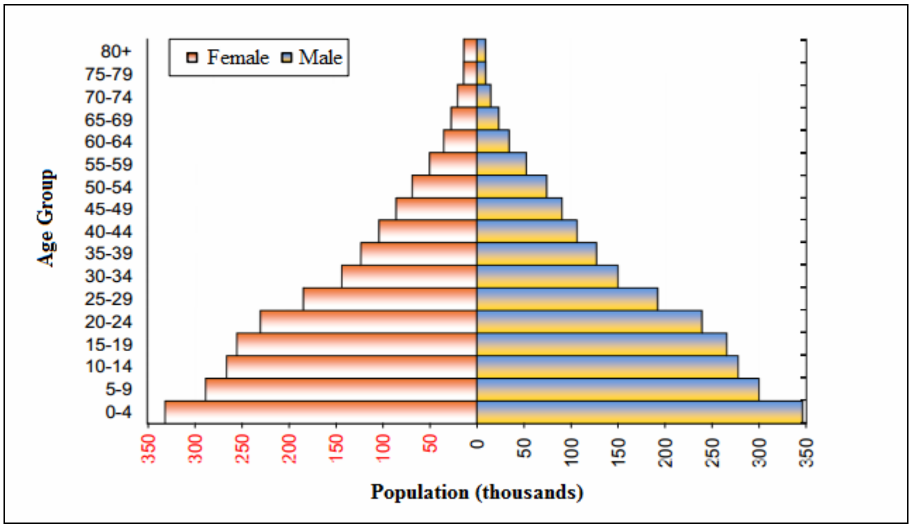


Source: PCBS, 2014

The OPT is also characterized by high population density, estimated at around 756 people per km^2 in 2014. The population density in the Gaza Strip (4,822 people per km^2) is almost 10 times higher than it is in the West Bank (493 people per km^2) (PCBS, 2014a). This is a result of the higher population growth rate and smaller land area in the Gaza Strip compared to the West Bank. Nonetheless, there are high disparities within the West Bank itself, between areas A, B, and C. For instance, the population density in areas A and B is 1157 person per km^2, compared to 177.3 persons per km^2 in area C.

The population pyramid of the OPT shows a relatively young population, with a wide base that indicates a large number of children (below 15 years old), and a narrow top that shows a low proportion of people living into old age. More than one third (39.7%) of the total population is below 15 years old, 30% is between 15 and 29 years old, and only 4.4% of the population is elderly (above 60 years old) (PCBS, 2014b). The population of the Gaza Strip is generally younger than that of the West Bank, including East Jerusalem. The percentage of people below 15 years old is 43.2% in the Gaza Strip compared to 37.6% in the West Bank. The median age in the OPT is 19.6, with 20.6 in the West Bank and 18.1 in the Gaza Strip.

Figure 1.2: Population pyramid of the OPT, mid-year estimates (2014)



Source: PCBS, 2014b

The population pyramid above also shows that women tend to live longer than men. In addition, indents show higher death rates among men than those among women, probably as a result of the ongoing conflict with Israel or immigration. The dependency ratio (burden)[2] reached an average of 5 persons during 2013, with 6.4 in the Gaza Strip and 4.4 in the West Bank.

Furthermore, an estimated 854,000 households lived in the OPT in 2014, of which 543,000 are residents in the West Bank, including East Jerusalem, and 310,000 in the Gaza Stirp. The overall average household size was 5.2 persons (4.9 in the West Bank and 5.8 in the Gaza Strip), showing a decline of 1.2 persons when compared to 1997. The majority of those households (87.2%) are nuclear, while extended families and one-person families compose 9.3% and 3.4% respectively. Moreover, according to the labour force survey of 2013, 10% of households were headed by females in the OPT (11.1% in the West Bank and 8.1% in the Gaza Strip). However, the size of female-headed households was relatively small, with an average size of 2.8 persons, compared to 5.7 persons for male-headed households (PCBS, 2014c).

1.2 The Economy

The Palestinian economy has been in stagnation due to high political uncertainty and Israeli-imposed restrictions on movement and access to natural and economic resources. In fact, after a period of strong economic recovery between 2007 and 2011, economic growth in the OPT decelerated to 6.3% in 2012, and further slowed down to 1.9% in 2013. In 2014, GDP growth rate hit its lowest point in seven years, and the economy has been in recession since. Growth dropped from 6.0% in 2012 to 0.5% in 2013 in the West Bank, and from 7.0% to 6.0% in the Gaza Strip (MAS, 2014).

[2] The dependency ratio (burden) is the number of individuals that are outside the labour force but still depend on it. It is calculated by dividing the total population by the total number of employed person, resulting in the number of dependents per employed person.

Israeli-imposed restrictions on economic activity include the isolation of East Jerusalem, which used to be the main tourism, trade, and services centre of the Palestinian economy. As a result, socio-economic conditions are in precipitous decline as the economy in East Jerusalem is withering. Severe Israeli movement and access constraints have also gravely affected the investment climate in area C, which includes the most precious, fertile, and arable land in the Jordan Valley and the Dead Sea. A recent World Bank report (2013) has estimated that the opportunity cost of restricted access to these two resources is costing the Palestinian economy more than $918 million per annum. In addition, the Israeli strict control over the Palestinian water resources left Palestinians with no more than 20% of their annual water recharge, which caused a water shortage, thus endangering their agriculture, tourism, and living conditions.

The Palestinian economy has also been characterized by huge distortions. While the West Bank's contribution to total GDP increased from 61% in 2006 to 75.6% in 2013, the Gaza Strip's share of total GDP declined from 39% to less than 25% for the same period, reflecting the impact of the Israeli blockade and the three consecutive assaults on the Gaza Strip. Sectors' contributions to GDP and employment have also been changing. In 2013, the Palestinian services sector, public administration, and security made up about 30.6% of the GDP, and employed more than half of the Palestinian labour force. Wholesale and retail trade and repair of motor vehicles and motorcycles constituted 17.8% of the GDP, followed by mining, manufacturing, electricity, and water services (16.3%), construction (11.1%), and information and communication (5.3%). The share of agriculture, forestry, and fishing was the lowest as it only represented 3.7% of total GDP (PCBS, 2014d).

The Palestinian labour market is also distinguished by geographical, administrative, and sectorial fragmentation as a result of the 1993-1995 Oslo Agreements. Labour market distortions thus characterize East Jerusalem, Area C, the refugee camps in the West Bank, and the Gaza Strip. Consequently, the PNA and the donor community face several challenges to prepare and implement a national labour market policy, and well-developed measures that take into account all these market segmentations. Labour market is also characterized by a very young population, low labour force participation, structural imbalances, and insufficient job creation. The labour force participation rate (LFPR)[3] reached 43.6% in 2013 (45% in the West Bank and 41.2% in the Gaza Strip) (PCBS, 2014e). The high share of students in the working-age population,[4] along with the low LFPR of females (17.3%), explain the low LFPR (Kock et.al., 2012).

Furthermore, the huge mismatch between labour supply and labour demand has resulted in high unemployment rates. In 2013, the unemployment rate in the OPT was 23.4%, marking 5.6% increase compared to 2012. The Gaza Strip records consistently lower on all unemployment indicators than the West Bank. In 2013, the unemployment rate in the Gaza Strip was 32.6% while it was 18.6% in the West Bank. More specifically, with more than two thirds (70%) of the Palestinian population under the age of 30, unemployment among youth[5] in the OPT has been very high (41.0%), with youth unemployment in the Gaza Strip reaching 57.2% compared to the West Bank's 32.8%. The average unemployment wait duration in the OPT stands at 13.3 months, suggesting that once unemployed, many workers struggle to find another job. The average unemployment wait duration is also much higher in the Gaza Strip (18.3 months) than it is in the West Bank (5.5 months) (PCBS, 2014f).

The Palestinian private and public sectors provide 68% of jobs. Hence, in 2013, around 555,000 workers were employed in the private sector, and 204,000 worked in the public sector (including the PNA and

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3 Labour force participation rate: a measure of the proportion of the economically active population from all persons 15 or more years of age who are either employed or unemployed

4 19.4% of those within the working age (15 years old and above) are students.

5 Youth here means that population is between 15 and 24 years old.

local governments). On the other hand, Israel and its settlements provided only 8.5% of jobs and employed 99,000 workers in 2013. However, workers' distribution is likely to change in the future. In 2011, the PNA capped public sector recruitment to only 3,000 persons per year with its "zero hiring" policy. The Palestinian private sector has also been taking the brunt of the Israeli policies in the OPT. Israeli restrictions on movement, exports, imports, and investments led to stagnation in Palestinian employment growth and the inability of the private sector to develop, and thus, absorb more human resources. For example, around 89% of enterprises in the OPT employ less than 5 employees, while only 1.2 % of enterprises have 20 or more employees (PCBS, 2014g). The average daily wage averaged 97.2 NIS in 2013; 89.0 NIS in the West Bank, 63.1 NIS in the Gaza Strip and 175.6 NIS in Israel and in the settlements.

Table 1.1: Characteristics of the formal Palestinian private sector manufacturing, services, and retail establishments in operation (2012).

Region	Size	Manufacturing, Mining & Quarrying, Construction, Electricity and Water	Wholesale and Retail Trade	Services (excluding Trade)	Total
West Bank	Micro and small (1-19)	13,124	49,071	23,909	86,104
	Medium (20-99)	360	118	375	853
	Large (100+)	28	5	47	80
Total		13,512	49,194	24,331	87,037
Gaza	Micro and small (1-19)	5,105	24,262	11,318	40,685
	Medium (20-99)	88	49	123	260
	Large (100+)	13	-	5	18
Total		5,206	24,311	11,446	40,963
OPT		18,718	73,505	35,777	128,000
% West Bank		72%	67%	68%	68%
% Gaza Strip		28%	33%	32%	32%

Source: PCBS Establishments Census, 2012

As for unemployment services in the OPT, they are weak and fragmented. While such services are usually provided by a publicly financed state agency or a private agency, the situation in the OPT is different as a result of the involvement of NGOs in providing employment, and the very weak role of public and private agencies (MoL, 2010). Palestinian unemployment service providers include the Ministry of Labour (MoL), the Ministry of Education and Higher Education (MoEHE), the private sector, trade unions, and civil institutions. However, these stakeholders lack adequate information on supply and demand of skills and on skill forecasting, which makes their efforts less effective.[6]

In light of the above-mentioned characteristics that highlight the peculiarity and weakness of the Palestinian economy and its labour market, there is an urgent need for effective efforts to resume economic growth, and meet the challenges of unemployment and low participation rates. More specifically, efforts should focus on education and TVET to provide the right skills that correspond to labour market needs. Currently, TVET enrolment share in secondary education is extremely low, at around 1.9% (0.4% among males and 3.6% among females).[7]

[6] With the support of GIZ, there has been a noticeable progress in this field in the last years. One good example is the attempts to build up a national committee for Career Guidance And Counselling (CGC) to unify all stakeholders.

[7] This percentage refers only to the students enrolled in the industrial and agricultural streams and it does not include the students enrolled in commercial schools. In addition, it doesn't take into account students enrolled in VTCs and TCs

1.2.1 The Informal Sector

Informal activities compose a significant part of the OPT economy, both in terms of contribution to overall employment and economic activity. Total informal employment is nearly 60% of the non-agricultural labour force, either within formal or informal enterprises. Of this share, about one quarter (23%) work directly in the informal sector.[8]

While there is a lack of data on the contribution of the informal sector to GDP in the West Bank and the Gaza Strip, informal sectors in developing economies are generally estimated to contribute 35% - 40% of official GDP and may average closer to 20% - 25% of GDP for countries in the Middle East and North Africa (MENA) region. The informal sectors in Israel and Jordan are both estimated to contribute around 20% of GDP (World Bank, 2014).

1.3 Legal Framework

1.3.1 General Administration

The legal and regulatory environment in the OPT is complex, since Palestine was put under different legal umbrellas during the past century. Until 1917, Palestine was under Ottoman rule, followed until 1948 by the British Mandate, which ended with the establishment of the state of Israel. Between 1948 and 1967, the West Bank became part of the Hashemite Kingdom of Jordan, while the Gaza Strip was put under separate Egyptian Administration. After the Six-Day War in 1967, the West Bank and the Gaza Strip fell under Israeli Military control. Military orders thus became the governing framework for all aspects of life including economic activity (UNDP, 2009).

Following the signing of the Declaration of Principles (DoP) in September 1993, and the establishment of the Palestinian National Authority (PNA) in 1994, the latter assumed authority over all Palestinians in the OPT. The PNA’s territorial jurisdiction remained, however, very limited. In 2003, the PNA issued the basic law, which serves as a temporary constitution. The Basic Law defines the type of government, the basic public liberties and rights, the economic system, and the mandate of the 3 authorities (executive, legislative, and Judiciary). These laws and regulations issued by the PNA are, however, only enforced in areas under the PNA’s jurisdiction in the West Bank and the Gaza Strip. They are not imposed in East Jerusalem or in area C of the West Bank.

1.3.2 Education Regulations

Article 24 of the PNA’s basic law states that:

- Primary Education is a compulsory and inalienable right for each and every citizen provided free of charge in public schools and institutes;
- The PNA oversees the educational process in all stages and institutes, and works for its improvement;
- The law guarantees the independence of all universities, educational institutes and institutes of scientific research. The law also guarantees the freedom of scientific research literary, cultural and artistic creativity;
- All schools and educational institutes must abide by the curricula set and designed by the PNA and which fall under its supervision.

The PNA also issued the higher education law No. 11 for the year 1998. The law oversees the higher education process and higher education institutions of all kinds. It states the goals of higher education, the

[8] A job is informal when it lacks basic legal or social protections or employment benefits or is not subject to national labour legislation and income taxation. An informal job may be found in the formal sector, informal sector or even in the public sector.

responsibilities of the ministry, in addition to the licensing, the supervision, and administration of higher education institutions. In February 2012, the Hamas government in Gaza issued the first Palestinian education law, but the law was never enforced, neither in Gaza nor in the West Bank. Thus, the law governing education in Gaza remains the Egyptian education law (MAS, 2012).

1.3.3 Employment Regulations

Article No. 25 of the Palestinian Basic law states that: "Work is a right for each and every citizen, it is a duty and an honor, and the P.A seeks to provide a job opportunity for each citizen capable of working." The law governing employment is the Palestinian labour law No. 7 for the year 2000. However, the labour law is not applicable to public servants, whose rights and responsibilities are listed in the civil service law No.4 for the year 1998 and its amendments.

1.4 Education in the OPT

1.4.1 School and University Education

The PNA has successfully increased literacy rates from 84.9% in 1995 to 96.8% in 2013; 98.4% among males and 94.1% among females, which is high by global standards. Nonetheless, there is still potential for increase in female literacy rate and gender parity (PCBS, 2014h).

In the 2013/2014 academic year, the number of students attending primary and secondary education (0-12 school years) reached 1.15 million, divided equally between girls and boys, and distributed among 2,784[9] schools, employing 53,883 teachers (37,735 teachers work at public schools, 9812 work at UNRWA schools and 6,315 work at private schools) (PCBS, 2014h). This would imply a ratio of one teacher per 21.4 students. Among these schools, there are 38,162 classrooms, with a ratio of 30.2 students per class. The government supervises 74.1% of these schools, while the UNRWA administers 12.3%, and 13.6% are privately owned. The majority (65%) of secondary education students are enrolled in the Literary stream , 23.3% in the Scientific stream, 5.3% are enrolled in the Sharia stream, 4.5% in the Commercial stream, 1.7% in the Industrial stream, and 0.15% in the Agricultural stream (MoEHE, 2014).

Regarding higher education, there are 53 institutions of higher education operating in the OPT; 34 in the West Bank and 18 in the Gaza Strip.[10] These include 14 universities, 18 university colleges, 20 community colleges, and one Open University. The number of university students enrolled in these institutions in the academic year 2012/2013 reached 213,581 students, divided between 126,138 females and 87,443 males, and representing 10% of the 2013 adult population.[11] Traditional universities absorbed 53.7% of new entrants during the same year, compared to 24.1% for Al Quds Open University. The remainder of students are spread among the intermediary community colleges (10.1%) and university colleges (12.1%) (MoEHE, 2013).

During the academic year 2012/2013, around 21,752 students graduated from traditional universities, 7,008 students graduated from the Open University, 3,791 students from university colleges, and 2,940 from intermediary community colleges. The majority of students graduated with a bachelors' degree (74.4%) while only 0.8% graduated with a professional diploma. The rest either graduated with advanced studies (5.4%), an intermediate diploma (17.4%), or an education diploma (2.5%).[12]

[9] Statistics in this section do not include Israeli educational and municipal authorities' school in Jerusalem.
[10] There is one open education university that has branches in both the West Bank and the Gaza Strip.
[11] The adult population is 20 years old and above.
[12] *Ibid*.

1.4.2 The TVET System

Technical and Vocational Education and Training (TVET) in the OPT is characterized by considerable weaknesses and faces numerous obstacles despite the numerous initiatives and projects that were undertaken to enhance its effectiveness. TVET centres suffer from high fragmentation, absence of unified leadership, outdated curricula and equipment, lack of qualified trainers, deficiency in financial and human resources, and a negative public image. Hence, student enrolment in TVETs is still very low. For example, less than 2.0% of students in secondary education (in the agricultural and industrial streams only) were enrolled in TVET programs during 2013/2014 academic year.[13]

Table 1.2: Number of students enrolled in TVET (industrial and agricultural stream) and total number of students in secondary education, 2011-2014:

	Industrial Stream	Agricultural Stream	Total TVET	Total Secondary
2011	2,372	323	2,695	149,691
2012	2,372	334	2,706	149,325
2013	2,314	236	2,450	146,495
2014	2,428	216	2,644	142,063

Source: MoEHE, 2014.

Palestinian society believes that students who enrol in the vocational stream are incapable of going to scientific or literary streams, or of enrolling in university education. Those students are thus considered as "inferior" to those who graduate with a bachelor's degree. This image that TVET students are incompetent or unqualified discourages talented students from enrolling in TVET centres. Another de-motivating factor is that professional employees without any form of TVET have advantages over TVET graduates when entering the labour market at an earlier stage, because they gain experience and market knowledge, and are thus preferred by employers and customers. Therefore, there is a need for regulations that enforce an accreditation system of formal TVET in order to give the students an advantage when entering the labour market. TVET should also be geared toward the existing demand for skills in the labour market, and should provide solid evidences of its graduates' competency to the market.

Besides the negative image held on TVET centres, fragmentation is another key area of concern. TVET services are carried out by several actors, including the MoEHE (Vocational Secondary Schools and Technical Colleges), MoL (Vocational Training Centres), private institutions, international organizations (UNRWA), and NGOs (50% of all TVET courses and programs).[14] The absence of centralized planning among these actors and the lack of "proper coordination of all development activities implemented in the TVET sector by the donor community" (ETF, 2014) have resulted in overlaps and gaps in the TVET system. Furthermore, Palestinian TVET lacks strong private sector involvement in the drafting of curricula, and in the supply of training and learning through apprenticeships.

Despite all these problems, the TVET system remains a key cog in solving the unemployment problem in the OPT. However, TVET centres should be more responsive to labour market needs and thus be more able to effectively solidify vocational schools as a real option after high school graduation.

Governance of TVET

As aforementioned the Palestinian TVET sector does not reside under one administrative umbrella. However, the Directorate General for Vocational Training at the MoL is directly responsible for the

[13] This figure does not include the students who are enrolled in VTCs and TCs.
[14] (http://www.tvet-pal.org).

management of VTCs. The Palestinian Higher Council of TVET, which was formed in 2005, is in charge of the macro-planning of the TVET system, monitoring strategy implementation, and securing the necessary financial resources for said planning and implementation. However, the council remains ineffectual and the implementation of its plans still faces many obstacles (ETF, 2014a). On the other side of the spectrum are the UNRWA colleges and Vocational Training Centres (VTCs), which are supervised by UNRWA's Vocational and Technical Department, under the administration of the Education Office in UNRWA, in Amman (Jordan).

Financing

The National TVET Strategy (2010) outlines five main sources of funding for the TVET system, namely: course fees, government subsidies, the National Training Fund (NTF), national and international grants and donations, and income generating activities of TVET institutions (UNESCO, 2014). Nonetheless, the system remains very dependent on government and donor funding. While private community college students pay for their training, funding for public community colleges, vocational schools and VTCs comes from three different sources: the MoF through the general budget, donor activity, and students' fees (ETF, 2014a). In parallel, UNRWA institutions do not pay any fees. NGOs charge a percentage of the training cost and obtain the rest from donor contributions. The donor community covers almost all TVET infrastructure development expenses. There is very little if any private sector financial support to the TVET system.

Efficiency, effectiveness, and relevance

In general, the TVET system is not as efficient as it could to be. Vocational schools and technical colleges still operate partial hours, which does not cater to the needs of working students. Moreover, students far outnumber teachers, leaving little space for one on one interaction and mentorship. Correspondingly, improvements are necessary at all levels, namely: the quality and quantity of teachers and trainers, the quality of the curricula used, and the physical resources available (Riyada Consulting & Training, 2009).

Despite the above-mentioned weaknesses, the TVET system is essential to meeting the needs of the labour market. This is manifested in the high employability of graduates of the TVET system compared to those with a university education (ETF, 2006). For instance, all studies conducted on graduates from the Industrial Secondary School in Bet Hanina in 2000, the Lutheran World Federation VTC in 2000–02, and the YMCA VTC in 2003, showed that TVET graduates have a much higher employability rate than the average graduates of other parts of the education system (USAID, 2011). Most of these training institutions base their decisions to open or close new specializations on labour market information. Interfacing activities with businesses and industries are found in most institutions with varying degrees. However, the TVET system is still a long way from shedding its stigma – for it is still seen as a refuge for "lower achievers" (PCBS, 2006).

2. EAST JERUSALEM

East Jerusalem is recognized as the spiritual, political, and cultural heart of the Palestinian nation. However, it is no longer the economic centre of Palestine. In fact, the socio-economic conditions have been in precipitous decline for decades now, as a result of Israeli policies of annexation, disintegration and isolation (UNCTAD, 2013). Israeli pernicious actions include: the construction of the Wall and the physical separation of East Jerusalem from the rest of the occupied Palestinian territory (OPT), settlements' building, illegal annexation and confiscation of Palestinian land; house evictions and demolitions, asymmetric delivery of public services, neglect, rights violation etc. Consequently, the economy in East Jerusalem has become an isolated and a "landlocked island" economy (Guitard, et al., 2012), separated from the economies of the West Bank and the Gaza Strip, and increasingly dependent on Israel for employment, trade and finance. Hence, East Jerusalem's economy has been experiencing a declining contribution to the Gross Domestic Product (GDP) of the OPT –from 15 per cent in the late 1980s to 8 per cent at the start of the Oslo period–, and it has sustained its downward trend since (UNCTAD, 2013).

2.1 Demographic Characteristics

2.1.1 Population

In 2013, 404,165 lived in the Jerusalem Governorate,[15] representing 9.1% of the total population of the OPT; 205,588 were males while 198,577 were females. Furthermore, while 251,043 lived in area J1,[16] 153,122 lived in area J2. A detailed geographical distribution of the population in East Jerusalem (by locality) in 2013 is presented in table 2.1 below.

Table 2.1: Geographical distribution of the population in East Jerusalem by locality (2013)

Area	Name of the Locality	Estimated population in Mid-year 2013
Area J1	At-Tur (Mt. of Olives)(including Suwaneh)	22,977
	Ath-Thori (Abu Tor)	12,751
	JabalMukabber (incl. Arab As-Sawahreh)	21,127
	Al-Issawiya	13,730
	Bab Az-Zahrah	2,272
	BeitHanina	33,617
	BeitSafafa (incl. Sharafat and Der Karmizan)	11,200
	Sheikh Jarrah&Wadi Al-Joz	17,179
	Shu'fat	22,759
	Shu'fat Refugee Camp	13,968
	Silwan (incl. Wadi Al- Hilweh)	18,932

15 The Jerusalem governorate as defined by the Palestinian Authority (PA) has different geographical and district boundaries than the Israeli municipal area of Jerusalem, which includes illegally and unilaterally annexed land. For the PA, East Jerusalem is part of the Jerusalem governorate, which includes areas J1 (the part of Jerusalem that was annexed by Israel in 1967) and J2 (the remaining of Jerusalem district that is under Palestinian administration).

16 It should be noted however that according to the Jerusalem Institute of Israel Studies (cited in PASSIA, 2014, p.431), the number of Palestinians living in J1 area is 291,782.

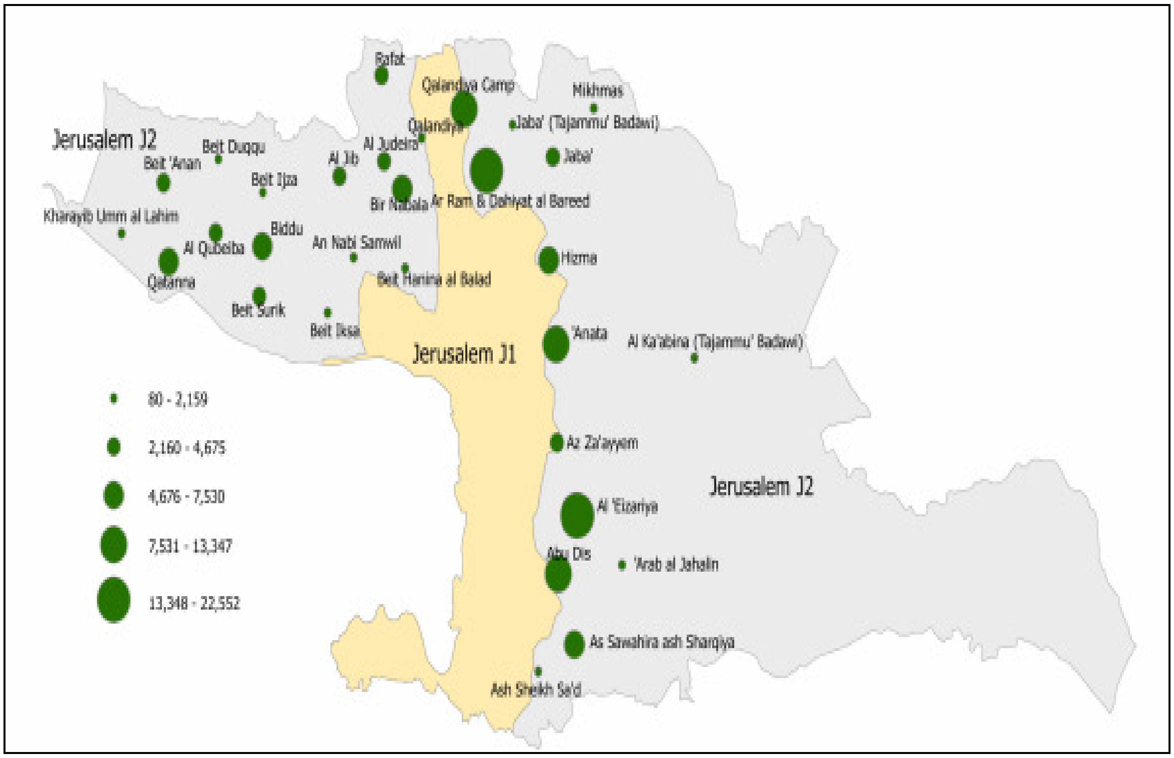
Area	Name of the Locality	Estimated population in Mid-year 2013
	Sur Baher	14,588
	Um Tuba	3,549
	Old City (excl. Jewish Quarter)	36,536
	KufrAqab (incl.Atarot industrial zone)	14,366
	Ras Al-Amud	23,326
	(New) Anata	5,579
Total number of the population in Area J1		291,782[17]
Area J2	Ar-Ram and Dahiyat Al Bareed	22,552
	Al Eizariya	19,502
	A'anata	13,347
	Abu Dis	11,943
	Qalandiya camp	9,782
	Biddu	7,530
	Qatanna	7,154
	Hizma	6,946
	As Sawahira al Sharqiya	6,425
	BirNabala	5,336
	Al Jib	4,675
	Beit 'Anan	4,409
	BeitSurik	4,306
	Az-Za'ayyem	3,768
	Jaba'	3,526
	Al Qubeiba	3,514
	Rafat	2,630
	Al Judeira	2,521
	Ash Sheikh Sa'd	2,159
	BeitIksa	2,099
	BeitDuqqu	1,796
	Mikhmas	1,603
	Qalandiya	1,306
	BeitHanina Al Balad	1,186
	‘Arab alJahalin	799
	BeitIjza	773
	Al-Ka'abina	769
	Kharayeb Um al Lahim	402
	An NabiSamwil	286
	Jaba' (Tajammu' Badawi)	80
Total number of the population in Area J2		153,122

Source: PCBS, 2014i

[17] This number is based on the statistics from the Jerusalem Institute of Israeli studies (cited in PASSIA, 2014, p. 431). However, as mentioned above, the PCBS (2014i) estimates that the number of Palestinians in Area J1 was 251,043 in 2013.

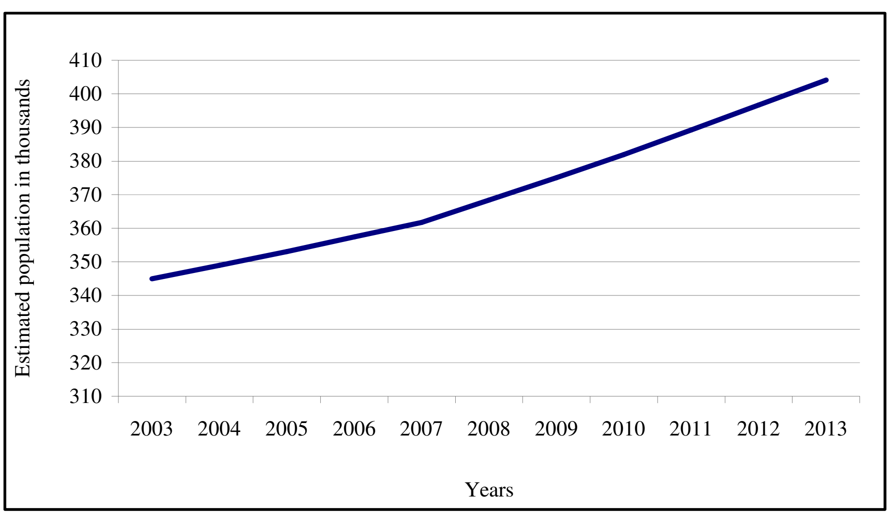
Over the past decade, the population of East Jerusalem has been increasing (graph 2.1), at a net population growth rate of 1.85 per cent in 2013 (PCBS, 2014i). However, population grew at a slightly higher rate in J1 than in J2 area, as illustrated in graph 2.2 below.

Map 2.1: Estimated population in the Jerusalem governorate by locality (2013)



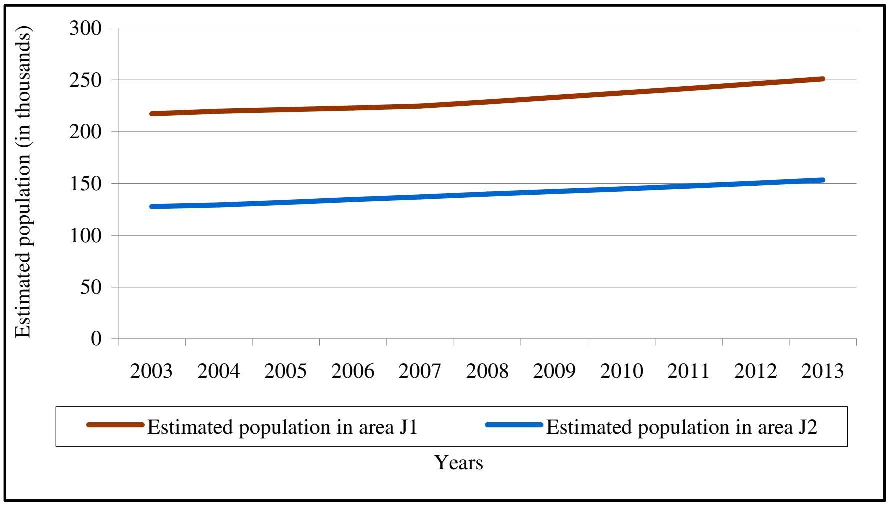
Source: PCBS, 2014i

Figure 2.1: Estimated population in the Jerusalem governorate in areas J1 and J2 (2003-2013)



Source: PCBS, 2014i

Figure 2.2: Estimated population in areas J1 and J2 (2003-2013)



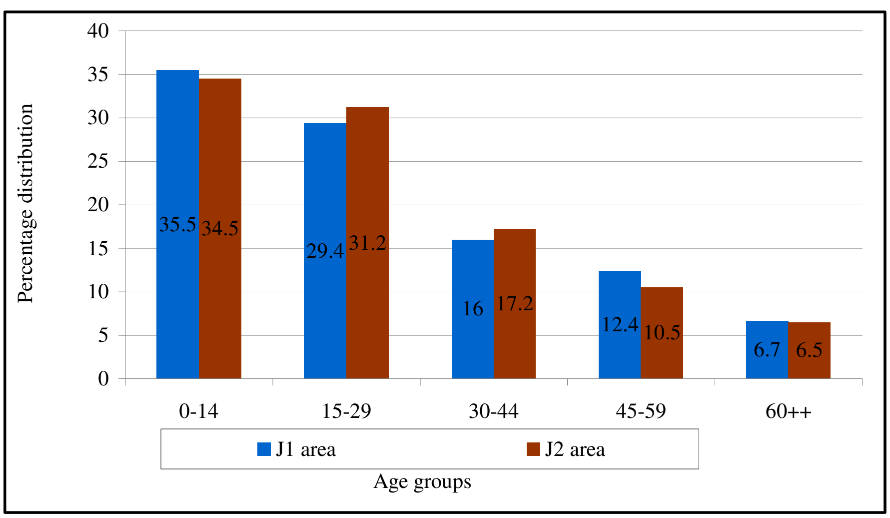
Source: PCBS, 2014i

In an area of 345 km^2 (of the Jerusalem Governorate), population density was 1,182 person/km^2 in 2013, while it was 745 person/km^2 in the rest of the OPT (PCBS, 2014i).

2.1.2 Age Structure

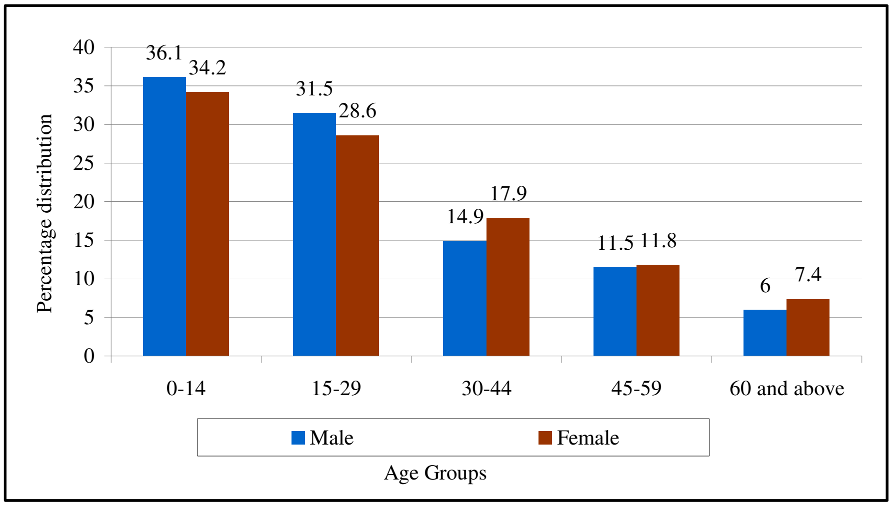
The population in East Jerusalem is young as 65.1% of the population is under the age of 29 (30.1% between 15 and 29 years old, and around 35% under the age of 14), while only 6.7% of the population is above the age of 60. Graph 2.3 shows a more detailed distribution of the population by area and age groups, and graph 4 represents the population distribution by sex and age groups.

Figure 2.3: Percentage distribution of the population in the Jerusalem governorate by area and age groups (2013)



Source: PCBS, 2014i

Figure 2.4: Percentage distribution of Palestinian population in the Jerusalem governorate by sex and age group (2013)



Source: PCBS, 2014i

2.1.3 Household Structure

In 2011, 52,600 Palestinian households lived in J1 area of Jerusalem, with an average household size of 5.8 persons, and an average household density of 1.9 persons/ room (JIIS, 2013). Furthermore, 90.8% of Palestinian households in the Jerusalem governorate are nuclear, while only 9.2% of households are extended or composite. Moreover, while 82.1% of the population lives in urban areas, 11.2% lives in rural areas and 6.7% in camps (PCBS, 2014i).

2.2 Labour Force Overview

The economy in East Jerusalem is characterized by high levels of structural unemployment,[18] low wages (compared to West Jerusalem), higher wages (compared to the West Bank and the Gaza Strip), and low labour force participation rates.

2.2.1 Employment

In 2013, Labour Force Participation Rate (LFPR) of residents (15+ years) in the Jerusalem Governorate was around 30.5%, with female LFPR at around 6.9% and male LFPR at 55.9% (PCBS, 2014i). This rate is not only low compared to the rate in 2009 (40%), but is also the lowest compared to the LFPR in other governorates in the West Bank (PCBS, 2013c); there is between 13.3 and 20.4 percentage point difference between LFPR in East Jerusalem and the rate in other governorates.[19] LFPR in East Jerusalem also remains low in comparison to other Middle Eastern countries, such as Egypt (49% in 2013), Lebanon (48%), Tunisia (48%), Morocco (51%), and Saudi Arabia (55%).[20]

Among labour force participants in East Jerusalem, 80.1% were fully employed, 2.3% were underemployed, and 17.6% were unemployed.[21]

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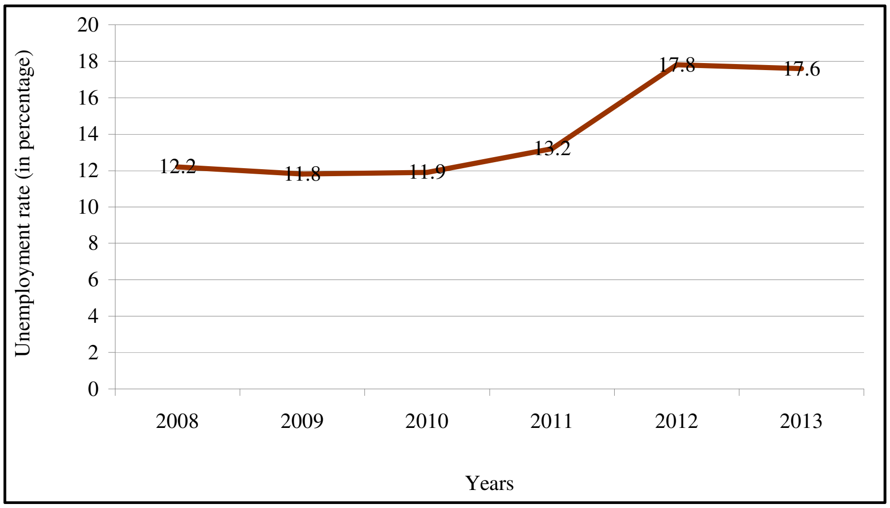
18 Structural unemployment is long-term or chronic unemployment that exists even when the economy is producing at a normal rate.
19 For instance, in 2013, LFPR (for both sexes) in Ramallah and Al-Bireh governorate was 43.8%, and 50.9% in Nablus (PCBS, 2013b, p.74).
20 Data from the World Bank. Accessible at: <http://data.worldbank.org/indicator/SL.TLF.CACT.ZS>.
21 In 2013, unemployment rate was 23% for women and 16.9% for men (PCBS, 2014i).

2.2.2 Unemployment

Unemployment rate in the Jerusalem governorate has been increasing since 2010. It experienced a steep rise between 2011 and 2012 (from 13.2 per cent to 17.8 per cent), followed by a two-percentage decline in 2013, as illustrated in graph 2.5 below.

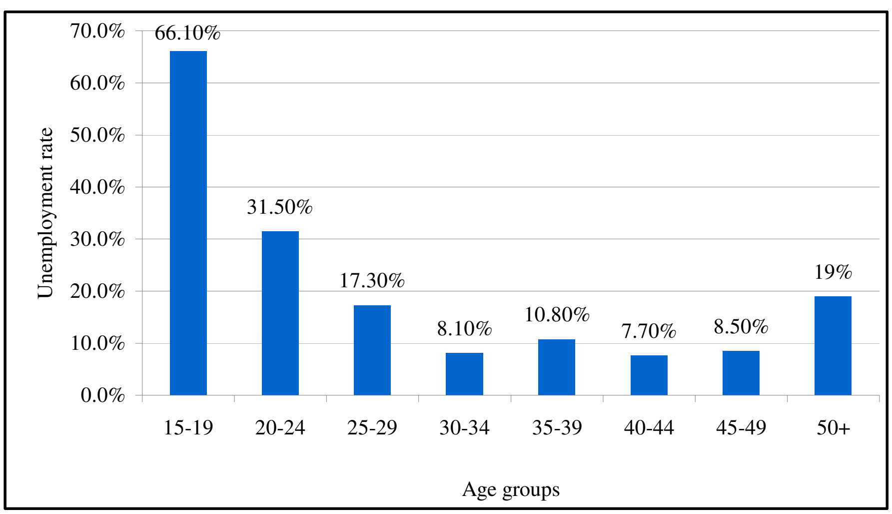
Figure 2.5: Unemployment rate in the Jerusalem governorate (2008-2013)



Source: PCBS, 2014i

The highest unemployment rate was among people aged 15-19 (66.10%), while the lowest was among those aged 40-44 (7.7%) and 30-34 (8.1%). Graph 2.6 also shows the difficulty faced by fresh graduates to find jobs as 31.5% of those aged 20-24 were unemployed in 2013, while the rate was lower (17.3%) for 25-29 years old.

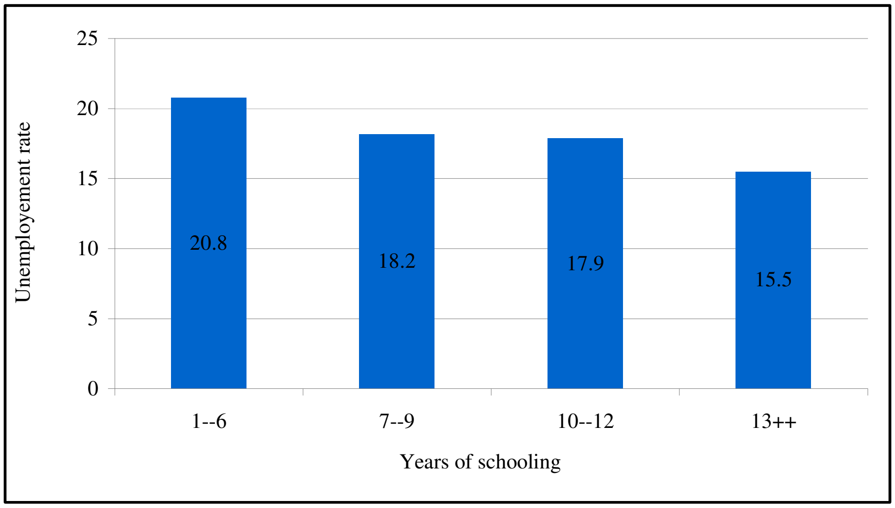
Figure 2.6: Unemployment rate by age groups (2013)



Source: PCBS, 2014i

Furthermore, graph 2.7 shows that the more years of schooling one has, the lower is the unemployment rate.

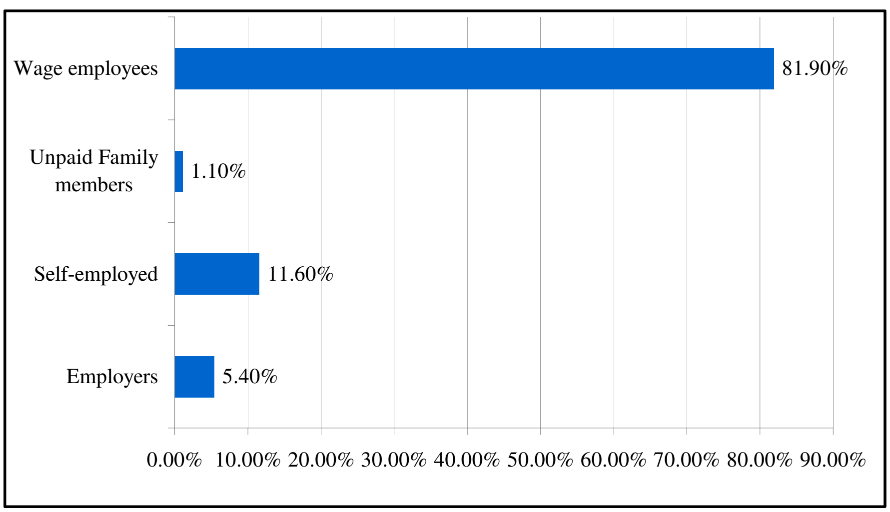
Figure 2.7: Unemployment rate by years of schooling (2013)



Source: PCBS, 2014i

The vast majority of Palestinian workers in the Jerusalem governorate are wage employees (81.9%), while only 11.6% are self-employed, and 5.4% are employers (Graph 2.8). Of those who are employed, almost a quarter of them work in craft and trade, and 21.7% work in elementary occupations.[22] Moreover, while the Palestinian economy in the West Bank and the Gaza Strip is a service economy, only 15.7% of workers in the Jerusalem governorate work in services. Graph 9 presents a more detailed distribution of workers by occupation.

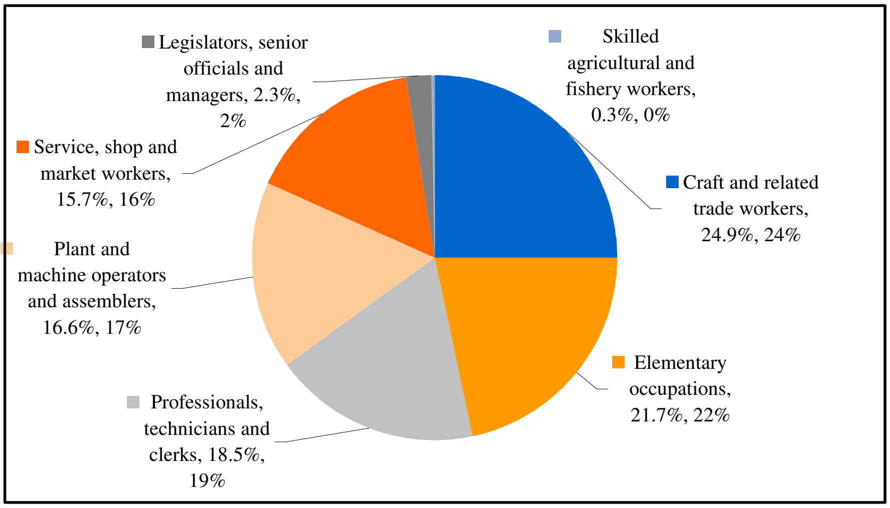
Figure 2.8: Percentage distribution of employed persons by employment status (2013)



Source: PCBS, 2014i

[22] Elementary occupations include: cleaning workers (houses, hotels, cars etc.), agricultural workers (especially those without a university degree), gardeners, and construction workers (phone interview with the PCBS, January 27, 2014).

Figure 2.9: Percentage distribution of employed persons by occupation (2013)



Source: PCBS, 2014i

2.2.3 Participation of the Informal Sector in the Economy

There isn't any data on the informal sector in East Jerusalem. However, the PCBS has provided some data on the informal transportation activities in East Jerusalem. In 2013, 454 vehicles were part of this sector, employing 491 members. The output value of these vehicles was $12.9 million, and the value added of this sector was $5.7 million (PCBS, 2014i).

Table 2.2: Percentage distribution of Palestinian households in the Jerusalem governorate by area and main source of income (2013)

Main source of income	J2 Area	J1 Area	Jerusalem governorate
Agriculture and Fishing	1.9	0.7	1.2
Household's business	7.4	6.0	6.5
Wages and salaries from the government	17.5	2.2	7.8
Wages and salaries from the private sector	40.3	13.1	23.1
Income from Israeli sectors	15.2	54.2	40.0
National insurance	0.5	21.3	13.6
Transfers from inside Palestine	1.4	0.3	0.7
Transfers from abroad	2.8	0.0	1.0
Social assistance	8.7	0.1	3.2
Wages and salaries from international bodies	0.8	1.2	1.0
Log in ownership	1.2	0.2	0.6
Other	2.3	0.7	1.3

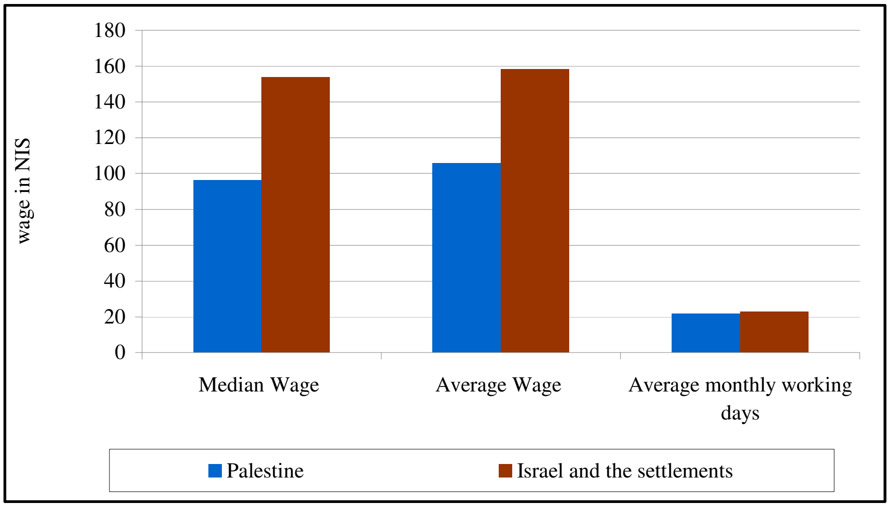
Source: PCBS, 2014i

2.2.4 Wages

In 2013, 40.1% of households in the Jerusalem governorate (54.5% in J1, and 15.3% in J2) had their main source of income coming from wages they receive from working in the Israeli sector. Moreover, while the private sector was the main source of income for 23.1% of households (13.1% in J1 and 40.3% in J2), national insurance allowances were the main source of income for 13.6% of households (21.3% in J1 and 0.5% in J2). Table 2.2 presents the distribution of Palestinian households by area and main source of income.

The average daily wage earned by Jerusalemites who work in Israel and the settlements is NIS 158.2—1.5 times higher than the daily wage earned by those who work in Palestine (NIS 105.7). The median wage is slightly lower than average wage: NIS 153.8 for workers in Israel and NIS 96.2 for workers in Palestine (figure3.10).

Figure 2.10: Average and median daily wage and average monthly working days for wage employees from the Jerusalem governorate by place of work (2013)



Source: PCBS, 2014i

2.3 Legal Framework

In 1947-48, Jerusalem was divided into two parts: a western part under Israeli rule and an eastern part under Jordanian rule. However, when Israel occupied and annexed East Jerusalem in 1967, it redefined the city's municipal boundaries, and expanded them from 6.5 Km^2 to 71 Km^2. In 1980, Israel went further by illegally adopting a law that proclaimed Jerusalem "complete and united" as its "eternal" capital. Since then, East Jerusalem has been under Israeli public administration.

2.3.1 Education Regulations

The study of the educational system and regulations in Palestine is a very important task for two main reasons. Firstly, the education sector is the main pillar of a society. Secondly, the development of human capital is especially important in the case of Palestine, since Palestinians lack control over their natural resources, and thus face severe obstacles to develop their economy.

In East Jerusalem, the educational system is very disjointed as it is run by several authorities:

1. Official public schools run by the Israeli educational and municipal authorities (*Jerusalem Education Administration (MANHI)).* These schools suffer from overcrowding, low budget allocations, and high dropout rates.
2. Privately run schools, funded by parental payments.
3. Governmental schools run by the *Islamic Waqf* (part of the Directorate of Education in Jerusalem), which works under the umbrella of the Jordanian Ministry of *Awqaf* and Islamic Affairs. These schools are also funded by the Palestinian Ministry of Education.
4. Schools run by the United National Relief and Works Agency (UNRWA). The UNRWA administers education provision up to secondary levels for residents of Shu'fat and Qalandiya refugee camps, which are located within East Jerusalem municipal boundaries. These schools fall under the supervision of the Palestinian educational system.
5. "Recognized but unofficial schools." These schools are privately owned (for-profit or not for-profit), and are allowed to charge parents tuition fees. The Ministry of Education recognizes and funds these schools. Local authorities (Jerusalem Municipality) can also fund and supervise them (ACRI, 2012).

Since the Oslo Accords, the Palestinian curriculum is taught in all schools in East Jerusalem. However, since March 2011, Israel has been trying to strengthen its grip over the educational system in East Jerusalem by forcing Palestinian schools, especially those that receive budgetary allocations from Israeli authorities, to use textbooks prepared by the Jerusalem Education Administration (*MANHI*)[23]. So far, the Israeli curriculum has been introduced in five Israeli-administered Palestinian schools in East Jerusalem (PASSIA, 2014).

2.3.2 Employment Regulations

Israeli labour laws are imposed on workers in East Jerusalem, Israel, and the settlements. However, Israel has been applying policies that prevent East Jerusalemites from enjoying labour rights as Israeli citizens do. Neglected rights include: right to protection against unemployment; right to work, education and training; equality in terms and conditions of employment; and equality in receiving social benefits (ILO, 2014).

2.4. Economic Outlook

2.4.1 General Economic Indicators

The economy of East Jerusalem has been left in a "development limbo" (UNCTAD, 2013, p.iv) and is facing serious challenges: Israeli attempts to impede development processes in East Jerusalem; the lack of initiative on behalf of Palestinians to increase investments in East Jerusalem; the reliance on negotiations to reach a solution; and the private sector's reluctance to invest in Jerusalem because of poor investment environment, obligation to pay taxes etc. (MAS, 2011). As a result, 75.3% of East Jerusalem residents lived below the poverty line in 2014 (according to Israeli standards) (ACRI, 2014). Besides chronic poverty, East Jerusalemites have been enduring high unemployment rates, low LFPR (especially among women), depleted educational sector and health services, lack of physical and economic infrastructure, a trade sector on the verge of collapse, acute housing problems, high cost of living, lack of investment etc. Thus, the exploration of potential areas of economic development becomes an urgent task.

[23] The aim of such measures is to teach students in East Jerusalem a one-sided history that censors any topic with regard to Palestinian identity and history (Jerusalem legal Aid and Human Rights Centre (JLAC)).

2.4.2 Potential Areas of Economic Development[24]

The problems in East Jerusalem are multi-faceted and will need to be dealt with simultaneously, from different angles, and while focusing on different key sectors. One can identify five economic sectors as influential to enhance the economy of East Jerusalem:

1. *Tourism sector,* including hotel, restaurants, tourist offices and guides, craft industries, and tourist transport.
   Since East Jerusalem includes the old city and some of the holiest sites of Judaism, Christianity, and Islam, it still dominates the Palestinian tourism sector.[25] However, tourism is falling behind its potential for several reasons: isolation of East Jerusalem from the West Bank and the Gaza Strip; inability to capture tourist flows; limited infrastructure and skills; political instability etc. Yet, it is argued that there is a strong potential for development of the tourism sector at several levels: it is estimated that 9,000 hotel rooms are missing in the city and should thus be built by Palestinians; the number and quality of hospitality professionals should increase (hence, it is thus advised to hold hospitality training courses); the work of tour operators could be expanded; East Jerusalem could be developed as an international conference centre; marketing and public relations should be developed to enhance tourism in East Jerusalem.[26]
   The PCBS has not published an accurate number on the number of workers in the tourism sector in East Jerusalem. However, there was an average of 891 persons working in hotels in the Jerusalem governorate in 2013 (UNCTAD, 2013).

2. *Trade sector and business activities*
   Internal trade and its related activities constitute the major share of economic enterprises in both J1 and J2 areas.[27] However, Palestinian traders face several obstacles to conduct trade because of Israeli policies to isolate the economy of East Jerusalem, mainly through the construction of the Wall. Moreover, Jerusalemite traders don't have enough capital and find it difficult to compete with Israeli traders, especially in clothes' industries. As a result, their ability to attract consumers is weak.[28]

   Efforts (by the private sector and investors) should thus be multiplied to raise awareness of Palestinian traders and increase their ability to overcome daily challenges, such as paying bills and taxes. Efforts should also increase investments in the economy of East Jerusalem, especially in the old city and its shops (qattanin, nahassin, dabbagha, khawajatetc), and Salah al Din street, since they provide a strategic asset for the revival of the economy and the tourism sector.[29]Furthermore, to ensure economic development and dynamic business activities, it is vital to recover the relations between the economy of the West Bank, including East Jerusalem, and the Gaza Strip, and guarantee freedom of movement and access (for people and goods).

3. *The ICT (Information and Communication Technology) sector*
   The ICT sector, in both J1 and J2 areas, can be a catalyst for economic growth since it has positive impacts on GDP growth and employment, and is positively correlated to human capital and education.

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24 The potential areas of economic development were identified based on interviews that were conducted with Fadi Hidmi (Director of the Arab Chamber of Commerce and Industry-Jeruslaem), Ziyad Hammouri (Director of Jerusalem Centre for Social and Economic Rights (JCSER)), and Mohammad Kirresh (Economic researcher).

25 The tourism sector constitutes around 40% of East Jerusalem's economy (Guitard et al., 2012).

26 It should be noted that while West Jerusalem benefits 85% of the total share of foreign tourism, East Jerusalem only benefits 15% of the total (Guitard, et al., 2012).

27 In 2013, the number of workers engaged in internal trade in the Jerusalem governorate was 12,134 (in 5,273 enterprises) (PCBS, 2014i).

28 Interview with Ziad Hammouri. December 2014.

29 Interview with Azzam Abu Saud, former Director of the Arab Chamber of Commerce and Industry-Jerusalem. December, 2014.

4. *The Housing sector,* including accommodation and commercial real estates.
   The development of the housing sector in areas J1 and J2 is crucial to ensure economic development and strengthen Palesitnian steadfastness on the land of East Jerusalem. Hence, it is recommended that financial loans be provided to owners of land in East Jerusalem to encourage them to establish housing and commercial projects (MAS, 2011). However, one should note that the development of the housing sector is largely inhibited by Israeli policies of land confiscation, settlements' building, and prevention of urban growth, which have resulted in acute housing deficiency for Palestinian residents of East Jerusalem.

5. *Social development,* including Non-Governmental Organizations (NGOs); sport, social and cultural associations; civil associations; and labour unions.
   The role of these organizations is very limited in East Jerusalem, as a result of Israeli policies that target them to erode Palestinian activism in East Jerusalem. Hence, since 2001 Israel has closed at least 31 Palestinian institutions, including the Orient House, the former headquarters of the PLO, and the Chamber of Commerce and Industry.[30] This climate of repression led many institutions to relocate from Jerusalem and caused a huge institutional vacuum, accompanied by an absence of leadership. Moreover, many Palestinian institutions in East Jerusalem lack funding and are thus forced to lay off staff or to diminish the scope of their work.[31] Therefore, efforts should be taken to enhance the part of institutions and associations, which are still present in East Jerusalem, in reviving the cultural, social, and economic vibrant life in East Jerusalem.

6. *Solar energy*:
   The generation of renewable energy for Palestinians in East Jerusalem is worthy of further exploration, given the fact that Palestinians are mainly dependent on Israel's supply of electricity. In 1987, the power plant in Shu'fat was closed by Israel, and since then, Palestinians in East Jerusalem have not been involved in generating electricity. However, there are 63 units that are connected to the solar energy system, with a total capacity of 2,170.84 KW.[32]

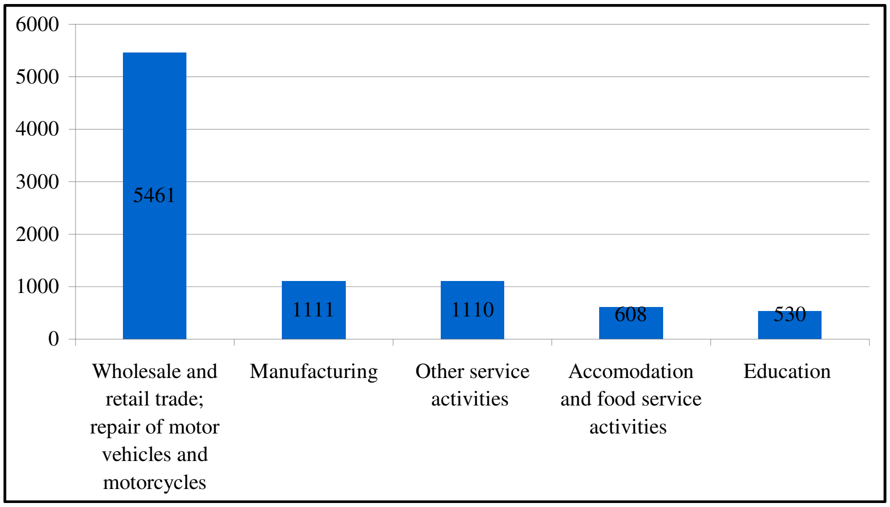
2.5 Structure of Businesses

The number of establishments in the Jerusalem governorate reached 10,659 in 2012; 98% of them were in operation (10,464), while 55 establishments were under preparation, and 140 were temporarily closed. Of all operating establishments, almost 89% were private national,[33] 4% were owned by the central government, 2% were non-governmental organizations (NGOs), and 2% were owned by foreign governments. The remaining 3% of operating establishments were owned by the UNRWA, national or foreign governments, local authority, foreign private sector, or international organizations (PCBS, 2013b).

In 2012, more than half (52%) of the establishments in the Jerusalem governorate were concentrated in wholesale and retail trade and in repair of motor vehicles and motorcycles, while in 1999, only 26% of establishments worked in wholesale and retail trade sector and motor repairs (PCBS, 2000). Moreover, unlike 1999 when around 19% of establishments were concentrated in public health and social work activities, only 4.5% of establishments in 2012 were working in those activities. In fact, as illustrated in graph 3.11 and in table 3.3 below, 10.6% of establishments in 2012 were concentrated in manufacturing activities; another 10.6% in "other service" activities; 5.8% in accommodation and food service activities; and 5.1% in education.

30 Interview with Azzam Abu Saud.
31 Interview with Abdel Rahman Abu Arafeh, Director of Arab Thought Forum. December, 2014.
32 Interview with Jerusalem District Electricity Company, Ltd (JDECO). February, 2015.
33 Private National enterprises are those whose 51% or more of their capital is owned by individuals or private institutions residing in Palestine (PCBS, 2013b).

Figure 2.11: Number of establishments in the Jerusalem governorate by the highest 5 economic activities (2012)



Source: PCBS, 2013b

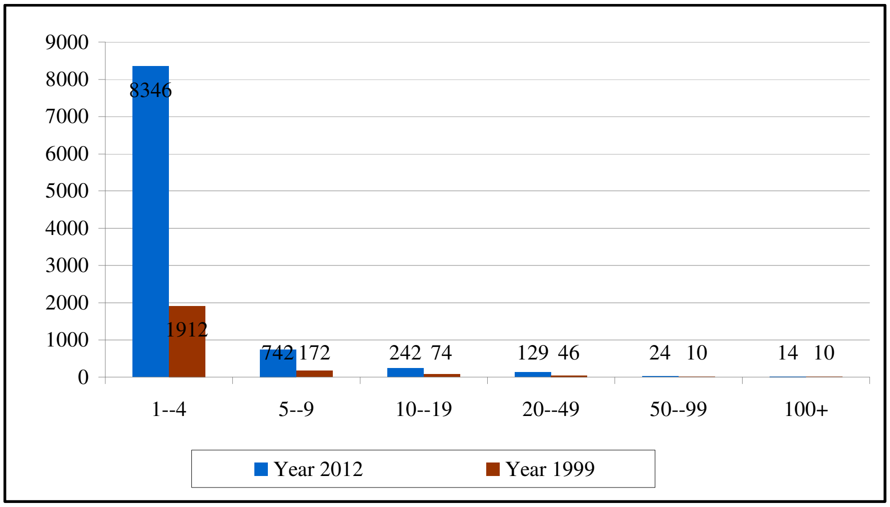
Table 2.3: Number of operating establishments by main economic activity (2012)

Economic activity	Number of operating establishments
Mining and quarrying	6
Manufacturing	1111
Electricity, gas, steam, and air condition supply	9
Water supply, sewerage, waste management, and remediation activities	10
Construction	34
Wholesale and retail trade; repair of motor vehicles and motorcycles	5461
Transportation and storage	162
Accommodation and food service activities	608
Information and communication	68
Financial and insurance activities	82
Real estate activities	14
Professional, scientific, and technical activities	335
Administrative and support service activities	149
Public administration and defense; compulsory social security	86
Education	530
Human health and social work activities	477
Arts and entertainment	161
Other service activities	1110
Activities of extraterritorial organizations and bodies	30
Not stated	21
Total	10,464

Source: PCBS, 2013b

Those establishments employed 31,310 people in 2012: 18,935 in J1 area and 12,375 in J2 area. Furthermore, as in 1999, the majority (88%) of establishments employed between 1 and 4 workers, as illustrated in the graph below.

Figure 2.12: The number of private, public, and civil establishments in the Jerusalem governorate according to the number of employees (1999 and 2012)



Source: PCBS, 2013b and PCBS 2000.

2.6 Existing Training and Education Provision Centres

While training and education provision centres still exist in East Jerusalem, student enrolment has been declining over the past decade. After the construction of the Wall, students from the West Bank and the Gaza Strip were not allowed to enrol in these centres unless they had permits, which are difficult to get. Training organizations also suffer from lack of funds to improve their programs. It becomes thus urgent to target these centres and help them improve their infrastructure and the quality of training they provide.

2.6.1 Education

After 1967 war, the Jordanian educational system was used in all local schools in East Jerusalem. While Israel attempted to put all Jordanian-run schools under its umbrella, this move was met with strong opposition from parents and teachers. Hence, *Awqaf* and private schools were established to resist Israeli control of the educational system.

Currently, schools in East Jerusalem suffer from several woes: poor infrastructure, dilapidated construction, over-crowding, severe shortage of classrooms in kindergartens[34] and in official schools,[35] low budget allocations,[36] a high drop-out rate, lack of access to schools because of the Wall, low salaries offered to teachers etc.

34 While children over 3 should have access to free education under the Israeli law, only 6 per cent of children in East Jerusalem go to public kindergartens because of a lack of around 400 kindergarten classrooms (ACRI, 2014).

35 According to ACRI (2013), 2,300 classrooms were lacking in official schools in 2012.

36 For example, per-student budget allocated in East Jerusalem is 25% of that allocated to students in West Jerusalem (ARIJ, 2014).

In 2013/2014, 230 schools were open in East Jerusalem, excluding those run by Israeli municipal and education authorities: 111 government schools, 16 UNRWA schools and 103 private schools. The table below gives a more detailed distribution of schools by area.

Table 2.4: Number of schools in the Jerusalem governorate by area and supervising authority (2014)

	J1 and J2 areas	J1 area	J2 area
Government schools	111	32	79
UNRWA schools	16	7	9
Private schools	103	55	48

Source: PCBS, 2014i

In these schools, 68,661 students were enrolled in the 2013-2014 academic year: 32,969 males and 35,692 females, and 61,171 in basic stage and 7,490 in secondary stage (PCBS, 2014i). Table 2.5 presents the number of students by area and supervising authority.

Table 2.5: Number of students in the Jerusalem governorate by area and supervising authority (2014)

	J1 and J2 areas	J1 area	J2 area
Government schools	29,821	8,227	21,594
UNRWA schools	6,393	2,011	4,382
Private schools	32,447	19,610	12,837

Source: PCBS, 2014i

The average number of students per teacher was between 17.6 (in government schools) and 22.7 (in UNRWA schools), in 2013-2014, as illustrated in table 2.6.

Table 2.6: Average number of students per teacher in the Jerusalem governorate by area and supervising authority (2014)

	J1 and J2 areas	J1 area	J2 area
Government schools	17.6	16.5	18
UNRWA schools	22.7	18.9	24.9
Private schools	18.6	19.3	17.7

Source: PCBS, 2014i

However, the average number of students per class was a bit higher than the number of students per teacher, as presented in table 2.7.

Table 2.7: Average number of students per class in the Jerusalem governorate by area and supervising authority (2014)

	J1 and J2 areas	J1 area	J2 area
Government schools	23.9	22.5	24.5
UNRWA schools	31.5	25.5	35.3
Private schools	24.5	25.3	23.3

Source: PCBS, 2014i

2.6.2 Existing Technical and Vocational Education and Training (TVET) Centres

1. *The Jerusalem Industrial Secondary School/ Arabian Orphan*
   It was established in 1965 as a school for secondary, vocational, and technical training, in the Beit Hanina suburb of Jerusalem. Besides teaching courses that are usually taken by any student who is in the scientific section in the *tawjihi*, the school is currently offering 8 programs: electrical wiring; maintenance of office machines and computers; programming and communications; scrap yard; maintenance of sanitary ware and central heating; carpentry; hotel management; decor; and mechatronics (a new program for 2015).

   As the school has been surrounded by the Wall since 2005, and students face restrictions on access, enrolment has been declining. For instance, only 200 students (out of 400) were able to attend their courses in 2005 due to Israeli restrictions (UN, 2007). Furthermore, while the majority of students were from the West Bank and the Gaza Strip in the past, most of the 300-350 currently-enrolled students are from East Jerusalem, with only 25% coming from the West Bank.[37]

2. *The East Jerusalem YMCA (Young Men's Christian Association)*
   It was established in 1948 in Aqabat Jaber refugee camp near Jericho, but the Vocational Training Centre (VTC) started its training in 1952, and is based in the Jericho governorate. They offer two main programs:

   - A two-year program that offers training in: auto-mechanics; carpentry; metal and aluminum works; office administration; graphic design; and ICDL (International Computer Driving License).
   - A three to eight month program in: industrial electronics; plumbing; central heating; auto-mechanics; food processing; making oriental and western sweets; heating and air conditioning.

   There are currently 160 students enrolled in the first program, and 155 doing field-work.[38]

3. *The YWCA (Young Women's Christian Association) of Jerusalem*
   The YWCA of Jerusalem is a non-governmental organization that was officially established in Jerusalem in 1918. It is located at the YWCA Building in East Jerusalem, Sheikh Jarrah. Since the early 50's the YWCA has been providing vocational training with special focus on marginalized young women within the objective of economic empowerment for women. However, due to movement and access restrictions, especially following the construction of the separation wall, the number of trainees enrolled at the vocational training decreased to a half, reaching around 70-80 students per year.

   The Vocational Training center at the YWCA of Jerusalem (VTC) provides market driven specializations that are designed with special focus on personality development and empowerment The VTC has an in-house social worker to help the trainees overcome their problems and challenges, whether economic, social or academic, thus enforcing their chances in the job market. Currently, The YWCA offers two **one-year programs**: Office Management and Multimedia, this specialization includes journalism, still and video photography as well as film editing and graphic design. Furthermore, the YWCA has recently started providing short technical and vocational courses within the outreach program in magilaized areas in Jerusalem such as Shufaat Refugee camp, the old city, Silwan, Essaweih etc. Courses such as pastry, nails & hairs, beauticians, sewing, how to start your own business etc. are provided in an attempt to reach out for those who are unable to reach the VTC at the YWCA VTC because of political and patriarchal restrictions.

37 Interview with the school.
38 Interview with Maher Dri'at.

In addition, an employment unit was established at the YWCA VTC in 2006 in order to provide on-job training for the trainees, arrange for career days, and link graduates with potential employers. The employment rate varies between 45-65% every year as a result of the persistent networking and meetings with the private sector.

The YWCA VTC is accredited by the Palestinian Ministry of Labour as the YWCA, and accepts to enrol students who failed the governmental exams, hence widening up the chances for those less fortunate.

4. *The Vocational Training Centre at the Lutheran World Federation*
   It is a non-government and non-profit education institution that was established in 1949 to provide professional training programs to Palestinian youth from different geographic regions and provinces. The centre in Beit Hanina offers two main programs for the 350 students who are currently enrolled:

   - A two-year program in: electronics; auto mechanics; carpentry; metalwork; telecommunications; central heating; and plumbing.
   - A one-year program in: Handicraft and ceramics; and food making.[39]

5. *Orphan Islamic industrial school in the old city of Jerusalem*
   It was established in 1922. Students get training in: printing and binding; graphic design; carpentry and paint; upholstery, bamboo and sewing.

6. *Qalandia Training Centre- UNRWA.*
   The centre offers 5 main programs:
   - Building finishing, decoration, carpentry and furniture making.
   - Acclimatization and sanitation: Plumbing & Central Heating; and Refrigeration and Air Conditioning.
   - General Electrical Installations; Auto Electrical Systems; Elevators' Technicians.
   - Electronics: Office Equipment and computer Maintenance; PC Maintenance and Network Installation; Mobile Maintenance; Telecommunications; Car Mechatronics; Diesel and Agricultural Machinery Mechanics; and Auto Body Repair.
   - Mechanical metal works: smitheryand welding; machining/welding; and Aluminium fabrications.

   There are currently 400 students, aged 16 to 19 years old, who are currently enrolled in the centre.

The latter is thus operating at full capacity.[40] It should be noted that the training system in East Jerusalem suffers from weak infrastructure and shortage in qualified human resources that can cope with and address the changing technological and labor market needs. Hence, many Palestinians from East Jerusalem resort to vocational training in the West Bank or abroad (Kleibo, 2014.).

2.6.3 Higher Education Programs in the Jerusalem Governorate

1. *Wajdi University College of Technology (WUCT)*
   It was established in 2004 and is located in the heart of the city of Jerusalem. It offers two main programs:[41]
   - A bachelor degree in Computer and Information Technology (CIT), and Business informatics.
   - A professional diploma in Graphic design and animation.

[39] Interview with Mahmoud al Adadya.
[40] Interview with Adeeb Suleiman, General Director.
[41] Interview with Naheel Zaben, Program Director.

2. *Ibrahimieh Community College.*
   It was founded in 1983 in As-Suwaneh at the heart of the city of Jerusalem. It offers 3 main programs:
   - Child-rearing
   - Financial and Administrative Business program: Business administration; office management; accounting; banking and financial administration; and software and databases.
   - Secretariat and medical recording.

3. *Al-Quds University*
   It was established in 1984, and had 12,300 students in 2013-2014 academic year (PASSIA, 2014). A list of the programs offered can be found on the main website of the university: <http://www.alquds.edu/en >.

4. *Al-Quds Open University*
   It started its educational services in 1991 in Jerusalem and offered in 2013-2014 seven main programs, besides the preparation year: Technology and Applied Sciences; agriculture[42]; social and family development[43]; administration and entrepreneurship; administrative and economic sciences[44]; education[45]; and education qualification diploma.

   In the first semester of the 2013-2014 academic year, 441 students were enrolled in the Jerusalem branch of the university, out of 61,119 students enrolled in all branches of the university all over Palestine.

2.7 Conclusion

To ensure the employment of graduates from TVET, and the matching of supply and demand in the labour market, TVET centres are advised to enhance training in specific fields such as: Graphic design, telecommunications and soft skills, IT-related professions, marketing, sales, and public relations. These skills are highly demanded especially in the tourism and trade sectors, which have a strong potential of economic growth.

More specifically, a survey supervised by the Ministry of Higher Education (Hilal, 2013) has shown that there is a big demand for e-marketing and sales representatives by both the private and the public sector (in trade, services, industrial, and tourism sectors). Moreover, graphic design and web-page development are also in high demand, especially by the services, tourism, and industrial sectors. The survey has also indicated a big demand for women employees in IT-related professions.

[42] The faculty of Agriculture offers the following specialties: Agriculture; rural development; plant production and protection; and animal production.

[43] The faculty of Social and Family development offers the following courses: Social development; special education; social work; and local community development.

[44] The faculty of Administrative and Economic Sciences teaches the following courses: Business administration; economics; accounting; banking and financial sciences; marketing; and health management.

[45] The faculty of Education offers the following programs: Elementary education; teaching Islamic education; Arabic language and its teaching methods; English language and its teaching methods; Teaching social studies; mathematics and its teaching methods; and teaching Science.

3. AREA C

As a result of the Oslo Peace accords (including the *Interim Agreement* of 1995), the West Bank was divided into three areas of distinct control characteristics. Area A was to encompass the major Palestinian population centres in the West Bank and to fall under full Palestinian security and civil jurisdiction. Area B was to remain under Israeli military control, while leaving the civil and societal control to the PNA. Area C, which encompassed all the leftover land area not in A or B, was to remain under the Israeli military control and all its affairs managed by the Israeli Civil Administration to be transferred to Palestinian control gradually. "The PA is responsible for providing education and medical services to Area C residents"(B'Tselem, 2013a). However, the PA cannot construct the infrastructure needed for such services without Israeli consent. As of January 2014, almost 60% of the area of the West Bank is still designated as Area C. It remains the only contiguous land area in the West Bank, thus it resembles a "sea" within which areas under Palestinian control are isolated islands.

3.1. Geographic, Administrative, and Demographic Outlook

As aforementioned, area C interludes, divides, and separates areas A and B. It is amassed to large areas of uninhabited Israeli controlled land that restricts the natural expansion of Palestinian cities and towns. While covering a total land area of 5,655 km^2 in the West Bank, 70% of the land area C is reserved for settlement expansion. "Palestinian construction is heavily restricted in 29 of the remaining 30%, with less than 1% of Area C actually planned for Palestinian development by Israeli Civil Administration." (OCHA, 2013, as cited in ILO, 2014) That being said, Area C is home to 187,000 Palestinian inhabitants.[46] From this information the population density within the inhabited area C is 177.3 people per km^2.[47] Moreover, if these numbers are extrapolated to the future potential areas of natural expansion, this density rate is expected to increase dramatically.

3.1.1 Building and Expansion issues

Any venture into the affairs of area C shows that the key issue is expansion and the land itself. Not only are Palestinians living in area C limited to 1% of the West Bank's land for expansion, they are also restricted within their villages. The Israeli Civil Administration has often followed a strict and prejudicial pattern in approving Palestinian building permits inside area C. The Civil Administration (CA) forbids Palestinian build-up in areas that do not have a "master plan." These master plans are often a relic of the Jordanian era and have become outdated. Those that have been updated by the CA were so without consultation of the Palestinian residents, who were systematically excluded from the planning process. As a result, master plans only exist for 16 out of 180 Palestinian villages in area C, increasing the density to 15 homes per hectare (B'Tselem, 2013a). Further, "between 2009 and 2012, a total of 1640 applications were submitted. Only 37 - a mere 2.3% - were approved" (B'Tselem, 2013a).

In the meantime, since Oslo, the number of settlers has tripled in the West Bank reaching over 550,000 settlers[48], while the number of settlements has expanded to 124 settlements that cover approximately 37% of the West Bank (B'Tselem, 2013a).

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46 Population numbers within area C are often very difficult to estimate. Population is often measured as the number of inhabitants of areas that fall totally or partially within the borders of area C. Here, this total refers only to the inhabitants of Palestinian villages whose borders fall completely within Area C. OCHA (and a few other agencies) have approximated the total number of Palestinians inhabiting villages that fall completely or partially in Area C to 297,000. Both have changed their methodology often since.

47 This ratio was derived by dividing the total number of inhabitants of Area C (187, 000) by the total Area C available for Palestinian build up (5640 km^2 * 30%*60%).

48 Including East Jerusalem.

The same restriction policies are applied to all infrastructural projects within area C. Further, “according to a report by the Coordinator of Government Activities in the Territories (COGAT), from early 2011 to August 2012 the Civil Administration approved 315 projects in area C– including paving roads, constructing schools and medical clinics, and laying down infrastructure. The COGAT report provides information regarding 236 of these projects, of which only 19 (8%) are meant for Palestinian villages located entirely within area C. These 19 projects are designed for the same 13 villages that have master plans approved by the Civil Administration” (B’Tselem, 2013b).

Table 3.1: Areas off-limits to Palestinian use in area C

	Area in hectares	Percentage of area C	Percentage of entire West Bank
Settlements and regional councils	211,666.8	63.5%	36.6%
"State land"*	121,846.9	36.4%	21.0%
Closed military zones	101,714.2	30.5%	17.6%
Nature reserves and national parks	46,466.9	14.0%	8.0%
Area closed off by Separation Barrier	11,623.3	3.5%	2.0%
Total (after deducting for overlap)	234,301.3	70.3%	40.5%

Source: B’Tselem, 2013a

3.1.2 Population

It is difficult to assess the growth rate of the Palestinian inhabitants of area C. Firstly, there is a lack of data on the topic especially during the years of the second *Intifada* (OCHA started collecting this data after 2010). Most of the available data are estimates of the real population. Secondly, the occupation has targeted residents of area C for forcible removal at disproportionate rate to clear room for growing settlements and “state lands” in the West Bank. “The annual natural growth of the Palestinian population in 2008 stood on 2.9% and has since been declining. The CA is expecting the natural growth rate to decrease to 1.8% in light of negative migration in the West Bank. The negative migration reaches up to 50% of the natural growth rate” (EU, 2011).

Nonetheless, one can gage the growth rates within area C communities. The EU report on the situation in area C states that “the Palestinian presence in area C has continuously been undermined through different administrative measures, planning regulations and other means adopted by Israel as an occupying power. Prior to 1967 there were between 200,000 and 320,000 Palestinians in the Jordan Valley. Today the number is 56,000 (of which 70% live in Area A in Jericho). In 1972 the number of Israeli settlers in area C were 1,200, in 1993 110,000 and in 2010; 310,000 (excl. East Jerusalem). The number of settlers in area C today is more than double the estimated number of Palestinians (150,000). The settlers live in 124 formal settlements and approximately 100 informal settlements (so-called outposts and illegal under Israeli law” (EU, 2011).

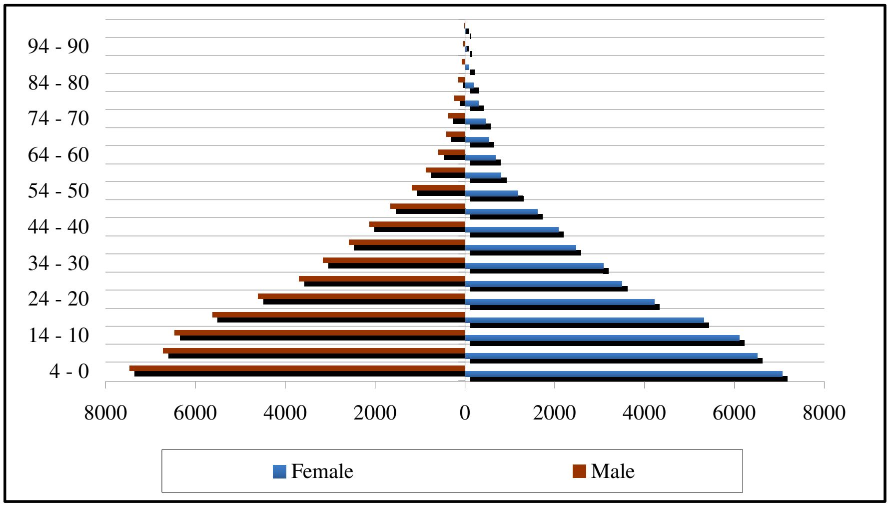
In other words, the best estimates of the Palestinian population in area C are between 150,000 – 180,000 residents. Based on the historical natural growth rate of the population in Palestine since 1965 as estimated by the UN, 2.681% annually, as well as the estimates of the population prior to 1967, the residents of area C should have totalled between 205,362 and 308,043 people.[49] Thus, one can extrapolate

*B’Tselem defines “state land” as land repossessed by the government of Israel to be used for civilian settlements and bypass the High Court’s ruling in 1979 prohibiting “the requisition of private Palestinian land to build civilian settlements.” In short, it is an arbitrary and out-of-context interpretation of the Ottoman law that runs counter to the initial intent of the framers of the law. As a result, “state land” grew from 9% of the West Bank in 1967 to 21% in 2013 (B’Tselem, 2012).

[49] This was estimated based on a back-of-the-envelope calculation, where we multiplied the average natural growth rate of the population of the Palestinian territories since 1965 by the estimates provided by the EU’s report in the previous paragraph.

that the restrictions imposed by the Government of Israel on the population of area C has artificially limited the number of residents.

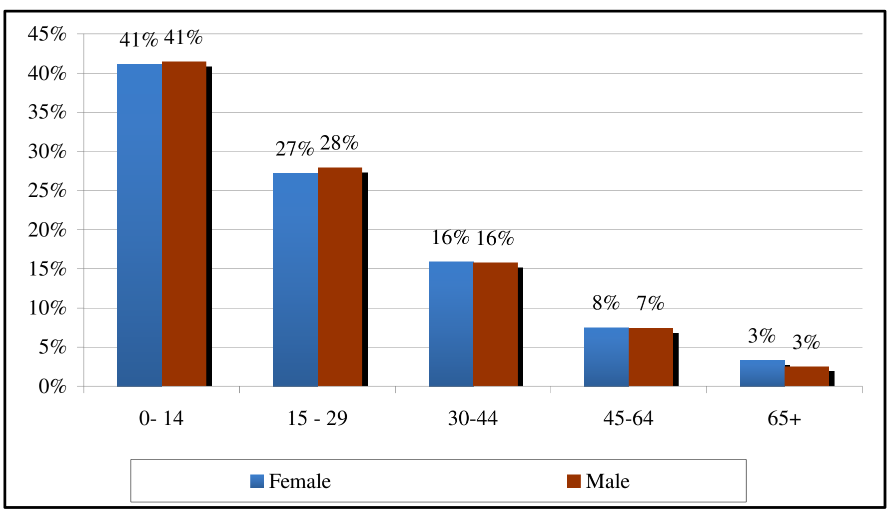
Figure 3.1: Population Pyramid By gender and age distribution in area C (2007)



Source: PCBS, 2008a

As the previous chart demonstrates, population demographical distribution follows a pyramid shape, typical of developing nations. It demonstrates a remarkably young population; 41% of the population is younger than 14 years of age (i.e. out of the labour force), while 68% is younger than 29 years of age. Moreover, the share of the male population in area C declines through older age groups. While equal to the female population, or slightly exceeding it in the under the 14 years age group, the percentage of females in the population exceeds males in older age groups.

Figure 3.2: Percentage distribution of the Palestinian population according to age and gender (2007)



Source: PCBS, 2008a

3.2 Labour Force Overview

The European Training Foundation (ETF, 2012a) report on employability and job opportunities in area C in 2012 offers the most sophisticated view of the status of the labour market in area C. The labour force participation rate (LFPR) is 46.7% in area C, "slightly higher than 43.9% LFPR of areas A&B. When broken down by gender, male participation rate is 70.7% in area C (as against 68.9% in areas A&B), while female participation rate is 22.2% (as against 18.3%)." LFPR among young people (between 14 and 25 years old) is 37% in area C compared to 31% in the rest of the West Bank. A few explanations are possible here for this phenomenon. Chief among those is the higher need for labour in the labour-intensive agricultural sector that dominates area C's economic output (expanded upon below).

Unemployment remains an understudied issue in area C, however some interesting data can shed light on the situation. Area C's unemployment rate is not that different from unemployment in area A&B (17% at the time of the study). Nonetheless, this is only the case because female unemployment is recorded at 15%, significantly lower than 23% in the rest of the West Bank. "This is largely because females in area C are more likely to work in the agricultural sector as unpaid family helpers [which] hide open unemployment" (ETF, 2012a).

Predictably, area C workers are more likely to be agricultural workers; 39% of all jobs in area C are in agriculture compared to 12% in areas A and B. Moreover, "there are more elementary occupations [in general] and skilled agricultural workers in area C (34% and 19% respectively) compared to 28% and 9% in area A&B for the two groups, respectively. This is in many ways a direct result of the availability of agricultural land in area C, at least relatively to area A&B" (ETF, 2012a). However, one can also infer that this trend in employment is a result of the lack of investment in other economic activities, due to lack of will and access, when compared with the rest of the West Bank. While Palestinians in the area C are, on average, less educated than their counterparts in area A&B, they also are marginalized and fall largely in the blind spots of the PA and international donors view. Moreover, the ever increasing restrictions on any investment in infrastructure of economic development by the GoI in area C, limits the opportunities before interested parties to invest in area C.

Moreover, "wages of area C residents are found to be significantly lower than areas A&B residents" (ETF, 2012a). Generally, "average monthly household income in area C [in 2010] is (NIS1,024= US$277), while West Bank [household] monthly average income is (NIS2,554=US$690)."(UNICEF, UNRWA, & WFP, 2010) This average is significantly lower than the Palestinian National poverty line (NIS2,293 per household per month) (PCBS, 2011) and even lower than the Palestinian national absolute poverty line (NIS1,832 per household per month).[50]As a result, area C residents are more likely to be employed outside area C, especially in areas A&B.[51]

More precisely, "only 52% of area C residents (participants in labour force) work in area c, while 39% of area C residents work in areas A&B and 9% work in Israel/settlements. In area A&B, the labour mobility is on the contrary: 85% of their residents work in the same area while 15% work in Israel/settlements – no movement is seen towards area C" (ETF, 2012a). To sum, "there are more secure and regular jobs in areas A&B compared to area C, both in agriculture and non-agriculture" (ETF, 2013). As will be demonstrated below, most likely, these trends do not represent the most optimal distribution of labour force due to the economic potential of area C.

[50] Here a few notes are in order, the joint WFP, UNRWA, and UNICEF study that the ETF report cites, does not specify the size of the household. In PCBS data, a household contains 2 adults and 3 dependents.

[51] It is important to note that even those employed outside area C still earn lower wages than their counterparts in area A&B.

3.3 Legal and Administration systems

As aforementioned, Area C falls under the total security and civil control of the Israeli Army and its CA. While the PA provides education and health services, the Israeli Civil Administration controls private and public building permits as well as infrastructural projects; including water and sewage plants, telecommunication towers and roads. To reemphasise this point, the PCBS reports: “This is frequently rationalized by the fact that the PA lacks financial resources and sovereignty and has inadequate control over its own territory (such as Area C and East Jerusalem, as well as border crossings and natural resources) and relies heavily on external support to fund salaries and development, with the result that it has limited control over its internal development agenda” (2013d).

3.4 Economic potential

Area C is a vast land area that is extremely underutilized. It is home to the West Bank’s largest and most accessible natural resources; i.e. agricultural lands, irrigation and drinking water, tourist attractions, mineral extraction, and mining and quarrying sites. As aforementioned, most of the economic activities in area C are restricted by Israeli regulations. However, there remain plenty of resources that are underutilized because of the lack of investment in human and physical capital. This section will address the potential economic outcomes that can be gained out of the exploitation of these resources as well as the necessary steps to address the lack of human capital to facilitate and optimize the exploitation process. Further, area C’s economic potential is best understood through two complementary and mutually inclusive dynamic mechanisms: firstly, the effect of the West Bank’s population centres on the economy of area C, and secondly, area C’s potential economic effect on the Palestinian economy in the West Bank. In sum, it is most useful to observe the effects of any programs in area C vis-à-vis their possible effects on the economy of area A&B, and vice-versa.

Moreover, no TVET centres are located fully within area C, thus it is essential that area C resident’s access to such centres be increased. While new construction is heavily restricted by the Israeli civil administration, access of area C residents to programs, centres and trainers in neighbouring areas A&B must be improved. Finally, international and local stakeholders (including the PNA) must invest in this process, while addressing urgent matters (access to services) before addressing issues of long-term impact (new centres and sustainable programs in area C).

3.4.1 Agriculture

While area C includes almost all of the land in the West Bank suitable for agricultural production, 0.5 million dunums of agricultural land are not cultivated by Palestinians. Assuming suitable access to water sources, irrigating 326,400 dunums of arable land notionally available for Palestinian cultivation in area C would generate USD 1.068 billion. Total additional production would amount to USD 896 million or 7% of total 2011 Palestinian GDP and USD 704 million in value added (excluding future investment in water resources) (World Bank, 2013).

The TVET avenues of interest here are clear. The aforementioned ETF report recommends that considering the lack of higher education amongst residents of area C (when compared to other West Bank residents), they are more likely to work in agriculture, which should be the area of focus for TVET in the immediate future (ETF, 2013). Moreover, while data on the extent of livestock holdings in area C remains limited, a few domestic and international reports have paid attention to the potential of the sector. Initially, it is important to point out that Palestinian livestock owners are prohibited from tending their herds in the vast majority of area C. For example, the PNA reported in the PNDP for 2014-2016 that Palestinians are forbidden from grazing lands in the Jordan Valley, where 60,000 Palestinians live; including 7,900 Bedouins who depend disproportionally on livestock for income (MoPAD, 2014b).

Further, OCHA reports that "over 80 per cent of the communities reported a decrease in their number of livestock during the last two years due to a number of Israeli measures, including restrictive planning and zoning, settler violence and military activities" (OCHA, 2014). While the potential of this sector is hard to gage, the PNDP deemed it important enough to include livestock production in area C as a key area of potential economic growth.

Thus, TVET programs that target Palestinians in area C should train residents on modern farming, irrigation, and livestock. Programs should also focus on higher yielding crops (water intensive crops may remain unfeasible if Israeli restrictions are not relaxed), packaging, and marketing their current products.

3.4.2 Dead Sea minerals

Area C is also home to one of Palestine's least exploited natural resource; the Dead Sea. Palestinians in area C are denied access to the Dead Sea and therefore are forbidden from utilizing its minerals for economic purposes. The Dead Sea holds extensive Potash, Bromine, and Magnesium reservoirs that generate USD 3 billion for Israel and USD 1.2 billion for Jordan (4% of GDP), which are mostly exported, generating foreign currency (World Bank, 2013). The Dead Sea, in the ideal conditions, is also easily accessible presenting very low barriers to entry for investors, domestic and foreign. If utilized to its potential, the Dead Sea can produce up to USD 918 million per annum (9% of 2011 GDP) in minerals alone (World Bank, 2013).

While the lack of access is a clear barrier to entry, TVET programs should be designed to tackle the need for skilled labourers in this field, should the future opportunity rise. While the opportunity for Palestinian investment in this field has not arisen yet, other investors (Israeli or otherwise) need more skilled labourers in the field, and are likely to tap into the Palestinian labour market for skilled labour. Needless to say, skilled labour is not only more productive than non-skilled labour, but it is also higher paying.

3.4.3 Querying and Mining

Querying and mining is the largest manufacturing in the Palestinian economy. It provides 15,000 jobs, most of which are centred in Bethlehem and the northern West Bank. Stone mining accounts for USD 250 million, which is 2% of the 2011 Palestinian GDP. The sector amounts to 17% of total value of exported goods (World Bank, 2013).

Israel's restrictions severely curbed the potential of this sector over the years. For example, Israel limits the importation of certain materials crucial in the production process for "security reasons"; i.e. "Dual-use list." Moreover, Israel has also ceased issuing permits to Palestinian mining companies to open new quarries in area C since 1994, thus forcing Palestinian manufacturers to open new quarries without permits. Israel has severely punished this behaviour, for companies operating without permits in area Care fined up to NIS 120,000.

This has limited access to area C's 20,000 dunums of quarryable land. This amounts to a potential endowment worth USD 30 billion (roughly 3 times the annual Palestinian GDP). Moreover, the mining process produces the raw materials for smaller stone crushing industry, which Israeli companies generate up to USD 900 million from annually; Equal to a potential added value of USD 241 million per year (2% of GDP) that Palestinians are excluded from.

TVET training is dependent on the relaxation of Israeli restrictions to be most effective. However, trained workers in engineering, mining, and worker safety are still needed to meet the demand in the West Bank's quarries.

3.4.4 Tourism

Tourism remains an underutilized Palestinian "natural" resource. The sector amounts to 3% of the Palestinian GDP and 2% of employment. These figures remain much lower than aspired for considering Palestinian legacy of historical and religious sites and artefacts. Palestine welcomes up to 500,000 arrivals per year, who fill 1.2 million room nights per year.

It goes without saying that the tenuous political and security situation negatively affects tourism, given that Gaza's Mediterranean coast is basically inaccessible to foreign tourists. However, even if the political situation is improved, without lifting restrictions on area C to facilitate the ability to develop tourism capacity, the potential growth of the sector will still be limited.

Excluding Jerusalem, Area C is home to 3,110 archaeological sites; 443 of which are in the Seam Zone (between the Green Line and the Wall) and 247 fall in settlements' municipal areas. This does not include the enormous potential that access to investment in Dead Sea-based tourism may yield. As of the drafting of this report, the PNA lacks any control over the cost of the Dead Sea, a key attraction for recreational and therapeutic tourism. Gaining any such access would allow the PNA to tap into a market that generated USD 281 mil from 15 Israeli hotels on the western coast in 2011 alone (World Bank, 2013).
Like most of the resources in area C, access and Israeli restrictions are an issue for the tourism sector. That being said, steps can be taken to train residents in hospitality, tour guiding, and lingual skills. While most tourists are often tied to Israeli pre-organized trips, the absence of a Palestinian alternative in area C limits the ability to take advantage of other opportunities.

3.4.5 Water and Waste Water (B'Tselem, 2013b; World Bank, 2013)

The status quo in the West Bank limits the PNA's access to the water reserves, especially those in area C. The PNA and the GoI share control over the two main water systems in the West Bank; namely the Mountain Aquifer and the Jordan River Basin. The third major water aquifer is located entirely in Area C, where the PNA lacks access.

Palestinians only receive around 75% of their assigned quota (in the *Interim Agreement*) due to technical limitations of equipment, while setting no cap on water supply to Israel. As a result, "average water consumption in the West Bank for domestic, urban, and industrial purposes is approximately 73 litres per person/per day. In the northern West Bank, average consumption is even lower" (B'Tselem, 2013b).

As a result, over 70% of Palestinian communities located (entirely or mostly) in Area C lack connections to the water network. These communities depend almost entirely on tanked water, which can cost up to 400% more per litre. Consumption of water in some of these communities is as low as 20 litres per capita per day (one fifth of the WHO's recommended standards).This contributes to the food insecurity of 24% of the Palestinian population in area C relative to 17% in the rest of the West Bank.

A variety of domestic and international organizations attempted to tackle these issues. According to a 2009 World Bank report, approval was pending for 106 water projects and 12 large-scale wastewater projects from the JWC. By way of comparison, all but one Israeli-proposed projects for development in the West Bank had been approved. Moreover, in 2011, 89 water and sanitation structures (including 34 cisterns) were demolished. Between 2009 and 2012, 9 cisterns in this Area were demolished by the Civil Administration, alleging they had been constructed without a permit.

The enormous strain this has placed on Palestinian agriculture is unquantifiable. The best estimates, those offered by the PNA to the AHLC in 2012 state, "Due to Israeli imposed restrictions on Palestinian water resources protected [in area C] irrigated agriculture comprises only 2.3% of the cultivated land in the

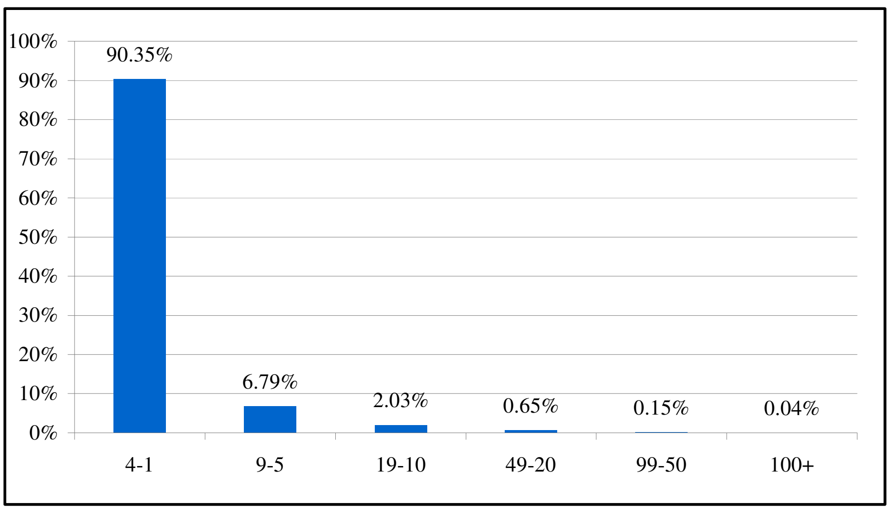
West Bank. These 2.3%, however, contribute around 50% of total plant production, hinting at the huge potential for agricultural in Palestine. Irrigated land is on average 15 times more productive than non-irrigated land."

While taking this potential and these limitation into consideration, one can assume that projects that target the water issue can have a multitude of direct effects on the Palestinian economy (access to drinking water, increased agricultural output, increased manufacture output) and indirect effects on job opportunities for area C residents. Thus, plans to create water-processing plants must include provisions to tackle the lack of Palestinian expertise in the process. This creates the need for educational and training facilities for irrigation specialist, engineers and water technicians, all of whom need TVET.

3.5 Structure of Businesses

The nature of the businesses and economic establishments in area C are also troubling. As the following figure shows, more than 90% of all workers in area C are employed by establishments that employ 4 or fewer workers. While this fact in-and of-itself is not detrimental to the economy, it solidifies the conviction that most economic activities in area C are elementary and low yielding, a trend clearly seen in the rest of the Palestinian economy.

Figure 3.3: Establishments size, Area C (2012)



Source: PCBS, Establishments Census 2012

3.6 Existing training and education centres

As a part of the restrictive policies of the occupation, Palestinians inside Area C are prohibited by the CA from building schools in their localities. According to the PCBS report in 2013 (PCBS, 2013d), Area C is home to 50,000 students enrolled in 183 private and public, primary and secondary schools. While these numbers do not indicate overpopulation, the quality of education and the difficulty to attain it raise more pressing questions. The report continues: "

- 15% of communities stated that children were forced to walk in a crowded and dangerous manner when commuting to school on foot.
- 33% of localities (37 localities) stated that more than 1,700 children walked about 5 kilometres or more to school.

- ✧ 11% of localities (12 localities) stated that more than 700 children walked about 3-5 kilometres on foot to school.
- ✧ 31% of localities stated that around 2,500 children were forced to cross military checkpoints to reach school on a daily basis."

The effects of these patterns are clear on the educational levels within Area C, and on the complex co-dependency between economic performance and education that will be explored below. The aforementioned ETF report states "there are particularly higher numbers of people with no education, primary education, and preparatory education in area C, and less number of residents with university degrees and technical and vocational degrees" (ETF, 2012a). There is a higher concentration of lower educational levels in Area C, especially in the "seam zone" in the Jordan Valley.

3.7 Conclusion

As aforementioned, the economic growth potential of area C is strangled by lack of access to land, and water resources and markets. In large measure, this is due to Israeli restrictions on Palestinian construction of public and private projects in the vast majority of area C. However, Palestinians are not necessarily completely stifled by these measures, for a few measures are not only feasible, but also urgent. First and foremost, the PNA must renew its focus on facilitating and encouraging private and public investment in locales in area C where construction is feasible. This is limited at the time to lands within the "master plans" of villages. Second, the PNA and the private sector must encourage Palestinian employers to target area C employees for jobs and training. Finally, the PNA and TVET centres in areas adjacent to area C must enable access and admission to their facilities for area C residents. As has been discussed above, Palestinians in area C are relatively poor and uneducated. Nonetheless, a majority of area C residents possess practical, yet primitive, skills in construction, agriculture, irrigation and tending livestock. Thus, facilities that require little previous formal education and focus on practical skills are urgently needed. Not only does this step require reduced costs of attendance and travel for area C residents, most of whom are relatively poor, but also crucial and urgent changes to the admission process and educational curricula must be applied in order to encourage the enrolment of less educated (formally) residents of area C into these facilities.

4. REFUGEE CAMPS

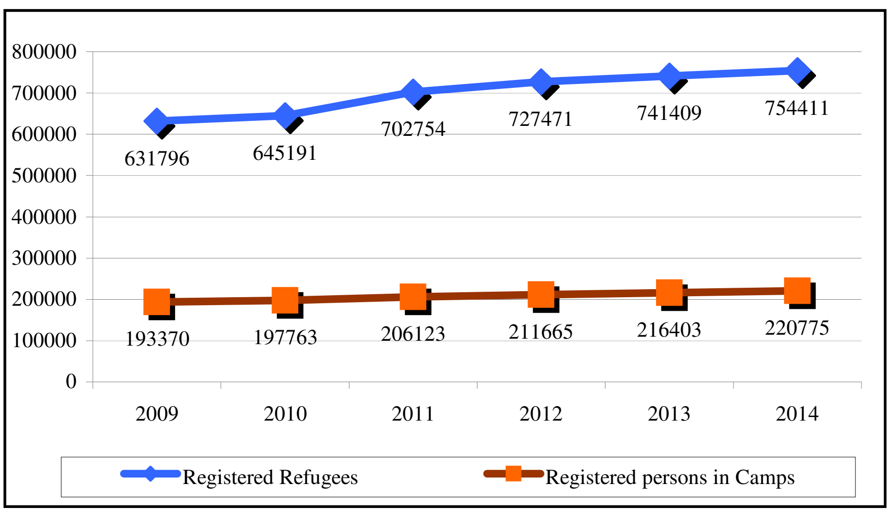
After the 1948 Arab/Israeli war, some 750,000 refugees were displaced from their homes in mandatory Palestine into camps around the rest of Palestinian and surrounding Arab countries, including 350, 000 in refugee camps around the West Bank. The UNRWA was established to tend to the housing, feeding, educational, health and employment needs of these refugees (as well as refugees in the Gaza Strip and neighbouring Arab countries). Refugee camps resemble low-income neighbourhoods within the Palestinian cities. More importantly, refugee camps are treated as such by Palestinian authorities and most international donors. This complicates the process of studying the nature of life and business in refugee camps and thus it complicates the process of addressing refugee-specific issues. Not only do refugees live in further decaying conditions, refugees in general are limited to a much lower wealth endowment than the rest of the population. This is easy to explain since most refugees left most of their belongings behind hoping for a quick return. As a result, refugees start at an unenviable position compared to the rest of the population.

4.1 Demographic Characteristics

4.1.1 Population

According to the UNRWA's 2013 report, "the registered Palestinian refugee population in the West Bank stood at 754,411." This number corresponds to Palestinian refugees and their descendants living in the West Bank as a whole. Interestingly, this figure doesn't correspond to the number of camp residents for Palestinian refugee camps are home to non-refugee residents.(UNRWA, 2014a)

Figure 4.1: Change in Refugee Population, West Bank (2009-2014)



Source: UNRWA, 2009-2014

Population growth within the camps is at a slightly higher rate than it is in the rest of the West Bank. The following figure shows the change in the total residents of the camps and total registered population. The growth rate of the registered refugee population is much higher than that of residents of camps. This trend implies that more refugees are moving outside the borders of their camps. While this can be seen as a sign of growth in income rates, considering the economic conditions in the West Bank, it is more likely that this trend is due to the lack of space within refugee camps.

4.1.2 Population Density

Palestinian refugee camps are notoriously overcrowded. They are devoid of green spaces while houses are built with just enough room between them as to allow pedestrians and occasionally small vehicles. The following table specifies the population, living area and population density of registered refugees in the West Bank's refugee camps and the land area of the camps at the time of their establishment. Thus, it is an indicator of the population density levels of the camps. However, it does not reflect the growth of the land area of the camps or the population of non-refugees in the camps. (www.UNRWA.org)

Table 4.1: population, district and population density of registered refugees in the West Bank's refugee camps, 2007

Camp Name	District	Registered Refugee Population	Area (km2)	Density (person per km2)
Tulkarm	Tulkarm	18000	0.18	100000
Shu'fat*	Jerusalem	11000	0.2	55000
Nur Shams	Tulkarm	9000	0.23	39130
Kalandia	Ramallah	11000	0.35	31429
Jenin	Jenin	16,000	0.42	38095
Fawwar	Hebron	8000	0.27	29630
Jalazone	Ramallah	11000	0.25	44000
Far'a	Jordan Valley	7,600	0.26	29231
Ein El-Sultan	Jericho	1900	0.87	2184
Dheishe	Bethlehem	13000	0.31	41936
Dier 'Ammar	Ramallah	2400	0.16	15000
Camp No.1	Nablus	6750	0.05	135000
BeitJibrin (Al Azzeh)	Bethlehem	1000	0.02	50000
Balata	Nablus	23600	0.25	94400
Askar	Nablus	15900	0.12	132500
Aida	Bethlehem	4700	0.71	6620
Arroub	Hebron	10400	0.24	43333
Am'ari	Al-Bireh	10500	0.93	11290
AqbatJabar	Jericho	6400	N/A	N/A

Source: UNRWA, 2007

4.1.3 Family Structure

Refugee families are rather expansive, however the average household size is not significantly different than that in the rest of the West Bank (an identical 5.5 members in 2007) (PCBS, 2008a).

Housing density is also only slightly different with refugee camps (1.5 residents per room) than it is in the rest of the West Bank households (1.4 residents per room).

Table 4.2: Average household size among refugees (2007)

Camp Name	Average Family Size
Far'a	5.5
Nur Shams	5.3
Tulkarm	5.4
Ain El-Ma' (Camp No.1)	5.2
Askar	5.5
Balata	5.5
Silwad*	5.6
Dier 'Ammar	5.9
Jalazone	5.6
Am'ari	5.5
Qadura*	5.2
Ein El-Sultan	5.4
AqbatJabar	5.5
Kalandia	5.4
Aida	5.2
BeitJibrin	5.2
Dheishe	5.1
Arroub	5.8
Fawar	6.4
Total	**5.5**

Source: PCBS, 2008a

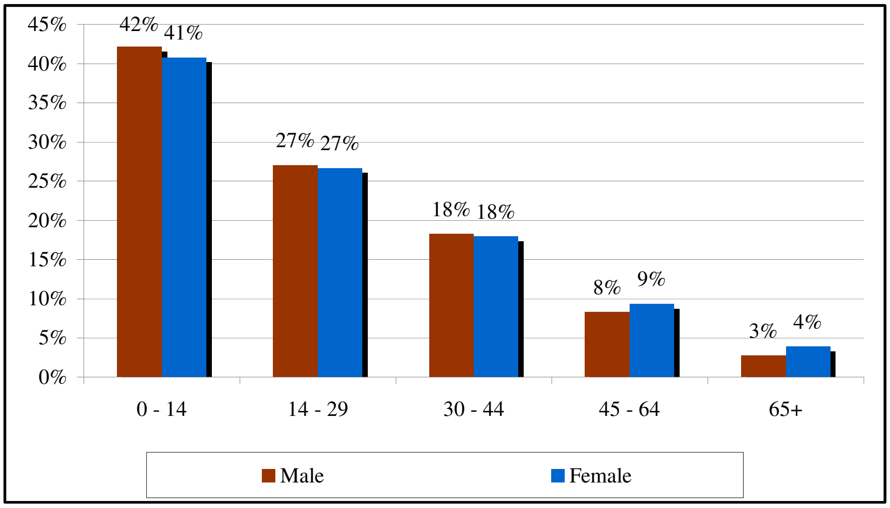
4.1.4 Age structure

There is a very slim gender gap based on age in the camps in the West Bank. Interestingly, the number of males exceeds females in younger age groups. This is not an uncommon phenomenon. Historically, male infants are subject to better health care and nutritional habits than females, which allows for the difference. On the other end of the spectrum, females make up a higher percentage of the older age groups, which signifies a higher life expectancy among women.

As to the age of the population, the following chart demonstrates the “population pyramid” of the residents of refugee camps in the West Bank. Roughly 42% of the residents of refugee camps in the West Bank are under 14 years of age, and thus are dependents, while 50% of all camp residents are under the age of 19. On the other hand, only 3.2% of residents are over 65. This signifies that a large proportion of the population remain out of the labour force.

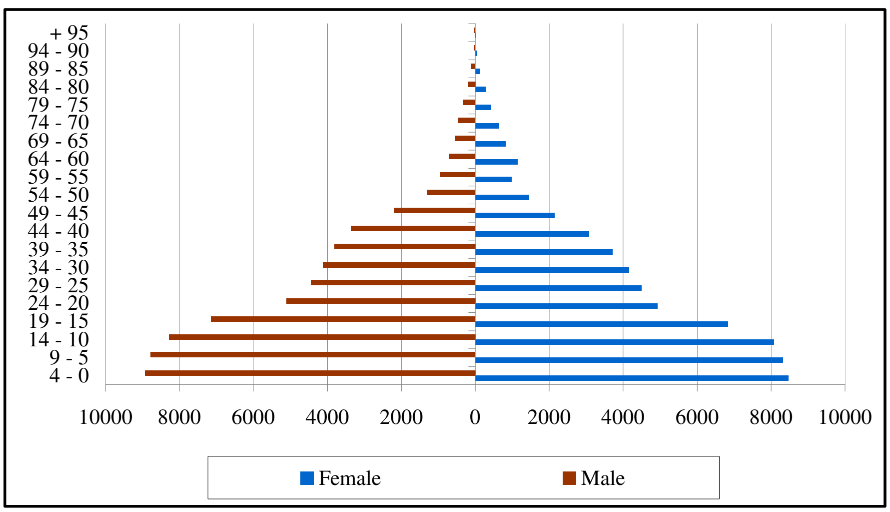
* * Not recognized by the UNRWA.

Figure 4.2: Refugee camps residents gender distribution (2007)



Source: PCBS, 2008a.

Figure 4.3: Population pyramid, refugee camps, West Bank (2007)



Source: PCBS, 2008a.

4.2 Labour Force Overview

Unemployment is rampant within the population of the West Bank refugee camps. According to the PCBS's latest census (2007) and the UNRWA's estimations (check date), unemployment is higher within the refugee camps when compared to their host districts. This problem is especially acute in the southern districts (Bethlehem, Hebron and Jericho). Moreover, a negative correlation seems to exist between the size of the camp and the unemployment rate within it. The larger Palestinian camps seem to suffer less from unemployment issues; Balata and Jenin suffer from less than 25% unemployment rate, for example. The reasons behind this remain unclear, however, a possible explanation may lie in the availability of larger markets within those camps or their larger share of the markets in their host communities. On the other hand, the reasoning could be that the Jenin camp is unique in its access to agricultural land in the surrounding areas. Nonetheless, more accurate data are required for further analysis.

Table 4.3: Unemployment according to refugee camps and governorate (2007)

Camp Name	District	Registered official Population	Unemployment	Unemployment in District (PCBS Census 2007)
Dheishe	Bethlehem	13000	33%	
BeitJibrin (Al Azzeh)	Bethlehem	1000	30%	17%
Aida	Bethlehem	4700	43%	
Fawwar	Hebron	8000	32%	16.30%
Arroub	Hebron	10400	30%	
Jenin	Jenin	16000	25%	16.80%
AqbatJabar	Jericho	6400	28%	
Ein El-Sultan	Jericho	1900	40%	8.70%
Far'a	Jericho	7,600	22%	
Shu'fat*	Jerusalem	11000		12.30%
Camp No.1	Nablus	6750	25%	
Balata	Nablus	23600	25%	13.10%
Askar	Nablus	15900	28%	
Am'ari	Ramallah	10500	27%	
Kalandia	Ramallah	11000	20%	
Jalazone	Ramallah	11000		11.20%
Dier 'Ammar	Ramallah	2400	23%	
Tulkarm	Tulkarm	18000	34%	15.50%
Nur Shams	Tulkarm	9000	20%	

Source: PCBS, 2008a; UNRWA, 2007

4.3 Legal Framework

Most camps in the West Bank fall in Area A, as they are constructed within the municipal boundaries of major Palestinian population centres (often cities). These areas fall under the full administration of the PNA. In these areas, refugees have access to the services provided by the local and national PNA agencies. Camps that fall within area C (Kalandia, Fawwar, Arroub) or within the Jerusalem area (Silwad and Shu'fat) are governed by the Israeli Civil Administration.

Moreover, the UNRWA provides various refugee-only services; i.e. education (mostly primary), health (through UNRWA-administered health centres) and food relief. Moreover, refugee camps receive free electrical and water services that are paid for by the PNA and accumulated as "net lending" in the PNA's budget.

4.4 Potential Areas of Economic Development

- Refugee camps are areas of low socio-economic potential within larger population centres and have been treated thusly by the PNA and the international community, sans the UNRWA, since their inception. As aforementioned, this misrepresents the nature of the life within refugee camps that are comprised of families devoid of accumulated wealth due to forcible migration. On the other hand, it paints an accurate portrait of refugees' interaction with their surrounding populations. Palestinian refugee camps in the West Bank depend on the cities they live in for the vast majority of their basic needs, not supplied by the UNRWA; namely specialized health care, advanced education, high-wage employment and predictably TVET training. Thus, TVET centres should cater to refugee employability needs based on the conditions within the markets of these cities individually.

- Area A camps: Since these camps are effectively low-income neighbourhoods within major population centres, areas of potential economic growth are defined by the individual characteristics of the localities.[52] Refugees, as other inhabitants of major population centres in the West Bank, agricultural output is not governed by their possession of land, but by access to it. It is quite customary to farm lands on leases from their owners in exchange for a share of the produce.

    - Bethlehem: main economic activities are manufacturing (embroidery), quarrying, agriculture (olives) and tourism.
    - Jenin: Main economic activities include agriculture, trade and industry (embroidery)
    - Nablus: economic activities consist of manufacturing (a broad range from soap to paper), trade, and agriculture (olives).
    - Jericho: main economic activities are tourism and agriculture.
    - Ramallah: main economic activities are services and retail.
    - Hebron: main economic activities are retail, agriculture (olives, fruit), manufacturing (glass, embroidery, metal), and stone quarrying.

- Area C camps: the borders of area C restrict these camps expansion and potential. Thus they have access to very limited development space. Most residents seek employment opportunities in neighbouring Palestinian (or sometimes Israeli) population centres.

4.5 Business Structure

As clearly demonstrated in the chart below, Palestinians living in refugee camps are extraordinarily prone to be employed in small businesses. These businesses are often informal within the camps themselves and more regulated outside their borders.

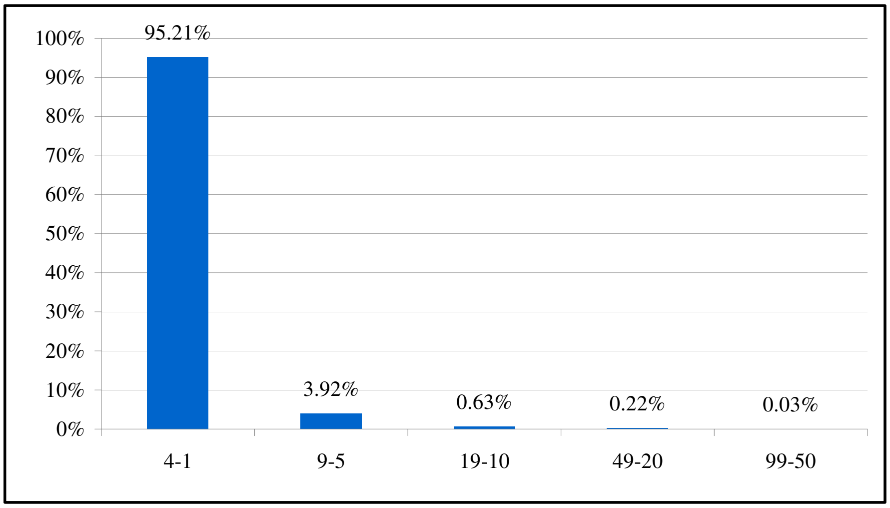
Table 4.4: Distribution of Establishments by Size, Refugee Camps, West Bank (2012)

	Distribution of Establishments By Number of Employees					
Number of Employees	**4-1**	**9-5**	**19-10**	**49-20**	**99-50**	**Total**
Number of Establishments	3496	144	23	8	1	3672

The UNRWA, as part of its inception mission, targets the employment of refugees. Most of this form of assistance manifests itself through hiring refugee workers to jobs in service of other refugees within the UNRWA framework. These include teaching jobs within UNRWA schools, jobs with UNRWA hospitals, and even administrative jobs on the camp level. The UNRWA has also followed a policy of micro financing refugee led business projects in the West Bank since 1996. Since the programs commencement, 90,366 individual loans have been given out to refugees that totalled USD 128,543,091, as of January 2014. The following chart tracks the amount of loans given over the same time period.

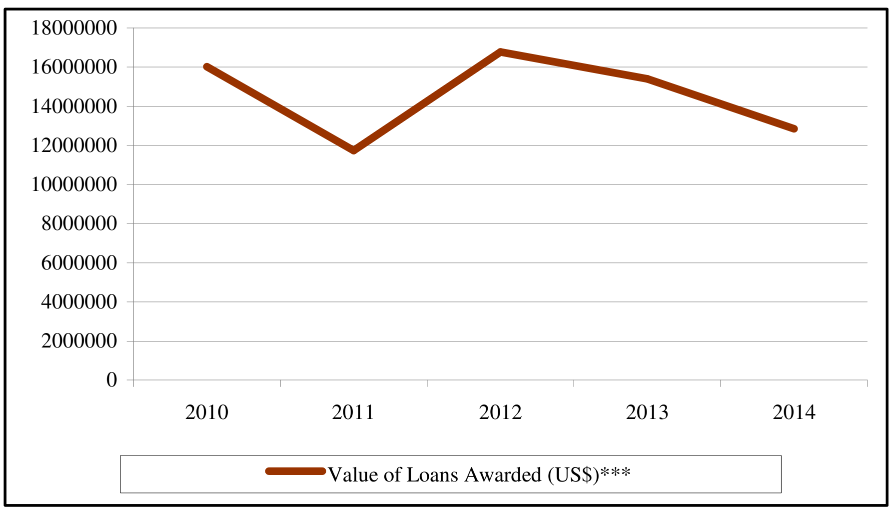
[52] The PCBS data sets do not specify economic activities by district and/or refugee camp.

Figure 4.4: Establishments size, refugee camps, West Bank (2012)



Source: PCBS, 2013b.

Figure 4.5: Value of Loans Awarded, $USD (2010-2014)



Source: UNRWA

The amounts clearly fluctuate from year to year. Generally, the loan amounts are lower today than at the beginning of 2009.

4.6 Existing Training and Education Centres

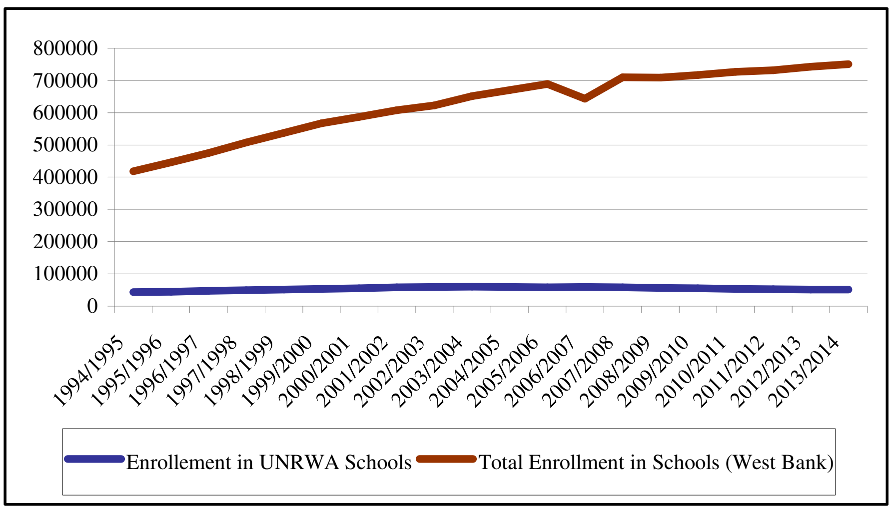
4.6.1 Education

Education, in general, is a pressing issue within the camps. The UNRWA has traditionally provided basic education for the children of refugees within the confines of the larger West Bank camps. To this effect, the following table demonstrates the number of schools in the various refugee camps around the West

Bank. There are a few points that are worth noting here. First, these are the total numbers of schools in the localities. In the camps, schools are often gender-segregated, for example the two schools in Deheisha refugee camp in Bethlehem contain one school for boys and another for girls. Second, the limited number of classrooms and teachers create significant overcrowding issues within the schools. Traditionally, the UNRWA has treated that problem by dividing the school day into two shifts, for two separate sets of students. Third, most UNRWA schools provide primary education (ends at 9th grade). As a result, refugee students seek secondary education in public and private schools outside the camps.

Despite the UNRWA's best efforts, a concerning trend has been taking shape within the refugee camps. The following chart tracks the change of the school population of UNRWA schools compared to the school enrolment of the general population. It is clear from the chart that the rate of growth of the UNRWA school population has not been growing at the same rate as that of the general public among West Bank residents. Correspondingly, there is no evidence that the growth rate of population with the camps is any lower than it is among the general population.[53] One possible conclusion is that increased income levels among refugees have allowed them to provide non-UNRWA education for their children. However, it is far more likely that the UNRWA has failed to expand its enrolment capacity to meet the growing demand for basic education.

Figure 4.6: School Enrolment in West Bank Camps (1994-2014)

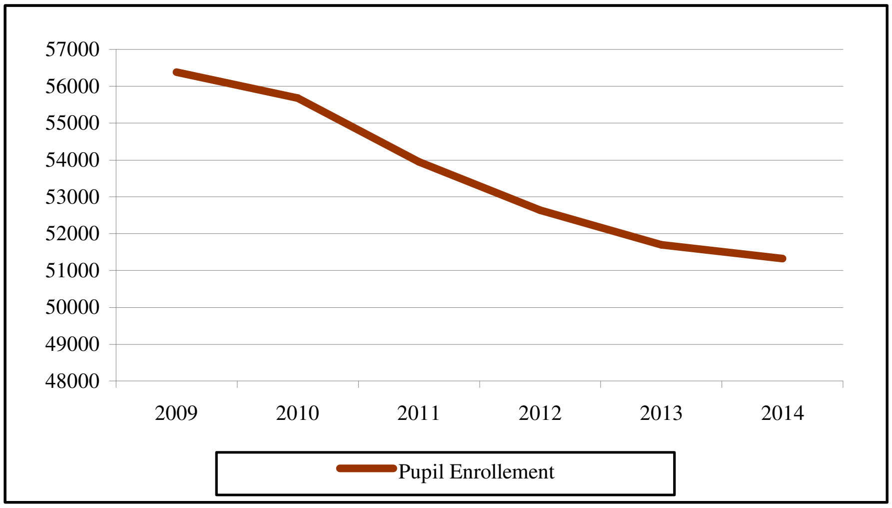


Source: PCBS, 2014

The following figure tracks the changes in enrolment within UNRWA-run schools. It confirms the trend within UNRWA schools. Finally, the UNRWA runs 97 schools as of January 2014 a slight change from 94 schools in 2009.

53 On the contrary, since refugee camps tend to be lower-income locales, it is most likely that population growth rates are *higher within camps* than in the rest of the West Bank

Figure 4.7: Pupil Enrolment within UNRWA-run schools (2009-2014)



Source: UNRWA

4.6.2 Existing Training and TVET

UNRWA TVET

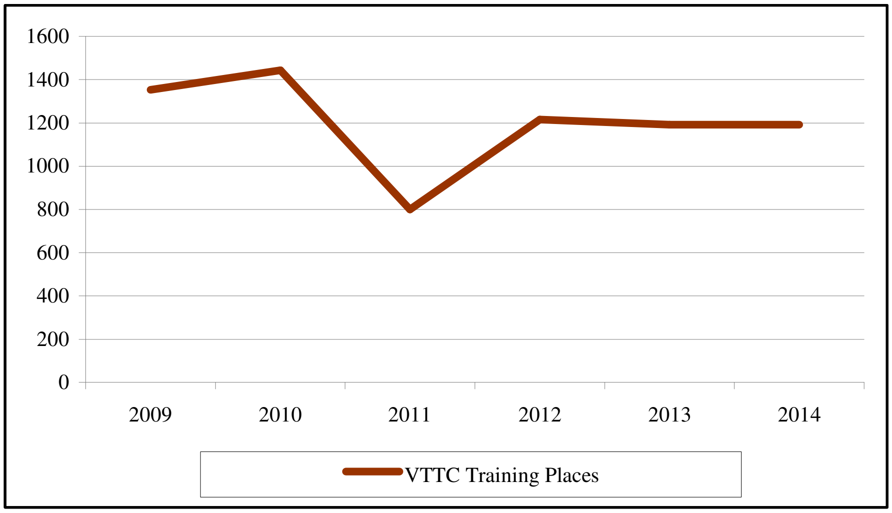
- The PNA seldom treats the West Bank's refugee camps as special target areas. They are considered as a part of the general population centres. That being said, the UNRWA has dedicated significant resources to tackle employability issues within camps, especially in the West Bank.

- According to the results report of 2013, the UNRWA's TVET program graduated 82 and 89 male students and 66 and 77 female students in 2012 and 2013, respectively. These programs have contributed to lowering the unemployment levels in their respective camps. The report states that "employment rates now stand at 89 per cent for West Bank male TVET graduates and 77 per cent for West Bank female graduates" (UNRWA, 2013c)

- Although these figures are encouraging, the scope and breadth of the programs remain rather limited, especially in light of the population and employment figures discussed above. In sum, the UNRWA only operates 2 vocational and technical training centres in the West Bank. UNRWA VTC's in the West Bank are both in Ramallah, in Alteirah and Qalandiah areas. The Altierah VTC accounts for the bulk of the UNRWA's TVET capabilities. It accounts for 1000 available places and 816 attendees, as of December 2014 (UNRWA, 2013d).[54]

[54] Note that the UNRWA's main mission entails job creation for Palestinian refugees. The emergency appeal report states "In the West Bank, the Job Creation Programme [sic] was able to create 58,697 job opportunities withan average monthly wage of US$ 420, benefiting a total of 23,365 refugees."

Figure 4.8: VTTC Training Places, refugee camps, West Bank (2009-2014)



Source: UNRWA

4.7 Conclusion

Palestinian refugee camps in the West Bank are treated, for all intents and purposes, as poor neighbour hoods in larger population concentrations. However, the initial dislocation of Palestinian refugees from their lands, the living conditions within refugee camps and the resulting systematic low wealth endowment of camp residents, sets apart camp residents from the rest of the residents of the West Bank. It is on this very basis that Palestinian refugees must be treated as a distinct group of the population rather than a sub-group of the poor for the purposes of economic development. Thus, development plans must be designed to match the characteristics of the camps. First among these is overpopulation. Camps are crowded, leaving little room for expansion and development. Secondly, businesses within the camps tend to be small and informal making them lowly profitable, difficult to regulate and organize, and with limited expansion potential. As a result, immediate actions need to take place to not only ensure economic development within camps, but also to bridge the inequality between refugees in camps and their neighbours. Firstly, investment opportunities of refugees in areas surrounding camps must be increased. The PNA and the municipalities must facilitate and favour the acquisition of lands and property adjacent to camps by refugee residents of these camps. Here, government subsidies (or tax exemptions) can provide a solution to alleviate the rising prices of land in Palestinian cities, especially for refugee buyers.[55] Secondly, Palestinian (non-refugee) investment in camp business must be increased. Here, the PNA can offer tax and fee exemptions to private investors operating within refugee camps. Thirdly, the number and capacity of TVET centres that cater to refugees exclusively must be increased to meet the growing demand. Fourth, the PNA must address the deficiencies of the UNRWA's educational and health system within the camps.

55 Government interventionism to adjust market prices is seldom advantageous, which is not what is being recommended here.

5. THE GAZA STRIP

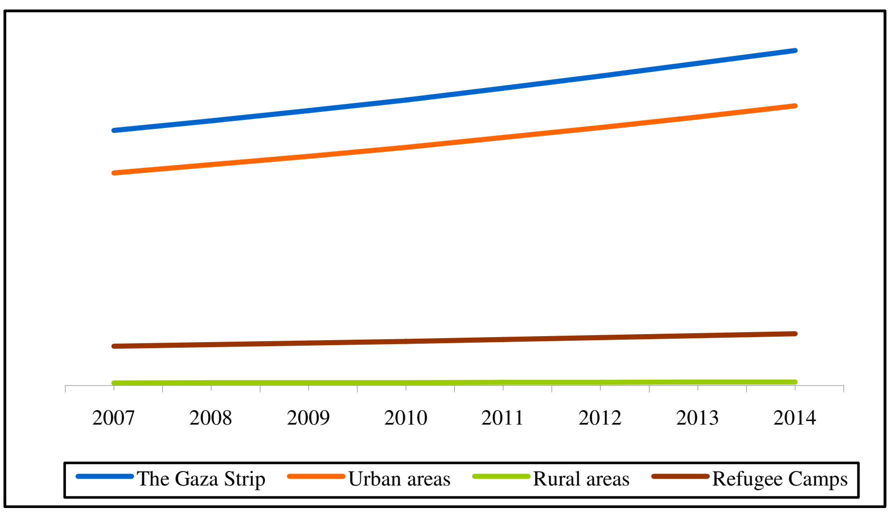
The Gaza Strip is an indispensable part of the Palestinian economy. Its GDP amounted to $2.9 billion in 2013 (at 2010 constant prices), which represents 24.4% of the total GDP in the OPT. However, Gaza's economy has been increasingly deteriorating as a result of the severe Israeli blockade since 2006, and the three Israeli assaults (2008-2009, 2012, and 2014). As a result, the economy of Gaza was left behind that of the West Bank, and its asset base was severely depleted, curbing economic growth and damaging the structural health of the economy. Moreover, the Israeli-imposed blockade has limited Gaza's access to essential raw materials such as petroleum products, cement, and agricultural fertilizers, thus hindering growth and rebuilding efforts. Consequently, Gazans were forced into a deep restructuring of their economy and means of income generation. Not only were traditional jobs unavailable, but also access to essential goods became only possible through improvised tunnels to the outside world. The last war has been especially destructive. Aside from the unprecedented loss in human life and the irreparable social and emotional injuries, the Gazan economy is now in a state of crises that needs immediate and effective intervention to save it from further decay.

5.1 Demographic characteristics

5.1.1 Population

As of mid-2014, 1.76 million people lived in the Gaza Strip in less than 360 km^2 compared to 2.79 million people in the West Bank. More specifically, the population density in the Strip reached 4,822 persons per km^2. Urban areas housed the highest population concentration (81%), followed by refugee camps (16.3%)[56], and rural areas (2.7%) (PCBS, 2014a). This very high population density is mainly due to the high annual population net growth rate of 3.41%,[57] and is likely to worsen in the future, given the current high fertility rates (5.19 children) (UN, 2012). Figure 5.1 below illustrates the growth in the population of Gaza between 2007 and 2013.

Figure 5.1: Distribution of the total population in the Gaza Strip by areas, million $USD (2007-2013)



Source: PCBS, 2014a

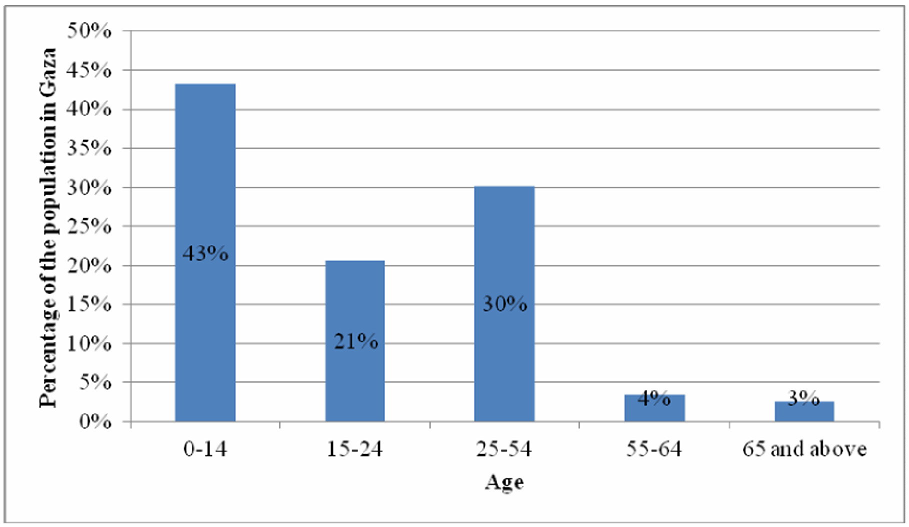
[56] It is worth noting that the number of refugees residing in Gaza is 1.2 million, which represents 67.4% of the total population.

[57] It should be noted that while these figures are already large, it is actually a gross underestimate derived by crudely dividing the number of people by the number of square kilometres, thus assuming that all of the Gaza Strip is populated.

5.1.2 Age structure

The population of the Gaza Strip is remarkably younger than the rest of the OPT, indicating a high dependency rate among its population. For instance, 43 % of the population of Gaza is under the age of 14, while 33.6% are between 25 and 46 years old. Figure 5.2 gives a more detailed representation of the age structure in the Gaza Strip (PCBS, 2013a).

Figure 5.2: Distribution of the population in the Gaza Strip according to age group (2014)



Source: PCBS, 2014

5.1.3 Household structure

The general census of 2007 indicates that the total number of households in Gaza was 214,760. The average size of the family was 6.5 persons. Families tended to be bigger in the Northern Gaza district where the average size was 6.7, while families were smaller in Khan Younis, where the average size was 6.3. However, average family size has been declining and has reached 5.8 in 2014 (PCBS, 2008a).

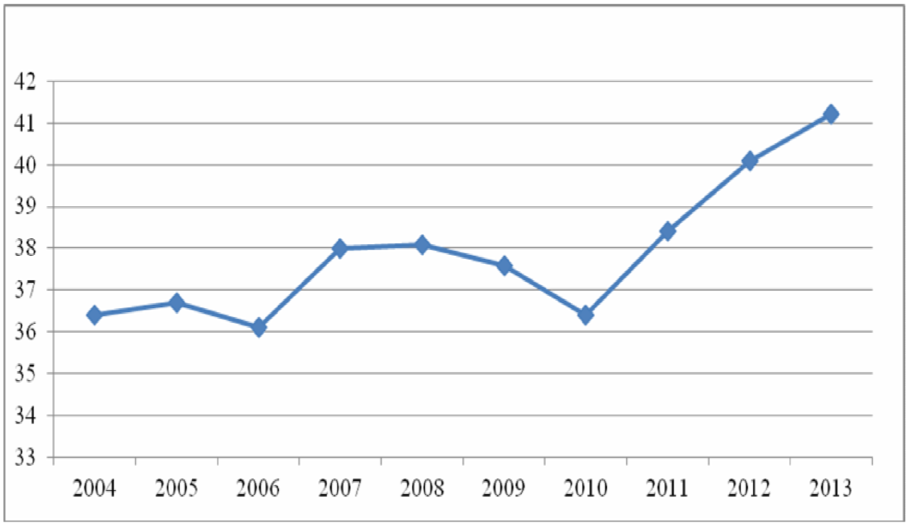
Moreover, 84.4% of families in Gaza are nuclear (2013), while only 15.6% are extended families, and 3.4% consist of 1 person. In addition, while the average household density in Gaza is 1.8 persons per room, 14% live in high-density households (more than 3 persons per room), and 8.1% live in families headed by a woman (PCBS, 2008a).

5.2 Labour Force Overview

5.2.1 Employment

According to PCBS annual labour force survey of 2013, while LFPR has been steadily increasing since 2010 (figure 5.3), it remains low (41%), partly due to the low female participation rate (16%) (PCBS, 2014e). Social and cultural norms, combined with the lack of job opportunities, stand in the way of many women joining the labour force. A recent World Bank report also attributes this phenomenon to the existing gap in average wages between men and women, and to certain regulations such as the long maternity leaves offered to women, which are viewed by employers as excessively burdensome (PCBS, 2014e).

Figure 5.3: Labour force participation rate, Gaza Strip (2003-2013)



Source: PCBS, 2014e

The services sector is the largest employer in all districts of the Gaza Strip. The overall percentage of employed persons in the services sector was 51.8% of total employment in 2013. The second largest sector is commerce, hotels, and restaurants employing 19.2% of employed persons. The agricultural sector depends greatly on the nature of the land in surrounding areas, thus varying across different districts. Agriculture is the third largest employer in Dair-Albalah, Khan Younis, and Rafah, while construction supplements it at third in North Gaza, and transportation comes third in Gaza Governorate.

The growth in the services and trade sectors over the last decade has come at the expense of the agricultural and manufacturing sectors. For instance, in Khan Younis, the contribution of the agriculture sector to employment decreased from 35.6% (PCBS, 2004) in 2003 to 12.1% in 2013. The reasons behind the erosion of the agriculture will be discussed in more detail in the economic potential section. While for the manufacturing sector, during the same period of time from 2003 to 2013; contribution of the sector decreased from 9.2% to 5.3%.

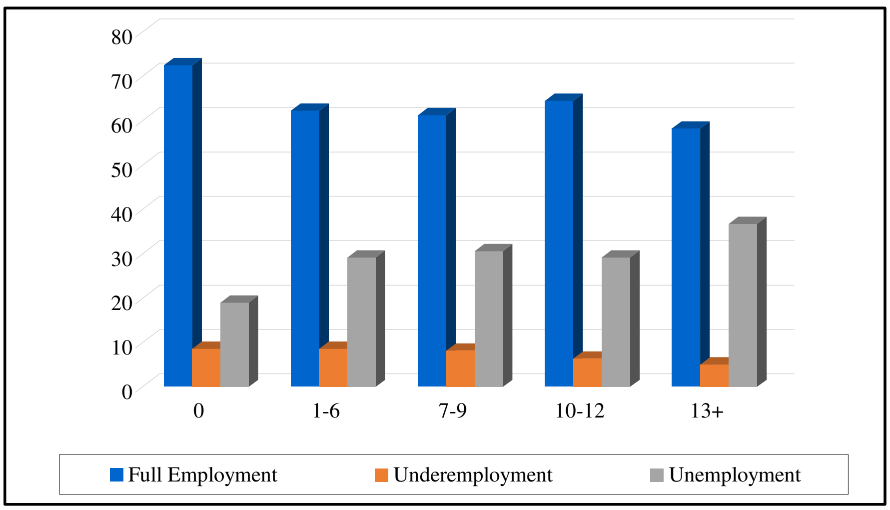
Table 5.1: Percentage distribution of Economic activity contribution to total employment by sector and governorate in the Gaza Strip (2013)

Economic Activity	District					
	Gaza Strip	Gaza	North Gaza	Dier Al Blah	Khan Younis	Rafah
Agriculture hunting and fishing	**8.4**	2.3	7.3	10.7	16.6	12.2
Mining, quarrying and manufacturing	**5.3**	8.2	4.2	5	2.7	3.1
Constructions	**7**	6.8	9.4	6	7.3	4.6
Commerce. Hotels, rest.	**19.2**	21.9	16.9	17.2	19	18.2
Transportation and storage	**8.3**	9.3	8.2	9.1	6.7	7.2
Services and other branches	**51.8**	51.5	54	52	47.7	54.7

Source: PCBS

As illustrated in figure 6.4, the highest LFPR is among those who have 13 or more years of schooling (59.1%), followed by those with 1-6 years of schooling (44.7%). The lowest LFPR is among those with no years of schooling (9.7%). Nonetheless, 72.4% of those who did not receive any education have full time jobs, compared to only 58.3% of those who completed 13 or more years of schooling. It is also important to note that the highest rate of unemployment prevails among those with more than 13 years of schooling. This phenomenon is clearest among males (table 5.2), whose highest employment rate is among those who have 13 or more years of schooling (70.7%), and the lowest is for those with no years of schooling (57.8%). On the other hand, as illustrated in table 6.3, females with 13 or more years of schooling had the lowest rate of employment (36.3%), and females with no years of schooling had the highest rate (95.6%). It might seem that females with no years of schooling tend to have better chances in the labor market, but that's not the case. The LFPR among females with 13 or more years of schooling is much higher (46.0%) compared to the other categories of years of schooling (5.0%, 6.8%, 3.7% and 3.4% respectively). One can infer that people with higher educational backgrounds are more likely to enter the labour force, in the Gaza Strip this has not translated to a higher employment rate. Thus, the lower rates of employment for females with 13 or more years of schooling (compared to the other years of schooling) is a result of the higher LFPR.

Figure 5.4: Percentage distribution of labor force by years of schooling and labor force status, Gaza Strip (2013)



Source: PCBS, 2013c

Table 5.2: Percentage distribution of persons aged 15 and above in Gaza Strip for Males by years of schooling and Labour force status, 2013

Years of Schooling	Males				
	Outside LF	Inside LF	Unemployment	Underemployment	Employment
0	76.2	23.8	29.6	12.6	57.8
1-6	30.8	69.2	30.5	9.1	60.4
7-9	31.7	68.3	31.4	8.4	60.2
10-12	38.9	61.1	29.7	6.7	63.6
13+	29.3	70.7	22.7	6.6	70.7
Total	**34.2**	**65.8**	**27.8**	**7.3**	**64.9**

Table 5.3: Percentage distribution of persons aged 15 and above in Gaza Strip for Females by years of schooling and Labour force status, 2013

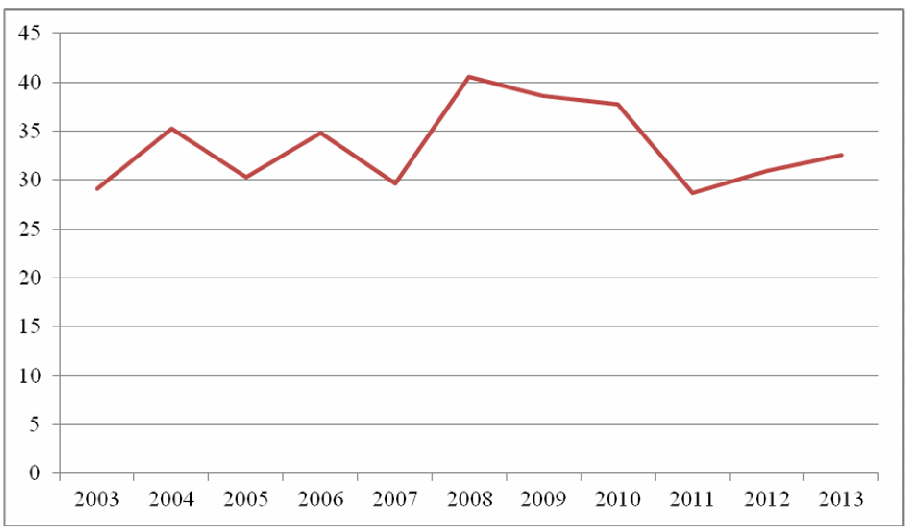
Years of Schooling	Females				
	Outside LF	Inside LF	Unemployment	Underemployment	Employment
0	95.0	5.0	2.1	2.3	95.6
1-6	93.2	6.8	8.1	0.9	91.0
7-9	96.3	3.7	13.4	3.9	82.7
10-12	96.6	3.4	22.7	2.5	74.8
13+	54.0	46.0	61.0	2.7	36.3
Total	**84.0**	**16.0**	**53.1**	**2.6**	**44.3**

5.2.2 Unemployment

Out of the 396,000 persons who are in the labor force, 242,000 are fully employed (61.0%), 25,000 are partially employed (6.4%), while 129,000 are unemployed (32.6%). Unemployment rate was 27.8% among males and 53.1% among females. If the discouraged workers were added ('relaxed definition'), the unemployment rate would increase by about three percentage points (PCBS, 2014e).

Unemployment in the Gaza Strip has largely increased after the Israeli blockade in 2006 (figure 5.5), and the imposed restrictions on movement and trade. Such measures along with the three Israeli assaults on Gaza have distorted the Gazan economy and the labour market.

Figure 5.5: Unemployment rate in the Gaza Strip (2003-2013)



Source: PCBS, 2014e

The highest rate of unemployment was in Rafah (37.5%) and the lowest was in Gaza governorate in 2013. For males, the highest rate of unemployment was in Khan Younis at 33.1%, and for females it was Dair-Albalah at 62.9%. The data also shows that unemployment among Gazan Refugees is about 11 percentage points higher than non-refugees, while LFPR is almost identical between the two groups. As for the type of locality, unemployment rate is considerably higher among those who live in refugee camps than those who live in Urban and Rural areas by 16.3 and 26.1 percentage points, respectively (PCBS, 2014e).

5.2.3 Informal Sector

According to PCBS Informal Sector and Informal Employment Survey (October-December 2008), 42.5% of total employed persons in the Gaza Strip were informal employees in 2008 (Table 5.2) (PCBS, 2008b). There are 40,700 informal employees employed in the formal sector compared to 27,700 employed in the informal sector. Although the figures mentioned above represent a snapshot of a passed era, one can infer plenty about the state of the informal sector in the Gaza strip since 2008. The economic blockade on Gaza, which tightened after the 2008/2009 assault, and the political rift between the West Bank have undoubtedly increased the size of Gaza's informal sector. Very little control over the economic activities in Gaza is controlled by the PNA in Ramallah. Moreover, much of the Gazan trade sector was driven underground in the form of tunnel trade that is, by definition, informal in nature. Finally, the new reality of Gaza gave way to new economic activities that never constituted significant portions of the pre-2007 economy. Such activities include smuggling, black market trade (mainly in construction material and petroleum products) as well as paid paramilitary services; all of which are not regulated by the PNA. It is reasonable to assume, thus, that the size of the informal sector and its employment capacity is increasing in Gaza.

Table 5.4: Employed Persons in the Gaza Strip by type of Employment and Sex, October – December 2008

	Total			Informal Sector			Formal Sector		
	Total	Females	Males	Total	Females	Males	Total	Females	Males
Formal Employment	92,500	11,700	80,800	-	-	-	92,500	11,700	80,800
Informal Employment	68,400	14,600	53,800	27,700	4,300	23,400	40,700	10,300	30,400
Total	160,900	26,300	134,600	27,700	4,300	23,400	133,200	22,000	111,200

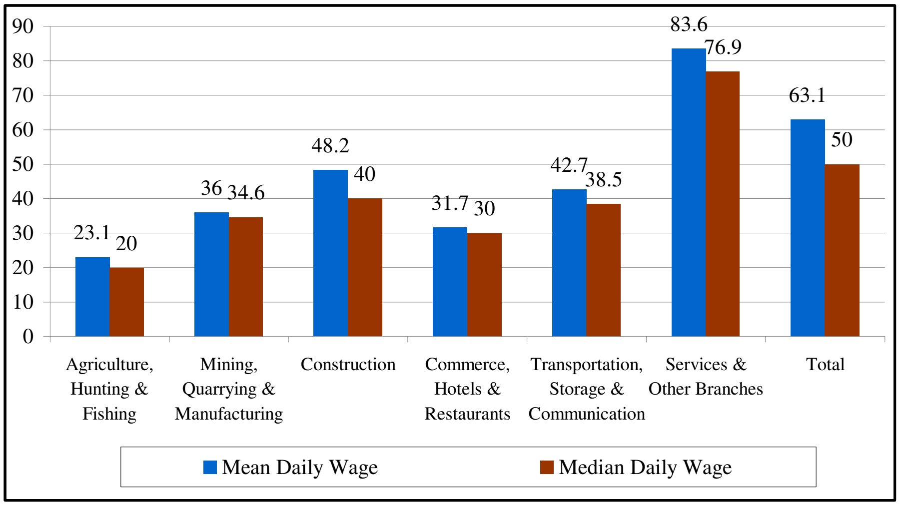
Source: PCBS

5.2.4 Wages

The chart below explores the reality of paid wages in the Gaza Strip. Wages are low in most sectors of economic activity. The lowest wages are paid in the agricultural sector, where they bottom at 23.1 NIS daily on average, while the highest wages are paid to workers in the "services" sector. This can be explained by the fact that the Palestinian agricultural sector is a low-yielding, low-value added sector. Moreover, most agricultural enterprises are family-owned farms, where paid wages are an uncommon practice. However, workers in the commerce and hotels sectors are also among the lowest paid workers. This could be due to the disproportionate effects that the blockade has had on those sectors. As has been and will be discussed at considerable length, Israel limits access of people, capital, and raw materials (especially due to the Dual-Use List) to the Gaza Strip and people's access to the land surrounding them. Agriculture, hunting, fishing, commerce and hotels are the sectors one would expect to suffer the most from these restrictions. This limits the number of available employment opportunities in these sectors, lowering the demand on labor and thus its price; namely wages.

Worthy of note in this context, the PNA established a minimum wage of 65 NIS daily or 1,450 NIS monthly to take effect on the 1st of January of 2013. This is a significantly a higher level of wages than what is being paid in the majority of economic sectors in Gaza. The lack of compliance is at least in part due to the lack of central influence over Gaza. But it is also partly due to the general weaknesses in the structure of the Gaza economy, where a great deal of the establishments can ill-afford to raise their employee wages by such a margin.

Figure 5.6: Daily Wage Distributions by Economic Activity, NIS (2013)



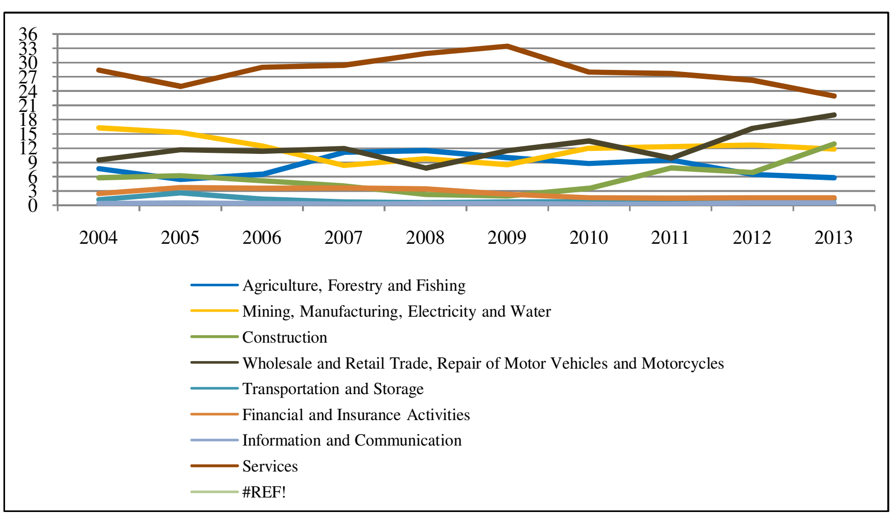
Source: PCBS

5.3 Economic Outlook

5.3.1 General Economic Indicators

Growth in the Gaza Strip has been severely hindered by years of blockade and consecutive wars. Hence, real GDP fell by 30% between 2006 and 2008 (IMF, 2014), and by 2012, it reached 2005 levels. Following the latest Israeli assault on Gaza, real GDP was below the 2005 levels. Besides the deceleration in GDP growth, real output is estimated to decline by 15% in 2014. According to the latest IMF report to the Ad Hoc Liaison Committee, decline in real output would result in the fall of real per capita GDP to 70% of its 2005 level. Nevertheless, the report projects a rebound in Gaza—on the assumption of increased aid to finance the reconstruction of Gaza (IMF, 2014).

Figure 5.7: Contribution of different sectors to GDP, Gaza Strip (2004-2013)



Source: PCBS

Moreover, data published by the Palestinian Central Bureau of Statistics (PCBS) shows that the highest contributor to Gaza's GDP over the past decade is the services sector (31.3% on average between 2004 and 2013) (PCBS, 2014g). Its highest contribution was in 2009 (33.4%) and its lowest was in 2013 (23.0%). In general, the contribution of the services sector to GDP never dropped below 23% though it has been declining since 2009. On the other hand, the information and communication sector contributed the least to GDP, as it never exceeded 0.5% and held steady at around 0.4% between 2004 and 2013. The other sectors' contributions fluctuated over time, but there is a clear indication that the contribution of the wholesale and retail sector, and the construction sector have been increasing in size relative to other sectors (Figure 5.7).

5.3.3 Potential Areas of Economic Development

In light of the current situation in Gaza, the areas of potential economic development remain limited. Restrictions on land accessibility and general unavailability of natural resource endowments (due to the small area of the Strip) limit potential growth in the vital sectors of agriculture, construction, and mining. Moreover, Israeli constraints on access to raw materials and equipment further hinder the development potential towards higher yielding crops and economic activities. Thus, attention should be focused on the better use of available agricultural lands and possible expansions in the sectors of manufacturing and construction.

1. Agriculture and Fishing

One-third of Gaza's land is utilized for agriculture, although agriculture only accounts for 5% of GDP in the West Bank and Gaza. The World Bank notes, "although Gaza is urbanized, it has a vital and potentially profitable agricultural sector." In fact, the agricultural sector provides a source of income and food supplies at times of crisis. Moreover, enhancing the agricultural sector could overcome the major problem of food insecurity in Gaza. It is worth recalling that 57% of Gazan households were food-insecure in 2015, compared to 19% of households in the West Bank (UNRWA, 2014b).

However, Gazans face severe barriers to develop the agricultural sector, one of which is the restricted access to land in the "Buffer Zone." The latter is a military no-go area created under the Israeli-Palestinian peace agreements that extends along the border between Israel and the Gaza Strip. Originally intended to be 50 meters wide, the Buffer Zone has been unilaterally expanded by Israel numerous times and is now 0.5-1 km along the eastern border and 1.8-2 km along the northern border. According to the Emergency Water and Sanitation-Hygiene Group (EWASH), Gaza's Buffer Zone comprises around 30-40% of Gaza's agricultural lands and numerous ground water wells.

Israel has also imposed restrictions on access to coastal waters and has only allowed Gazan fishermen to access up to three nautical miles from the coast. Fishermen's earning ability is thus severely hindered. For instance, between 2008 and 2009, the total fish yield in Gaza decreased by 47%, which is insufficient to meet the increasing demands of the fast growing population of Gaza. Moreover, nearly 90% of Gaza's 4,000 fishermen are now considered either poor or very poor, compared to 50% in 2008 (PCHR, 2011). During the latest assault on Gaza, 9% of the annual catch was lost, affecting the already limited, protein-low Gaza diet.

Furthermore, Gazans face limited access to water resources, which are essential for the agricultural sector. A 2009 World Bank report has indicated that removal of Israeli restrictions and provision of additional water quantities will raise agricultural sector's contribution to GDP by 10% and will create approximately 110,000 additional job opportunities (PCHR, 2011).

2. Industry and Manufacturing

During the period between September 2000 and March 2007, the manufacturing sector suffered a USD 37 million loss due to continuous closures and military incursions (MNE, 2011). Over the same period, the sector was able to employ 35,000 workers and maintain 3,900 working establishments. Leading subsectors in the industry and manufacturing sector (furniture, garment, textile, and food processing) suffered considerable losses since the blockade. Therefore, there is a need to support and rehabilitate local manufacturers in order to maximize productivity and return. In addition, removal of the blockade and Israeli restrictions on exports-imports is vital to revitalize this sector and the whole economy in Gaza. The table below provides additional data on the leading sub-sectors (MoPAD, 2014b).

Table 5.5: Employment and establishments in Manufacturing in 2005and during the closure of 2008

Sub sector	Number of Establishment		Employment	
	2005	2008	2005	2008
Furniture	600	25	6,500	75
Garments	660	30	25,000	100
Food processing	100	20	2,500	120

After the introduction of the new Israeli policies on June 20th 2010 regarding the entry of raw materials into Gaza, levels of imports have risen a bit, although still insufficient to allow for adequate economic activity. As a result of the new policies, several factories were able to resume manufacturing leading to a slight recovery in the sector. Moreover, tunnel trade activity from Egypt, including fuel and spare parts allowed some private sector activities to continue. Industrial production resumed also on a limited scale and geared its attention towards the domestic market.

By the end 2009, the industrial sector employed 5,000 workers depicting an increase by 3,000 compared to 2008; though still very low compared to the 2007 levels (35,000 workers) prior to total closure (MoNE, 2011). Economic activity in Gaza is mainly depended on the domestic market as a result of the ongoing restrictions that isolates Gaza from the rest of the world. Moreover, the Ministry of National Economy in its economic strategy for Gaza 2011, points out that the furniture and textiles sectors need support and assistance to re-establish themselves, since these sectors used to export 76% and 90% of their products to Israel respectively.

The vital and once vibrant furniture and textiles sectors (which used to export 76% and 90% of their products to Israel respectively) will need significant assistance if they are ever to re-establish themselves.

3. Construction

Gaza's fastest growing economic sector since 1994, up until the blockade, was the construction sector. Its total contribution to GDP in the year 2000 was over 33%, employing almost 22% of the total labour force (MoNE, 2011). As for imports, more than 52% of total imports to Gaza comprised of construction materials before the 2007 blockade. The Palestinian Central Bureau of Statistics (PCBS) estimated the value of implemented projects as of 1999 at over USD 1.5 billion. However, the sector's performance and growth slowed down as a result of political factors including the second *Intifada*, the 2006 blockade, and the consecutive Israeli military assaults on Gaza (MoNE, 2011).

The construction sector in Gaza is characterized by many key advantages that create opportunities for the future, such as (MoNE, 2011):

- A well-organized representative organization, The Palestinian Contractors' Union, which is an active player with all stakeholders;
- An updated classification system for the working companies in accordance with standards and local conditions;
- Experienced labour with technical know-how. The number of potential construction workers in the sector is estimated at 50,000. The construction workers are characterized by high skills acquired by previously working in Israel and the Gulf countries.
- Financing support and international donor support projects, such as the availability of immediate funding for several large size projects including 110 schools for UNRWA, Sheikh Khalifa Housing Project (5,000 units), Water and Sanitation, Sewage Treatment, Clinics, infrastructure, etc.

4. Renewable Energy

Gaza is totally dependent on imported traditional energy from Israel. The use of renewable energy in Gaza is thus essential to achieve some level of economic independence. Solar energy, wind energy, and biomass are all areas that are worth investing in especially Photovoltaic (PV) systems. The latter produce electricity directly from solar radiation, generate power in all types of weather, and are easy to maintain. PV systems would allow Gaza to be independent from Israel in terms of electricity supply. The PV systems could also be used to power pumping systems, refrigeration systems, lightning, battery charging stations, and solar home systems. In addition, wind turbines could be installed on family houses and generate 3187.87 kwh instead of the average household energy consumption, which is estimated at around 3100kwh/a. Every house in Gaza would thus be able to supply its needed energy. Organic waste from olive pressers (Jiffet) and animal waste could also be used as energy resources (Climate for Peace, 2009).

Nevertheless, while solar energy is one of the most efficient and promising methods of generating power, it requires high economic and technological base. Therefore, at the initial stage biomass and small wind turbines should be the primary alternative source of energy as they are the cheapest and most convenient local resource.

5.4 Structure of Businesses

5.4.1 Establishments

In 2012, there were a total of 48,722[58] establishments in the Gaza Strip, accounting for one third of the total establishments in Palestine. The vast majority of these establishments (95.6%) were in operation, while 1,742 were temporarily closed, and 402 were under preparation. Gaza city governorate holds the biggest share of establishments (40.8%), followed by Khan Younis (18.5%), Dair Al-Balah (13.2%) and Rafah (11.8%). According to ownership, 92% of operating establishments are privately owned, 3.4% are governmental and 2.8% are NGO's (PCBS, 2013b).

More than half of the operating establishments in the Gaza Strip work in wholesale and retail (52%), and almost one third of them (29%) work in the services sector. Establishments in the manufacturing sector account for only 10% of total establishments. Transportation and storage account for 4.5%, while other sectors such as construction, information and communication, financial services, and house activities, account for less than 4%, combined. This explains why the Gazan economy is concentrated in low value added sectors (PCBS, 2013b).

In terms of size, the vast majority (88%) are small establishments that employ 1-4 workers, while only 10% employ between 5-20 workers. Almost 1% of the establishments employ between 20-99 workers and

[58] The data excludes the agricultural sector

only a few numbers of establishments employ more than 100 workers. With reference to economic activity, the vast majority (94.4%) of establishments in the wholesale and retail sector employ between 1-4 workers, compared to 47% in the construction sector, 84.8% in the services sector, 77% in the manufacturing sector and 62% in the transportation and storage sector.

Table 5.6: Distribution of establishments by main economic activity and employment size (2012)[59]

Economic activity	Total	Employment Size Group			
		1-4	5-9	10-19	20+
Mining and Quarrying	21	10	7	4	0
Manufacturing	4,767	3,661	811	227	68
Electricity, gas, and steam supply	12	6	-	-	6
Water and sewerage activities	243	217	21	3	2
Construction	202	95	46	34	27
Wholesale and retail	24,330	22,982	1,133	166	49
Transportation and storage	285	179	52	41	13
Accommodation and food services	1,860	1,581	222	33	24
Information and communication	303	185	65	28	25
Financial and insurance services	321	250	35	24	12
Real Estate	124	114	7	1	2
Professional, scientific and technical	1,025	879	115	21	10
Administrative and support	733	667	58	8	0
Public administration and defense	2	2	-	-	0
Education	1,115	491	427	130	67
Human health and social work	1,345	1,178	75	46	46
Arts and entertainment	564	465	69	19	11
Other services	4,998	4,571	273	101	53
Household activities	-	-	-		0

Source: PCBS

5.5 Education and Training Provision in the Gaza Strip

5.5.1 Education

Formal schooling in Gaza consists of primary and secondary schooling followed by university or college education. Most schools are public schools administered by the PNA's MoEHE (395), but the UNRWA administers a large portion of the elementary schools in the Strip (245) and a few private ones (50). The total number of students enrolled in primary and secondary schooling is 474,698 students (approximately 50% males and 50% females) distributed on 13,074 classrooms, with a ratio of 36.31 students per class on average. As for higher education, there were 213,581 students in the academic year 2012/2013, of which 94.25% attended universities and 5.75% attended colleges. Of those who attended universities 59.74% are female and 40.26% are male, and of those who attended colleges 47.93% are females and 52.07% are males.

[59] Does not include Auxiliary activities

5.5.2 Technical and Vocational Education and Training (TVET)

The percentage of students enrolled in formal vocational secondary education is only 0.45%[60] of the total number of secondary school students in the Gaza Strip. Although it is very small, the system suffers from fragmentation and multiplicity of providers. It is not based on a clear qualification structure, and certificates differ in accreditation. Furthermore, a 2012 European Training Foundation report has indicated "one of the key priorities of the TVET strategy is to make TVET relevant to the labour market. This has not been the case to date. An old-fashioned system of school management and curriculum revision with limited school autonomy and contact with the social partners has made it difficult for the TVET sector to adapt to changes in the labour market" (ETF, 2012b).

Basic vocational training for young people

- **Ministry of Labour TVET centres**
  The MoL operates 12 TVET centres (8 WB, 4 GS). The training programs' duration varies from a few months up to one year (www.wafainfo.ps). The number of students enrolled in the year 2004-2005 was 2,661 (1,527 in basic vocational training programs, 1,032 in IT programs, and 102 in vehicle driving programs). Around 55% of the graduates of MoL TVET centres are female. The MoL supervises 4 training centres across the Gaza Strip, and offers training courses that last between 4 and 12 months in 15 different professions. The aim is to provide the market with skilled and semi-skilled workers. The training courses are (www.mol.ps):

  - Blacksmithing
  - Lathing
  - Repairing body of vehicles
  - Carpentry
  - General electricity
  - Car mechanic
  - Radio and television
  - Air conditioning
  - Flagstone and pile
  - Repairing office equipment
  - Hair dressing (for Women)
  - Dressmaking (for Women)
  - Dressmaking (for Men)
  - Short training course on using computers
  - Repairing Computers

Table 5.7: List of MoL TVET centres and their details (2014)

TVET Centre	Number of Students 2014	Name of chair person	Contact detail
Al-shafei'I Centre –Gaza City	200	Eng. Akram Goben	2862709
Khan Younis Centre	200	Eng. Hasan Alhomes	2051148
Rafah Centre	200	Eng. Wael Issa	2149472
Dair Al-balah Centre	200	Eng. Ahmed Alnajar	2530046

60 For Agricultural and Industrial schools only; it excludes commercial schools

- **UNRWA TVET centres**
  UNRWA runs one TVET centres in the Gaza Strip offering two-year training programs. It has around 800 students and produces around 350 graduates annually.

Rehabilitation training for young people

The use of vocational training as part of an overall rehabilitation program is used by many organizations including the following:

- **Ministry of Social Affairs TVET centres**
  The ministry of Social Affairs supervises 5 centres across the Gaza Strip. Those centres provide several services for young people aged between 13 and 16 who drop-out of school, especially those who live under harsh social and economic conditions (www.mosa.gov.ps). Vocational training is the main component of the two-year programs offered at the centres. Although the training is in traditional occupations such as metalwork and carpentry and is not properly aligned with the labour market demand, the ministry's TVET centres play an important social function which should be further developed and upgraded. In 2004-2005 the number of students in these centres was around 850 (257 WB, 593 GS), and the number of graduates was 378 (113 WB, 265 GS) (ETF, 2006).

The centres provide the following TVET programs:
1. Training and rehabilitation programs
2. Non-Curriculum Activities (drawing, sports, cultural activities)

Table 5.8: List of MoSA TVET centres and their details (2014)

Centres	Number of Students 2014	Phone number
Bait Lahya Training Centre	100	2473640
Gaza Training Centre	200	2806711
Dair-Albalah Training Centre	100	2530895
Khan Younis Training Centre	200	2051760
Rafah Training Centre	100	2145290

Adult further training and retraining
A wide range of organizations offer further training and retraining opportunities for employed and unemployed adults:

- **Continuing education departments at Universities**
  Almost all universities have continuing education departments and specialized community related departments that offer a wide range of tailored as well as generic training programs for adults.

- **Ministry of Ex-Detainees**
  The ministry operates a vocational training program that caters for the thousands of Palestinian who have been deprived of the chance to continue their studies, or have been away from the labour market, and wants to have an opportunity to re-join the labour market. A variety of training programs are offered, including aluminium work, air conditioning, graphic design, electrics, hairdressing, and vehicle mechanics, as well as various vehicle driving programs. The number of students in these programs is about 1,000. Most programs are short-term, with duration of less than one year (www.freedom.ps).

Industrial Schools

Dair al-balah Industrial School
Dair al-balah Industrial school was established in 2000 to be the first secondary school in Gaza providing industrial education. The duration of study is two years like any other secondary stream, (eleventh and twelfth grades). Upon finishing the eleventh grade the student must choose between the professional stream and the applied stream. After finishing the twelfth grade (tawjihi) in the professional stream the student can join can join any college or university (www.tvet-pal.org). While a graduate of the applied stream can immediately join the labor market. The school offers the following specialization (www.wafainfo.ps):

- Radio and TV
- Communications
- Electronics
- Electricity technician
- Car electricity technician
- Carpentry
- Air conditioning
- Car mechanics
- Central heating

The maximum capacity of each specialization is 20 students. The annual average number of students is 200 and the average number of graduates annually is between 85 and 95. Some of the school facilities was partially destroyed during the last assault on Gaza.[61]

Gaza Secondary Girls School
It was established as the first schools that offers vocational training for girls. The duration of study is 2 years (first secondary and second secondary). Upon finishing the eleventh grade the student must choose between the professional stream and the applied stream (www.tvet-pal.org). After finishing the twelfth grade (tawjihi) in the professional stream the student can join can join any college or university. While a graduate of the applied stream can immediately join the labor market. The school offers the following specialization (www.wafainfo.ps):

- Computer maintenance
- Hair dressing
- Fashion Design

The maximum capacity of each specialization is 20 students. The average annual number of students is between 90 and 100 and since the establishment of the school the average number of graduates is between 40 and 45. Some of the school facilities were partially destroyed during the last assault on Gaza.[62]

Bait Hanoon Secondary Agricultural school
It's the only agricultural school in Gaza Strip it was established in 1954 and it used to be supervised by the UNRWA, later on the school came under the supervision of the MoEHE (Sharek, 2010). The school is in Bait Hanoon in the North of Gaza Strip and also known as Martyerwael Naeim School. The school is mixed and open for both males and females. There are two sections in the school; plant and livestock production. The Beit Hanoon School accommodates a total of 150 students (AbuJazzar, 2012). According

61 Phone interview with the school principal MedhatDosouqi
62 Phone interview with the school principal ManhalFerwana.

to a televised reportage, although agricultural education is essential for economic development the demand on agricultural education is very limited due to cultural factors.

Community Colleges

- **University College for Applied Sciences:**
  UCAS is a Palestinian academic institution of higher-education in Gaza Strip, Palestine. It was established in 1998 as a technical and vocational education College and is currently accredited by the Palestinian Ministry of Education and Higher Education as a University College offering Bachelor and diploma degrees in more than 40 different distinguished technically and technologically-oriented programs (en.ucas.edu.ps). The college offers 12 B.A. majors (Technological Administration, Applied Accounting, Technological Education, GIS, Developmental Planning, Primary Education, Islamic Da'wa, Information Security Engineering, Constructions Technology Engineering). It also offers 45 different two-year Diploma programs and 5 one-year Diploma programs) (en.ucas.edu.ps).

Number of Students	7,900 (3,450 females, 3,815 males)
Number of Academic Staff	490 (149 with phd and masters)
Graduates since establishments	14,500

- **Near East Council of Churches Committee for Refugee Work - Gaza Area**
  NECC in Gaza Strip supervises four training centres; two of which are exclusively technical and vocational training and education centres, while other ones are Advanced Dress Making centre and Secretarial Studies and English Language. As NECC believes and promotes for gender equity, Gaza and Al Qarara centres targeting male students and the other two centres targeting female students. The four NECC vocational training centres are listed in the following table (DSPR, 2011):

Centre	Location	Year of Establishment	Duration of Study
Carpentry and Furniture Making/ Metal/Aluminium Works and Welding	Gaza City, Al Shyja'ya area	1958	3 years
Secretarial Studies and English Language	Gaza City, Rimal, NECC building	1964	One year
Advanced Dressmaking	Gaza City, Rimal, NECC building	1964	One year
General Electricity and Motor Rewinding	Khan Younis, south of Gaza city, Al Qarara Area	1982	2 years

Target groups:
- ✧ Female secondary school graduates (Secretarial and English Language Centre).
- ✧ Up 16 years old female students (Advanced Dress Making Centre).
- ✧ Dropped out male school students; 14-16 years old (Carpentry and Furniture Making/ Metal/Aluminium Works and Welding vocational training centre)
- ✧ 10th grade male school students; 16-23 years old (Electricity vocational training centre).

5.6 Conclusion

Even though potential Growth of the economy of Gaza is limited due to unprecedentedly high levels of unemployment, restrictions on land accessibility and unavailable land endowments, there are still some potential areas of economic development, such as: agriculture and fishing, industry and manufacturing, construction, and renewable energy sectors. In spite the volatility of these sectors, their contribution to employment remains significant. Interventions geared towards removing restrictions on access to coastal water, entry of raw material and equipment, and access to additional water quantities, will create additional job opportunities and enhance the performance of the aforementioned sectors. Moreover, Gazans who live in vulnerable and marginalized areas, particularly those who have limited access to sea and those who lost land in the buffer zone face severe food insecurity. These Gazans depleted their assets and exhausted their coping strategies. Hence, small-scale agriculture, backyard production, cottage industries, and livestock breeding could enable communities to reduce their dependency on direct food aid and help generate much needed income. It targets the most vulnerable groups in the most vulnerable localities. Therefore, if the political environment moves forward positively and Israeli restrictions are removed, there would be a significant opportunity for these sectors to grow.

Moreover, increasing domestic production of renewable energy, presents an opportunity for Gaza to decrease its dependency on energy imports from Israel. This could be initiated by installing photovoltaic systems and wind turbines, and the utilization of organic and animal waste as an alternative source of energy.

The Technical and Vocational Education and Training system aims to create a high-skilled, knowledgeable and motivated labour force. However, the TVET system in Gaza is rigid, traditional, centralized, and is not based on a clear qualification structure. Moreover, both high unemployment and labour force rates limit the development of the TVET system. Thus, efforts should be focused towards improving the system through further training and retraining, and a better understanding of the market needs in terms of employment. The TVET system should also be flexible with the economic shifts towards certain sectors and a better understanding of employment opportunities.

6. GENERAL CONCLUSION

The Palestinian labor market suffers from a great divergence between skills demanded and skilled supplied leading to state of chronic mismatch. In order for solutions to be applicable across a severely noncontiguous geographical area, the problem must be addressed at a national level, but also at the level of the locales, an angle that this report adopts. The four distinct geopolitical locales at hand (East Jerusalem, area C, the Palestinian refugee camps in the West Bank, and the Gaza Strip) are under particular distress. Not only were they effected by the slowing of economic growth in the entirety of the OPT, but they are also unique in their challenges; namely, unemployment, woman labor participation and unemployment, lack of access to land (and in some cases water) for both cultivation and expansion, and underdevelopment of skills in their most promising economic sectors. The four areas in question exhibit serious symptoms of these issues – making them ripe for developmental project.

Unemployment is the first major issue from which the Palestinian economy suffers. The rate of unemployment in OPT reached 26.5% in the fourth quarter of 2014 (PCBS, 2015). This rate compares favorably to the Gaza Strip's 42.8% (2014) and to the UNRWA's estimated unemployment rates in the West Bank's refugee camps (24.4% sans the economic decline of the last 4 years). The Gazan economy has been subject to various assaults and a severe economic blockade that have stifled its growth potential. On the other hand, the refugee camps reflect consistently score worse on employment indicators than neighboring Palestinian population centres due to less development internal markets. East Jerusalem's unemployment rate (17.6%) and area C's (17%) are significantly better off than the national average. This is slightly deceiving since a larger portion of area C's workers tend to work as unpaid family helpers, which hides real unemployment rates. Parallel, East Jerusalemites benefit directly from their access to the Israeli job market, which keeps their unemployment rates consistently low.

All four geographic areas suffer from various degrees of low female participation in the labour force. The OPT's LFPR for females remains at 17.3% higher that it is in East Jerusalem (6.9%) and the Gaza Strip (16%) and lower than that in area C (22.2%), while data on the LFPR among women in the refugee camps remain inconclusive. East Jerusalem's female LFPR is especially troubling, as it has been decreasing for the past few years, from 12.5% in 2008. On the other hand, as with unemployment rates, LFPR among women in area C are skewed by the fact that most females (and workers in general) are employed within the low-yielding agricultural sector, which masks the true level of unemployment. Thus, it is evident that female participation in the labour force is an especially pressing concern.

Access to land is the key determining factor in most of the areas in this report. East Jerusalem is constantly under particularly stringent Israeli restriction on building expansion and access to agricultural land since its illegal annexation in 1967. Similar mechanisms are at work in area C, which depends disproportionally on agriculture for sustenance and income, while most of said lands are out of the reach of residents. The Gaza Strip is naturally constrained by its initially small land area, as well as the existence of the seam zone on a large portion of its most fertile lands. Finally, refugee camps, mostly, fall within the limits of population centers in the West Bank, which are equally constrained from access to agricultural land by the large areas under Israeli control as area C.

The final one of the most pressing issues is the lack of skill development in the most promising economic sectors in the areas at hand. East Jerusalem is in high need for skilled workers in hospitality, graphic design, telecommunications and soft skills, IT-related professions, marketing, sales, and public relations. These skills are highly demanded especially in the tourism and trade sectors, which have a strong potential of economic growth in the city. The economic growth potential of area C is strangled by lack of access to land, and water resources and markets. In large measure, this is due to Israeli restrictions on Palestinian construction of public and private projects in the vast majority of area C, but also in lack of skill development in the key areas of potential. These restrictions limit access to $2.2 billion in added value (this does not include $1.2 billion in indirect effects) to the Palestinian GDP annually; through increased agricultural and livestock land and output, quarrying endowment, and tourism. Refugee camps are crowded, leaving little room for expansion and development. Moreover, businesses within the camps tend to be small and informal making them lowly profitable, difficult to regulate and organize, and with limited expansion potential. Thus, skill developments in economic sectors that have thrived in the corresponding population centers are the most suitable targets for future development. The Gaza Strip suffers from lack of investment in particularly useful skills given its unique economic and geopolitical circumstances. Most prominent among these are agriculture and fishing, industry and manufacturing, construction, and renewable energy sectors

The TVET system aims to create a high-skilled, knowledgeable and motivated labour force. However, the TVET system in Palestine is rigid, traditional, centralized, and is not based on a clear qualification structure. Moreover, both high unemployment and low labour force participation rates limit the development of the TVET system. Thus, efforts should be focused towards improving the system through further training and retraining, and a better understanding of the market needs in terms of employment. The TVET system should also be flexible with the economic shifts towards certain sectors and a better understanding of employment opportunities. These outcomes, and the recommendations based on them, will only be beneficial if their implementation fell within a coherent national plan.

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8. APPENDICES

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Table 8.1: Distribution of TVET institutions according to responsible authority[63]

Responsible Authority	TVET Institution	Number	Duration	Requirements of Admission
MoEHE	Vocational schools (industrial, agricultural, hotel managements and home economics	17	Two years	Tenth grade students
	Commercial schools	9		
MoL	Vocational Training Centres	14	6-10 months	Tenth grade
MoA	14 youth rehabilitation centres	16	Two years	Target groups
Other institutions (connected with government sector)	Prisoners' club (Abu Jihad) and National Institute for Information Technology	2	2-9 months / 30-1200 training hours	Target groups
UNRWA	Vocational Training Centre	3	Two Years	9-12 grade students and target groups
NGO's	Vocational schools (industrial and hotel)	4	Two years	Tenth grade
	Vocational Training Centres	7	11 months to two years	target groups
	Vocational Training Centres	3	6-11 months	10-12 grade students
Other institutions (private sector, cultural centres and women centres	More than 200 cultural centres are registered for Ministry of Education and Higher Education and Ministry of Labour		30-300 training hours	Very dependent on the subject of training / education
Total		76 institutions		

[63] http://www.tvet-pal.org/en/content/qualitative-and-quantitative-training-needs-assessment-study-qualified-workforce-within

Table 8.2: Courses of study provided by public VET Centres attached to the Ministry of Labor [64]

Public TVET Centre of Hebron	✧ Executive secretary ✧ Cosmetology ✧ Sewing and tailoring ✧ Electrical ✧ Metal forming ✧ Carpentry ✧ Automotive ✧ Architecture/graphic design ✧ Office equipment servicing and repair
Public TVET Centre of Nablus	✧ Executive secretary ✧ Cosmetology ✧ Sewing and tailoring ✧ Architecture/graphic design
Public TVET Centre of BeitJala (Bethlehem)	✧ 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 Centre of Tulkarm	✧ Executive secretary ✧ Cosmetology ✧ Sewing and tailoring ✧ Electrical ✧ Auto-mechanical ✧ Carpentry ✧ Metalwork ✧ Heating and air-conditioning ✧ Water supply, sanitation and drainage
Public TVET Centre 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

[64] Gap Analysis Report, Palestine VET-NGO League.

Table 8.3: The existing Technical and Vocational Education and Training (TVET) Centres In East Jerusalem

Name of the TVET centre	Programs offered	Enrolment	Contact details
1. The Jerusalem Industrial Secondary School/ Arabian Orphan	electrical wiring; maintenance of office machines and computers; programming and communications; scrap yard; maintenance of sanitary ware and central heating; carpentry; hotel management; decor; and mechatronics (a new program for 2015).	300-350 (but their capacity is much higher. Before the construction of the Wall, they had around	5833896
2. The East Jerusalem YMCA (Young Men's Christian Association)	auto-mechanics; carpentry; metal and aluminum works; office administration; graphic design; ICDL (International Computer Driving License); industrial electronics; plumbing; central heating; auto-mechanics; food processing; making oriental and western sweets; heating and air conditioning.	160 students enrolled, and 155 doing field-work	Maher Dri'at: 0599165166
3. The YWCA (Young Women's Christian Association)	Secretariat and office administration; multimedia, including journalism, montage, direction and graphic design; E-marketing; and sales reps.	70 students currently enrolled	May 'Amireh: 6282593
4. The Vocational Training Centre at the Lutheran World Federation	electronics; auto mechanics; carpentry; metalwork; telecommunications; central heating; plumbing; Handicraft and ceramics; and food making.	350 students currently enrolled	Mahmoud al Adadya: 5854102
5. Orphan Islamic industrial school in the old city of Jerusalem	Printing and binding; graphic design; carpentry and paint; upholstery, bamboo and sewing.		Couldn't contact them!
6. Qalandia Training Centre- UNRWA	Building finishing, decoration, carpentry and furniture making; Acclimatization and sanitation: Plumbing & Central Heating, and Refrigeration and Air Conditioning; General Electrical Installations, Auto Electrical Systems, Elevators' Technicians; Electronics: Office Equipment and computer Maintenance, PC Maintenance and Network Installation, Mobile Maintenance, Telecommunications, Car Mechatronics, Diesel and Agricultural Machinery Mechanics, and Auto Body Repair; Mechanical metal works: smithery and welding, machining/welding, and Aluminum fabrications.	400 students (the centre is operating at full capacity)	Adeeb Suleiman: 2351740

Table 8.4: VET specialties and number of corresponding classes

Specialty	Number of classes
Electricity usage /General Electric	33
Industrial Electronic	14
Computer Maintenance	17
Communication /Communication Technology	11
Radio & TV	4
Office and computer maintenance	13
Auto Electronic	13
Auto Mechanic	23
Sanitary ware Maintenance	11
Ventilation & AC	16
Lathing and lathe leveling	9
Metal smith / metal smith and welding	26
Aluminum	10
Carpenter / carpentry and decor	26
Future repair and interior design	11
Building and Surveying	3
Printing & bookbinding	2
Beatification / Barber	44
Cloth Production & Fashion/ fashion design/ Tailoring	6
Management & Reception	3
Planet production	1
Animal Production	1
Body & Paint Jobs	11
Secretary & Office Automation	20
Executive Secretary	7
Medical Secretary	5
Other secretaries (Judicial, Tourism, vocational)	3
Architectural drawing/Auto Cad	4
Tyler	2
Production of food service and cooking	7
Music	10
Photography	14
Computer Usage	83
Commercial Careers	24
Languages	69
Planning/Drawing	2
Dying	7
Art(Production of animation films, drawing in oil and water paints,etc)	9
Engineering careers	10
ICDL	9

Specialty	Number of classes
Mobile Maintenance/Cellular Phone Technique	1
Marketing	3
Financial management/Tax Services	11
Accounting	3
Public relations	4
Hotel Management	3
Kindergarten education	1
librarianship	2
occasion coordinator	4
Auto-Mechatronics	1
Elevators Maintenance	1
Industrial Machines Maintenance	1
Intelligent Building Technology	2
Tourism Careers(earthenware, conch, wood, olive, ...etc)	5
Graphic Design	2
Primary Health, Community Health	2
physiotherapy	2
Industrial atomization	1
Production technology	1
Manufacture in Factories(Control Systems, Mechanical Maintenance, Maintenance Management)	1
Alarm and surveillance equipment	1
Computerized Interior Design	1
Stone and marble Technology	1
Electric power networks	1
Geographic systems	1
Applied Software, Software Developer	1
Systems and Networks	1
Multimedia	1
E-Commerce	1

Table 8.5: List of TVET centres in the West Bank

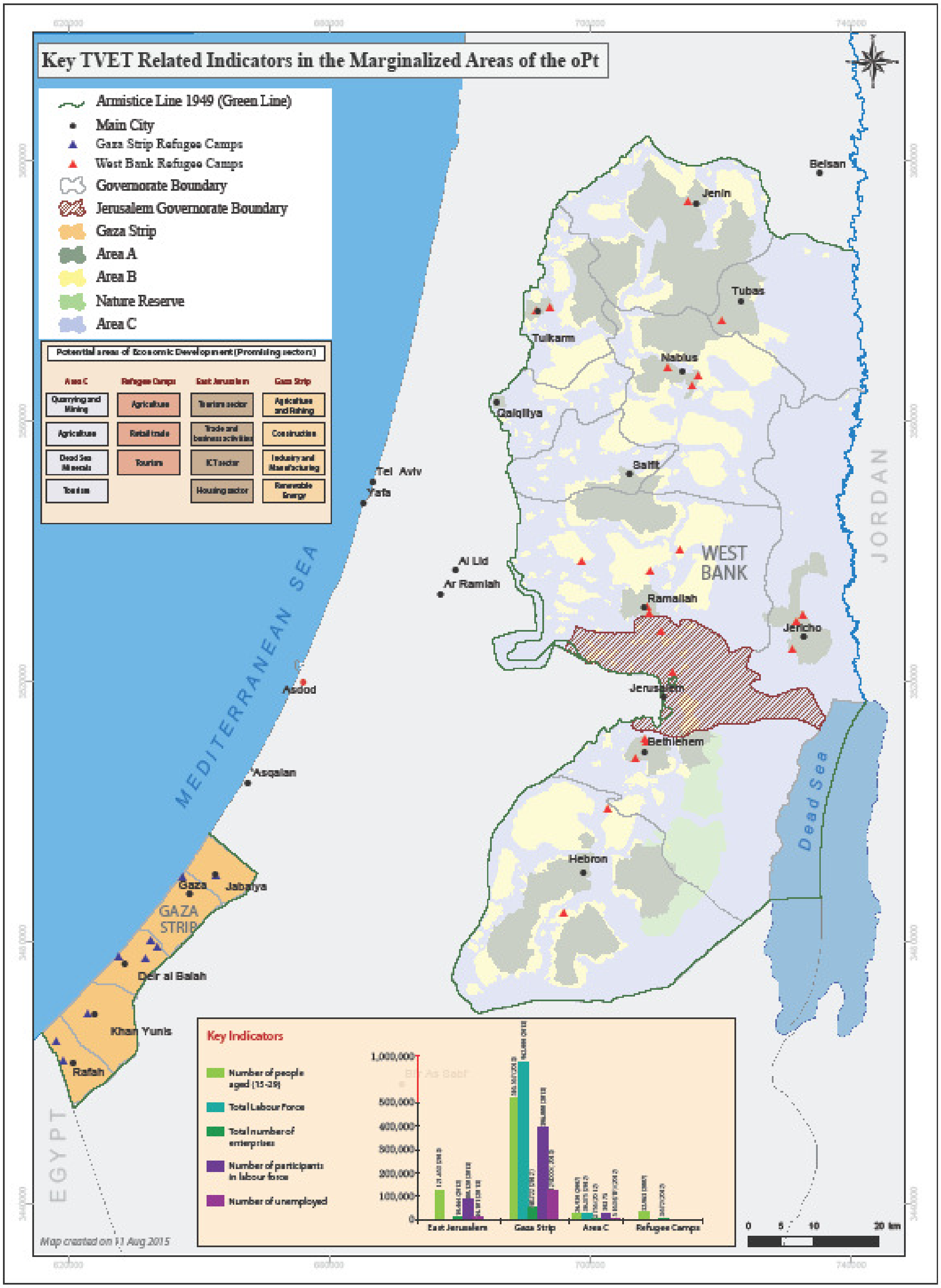
Hebron	Hebron Industrial Secondary School
	Dura Vocational Secondary Girls School
	Al-Arrub Agricultural Secondary School.
	Hebron Vocational Training Centre
	Halhool Vocational Training Centre
	Palestine Polytechnic
	Social Rehabilitation Centre for Youth
	Sa'eb Al-Nathar Educational and Vocational Training Centre
	Cultural centres (22 centres)
Bethlehem	Salesian school
	BeitJala Vocational Training Centre
	Salesian Vocational Training Centre
	The Educational Centre of Talitha Kumi
	Dar- Al-Kalima College- Continuing Educational Department
	Al-Mustaqbal Vocational Technological Centre
	Shera' Training Centre
	Cultural Centres (18 Centres)
Jericho	Vocational Training Centre / Young Men's Christian Association
	Al-Bir Society for Martyrs Sons
	Cultural Centres(9 Centres)
Jerusalem and its Environs	Abdulla Ibn Alhussen Secondary girls school
	The Jerusalem Industrial Secondary School/ Arabian Orphan
	Orphan Islamic industrial school in the old city of Jerusalem
	The Vocational Training Centre at the Lutheran World Federation
	The East Jerusalem YMCA (Young Men's Christian Association)
	The YWCA (Young Women's Christian Association)
	Cultural Centres
Ramallah and Al-Bireh	Deir Dibwan Secondary Industrial School
	Martyr Abu Jihad College(MAJ College)
	Qalandiya Vocational Training Centre / UNRWA
	Evangelical Episcopal Centre (private)
	Beit-Ur Vocational Training Centre
	In'ash Al-Usra Association centre
	Young Women's Christian Association/ Vocational Training Centre
	Vocational Training Centre/National Gathering of Palestinian Martyrs Families Association
	The Episcopal Technological & Vocational Training Centre(ETVTC)
	Social Rehabilitation Centre for Youth
	Lutheran World Federation/ Vocational Training Centre
	Al-Mustaqbal Vocational Technological Centre
	National Centre for Studies, Research & Training
	National Institute for Information Technology

	Women Training Centre- Al-Tirah
	Cultural Centres (26 Centres)
Salfeet	Salfeet Industrial Secondary School
	Cultural Centres (2 Centres)
Nablus	Nablus Industrial Secondary School
	Hisham Hijjawi College
	Nablus Vocational Training Centre
	Social Rehabilitation Centre for Youth
	Social Rehabilitation Centre for Yong Girls
	Cultural Centres
Qalqilya	Qalqilya Industrial Secondary School
	Qalqilya Vocational Training Centre
	Social Rehabilitation Centre for Youth
	Cultural Centres
Tulkarm	Tulkarm Industrial Secondary School
	Tulkarm Vocational Training Centre
	Social Rehabilitation Centre for Youth
	Cultural Centres
Jenin	Jenin Industrial Secondary School
	Sela Al-Dahr Industrial Secondary School
	.Jenin Vocational Training Centre
	Social Rehabilitation Centre for Youth
	Social Rehabilitation Centre for Young Girls
	Cultural Centres

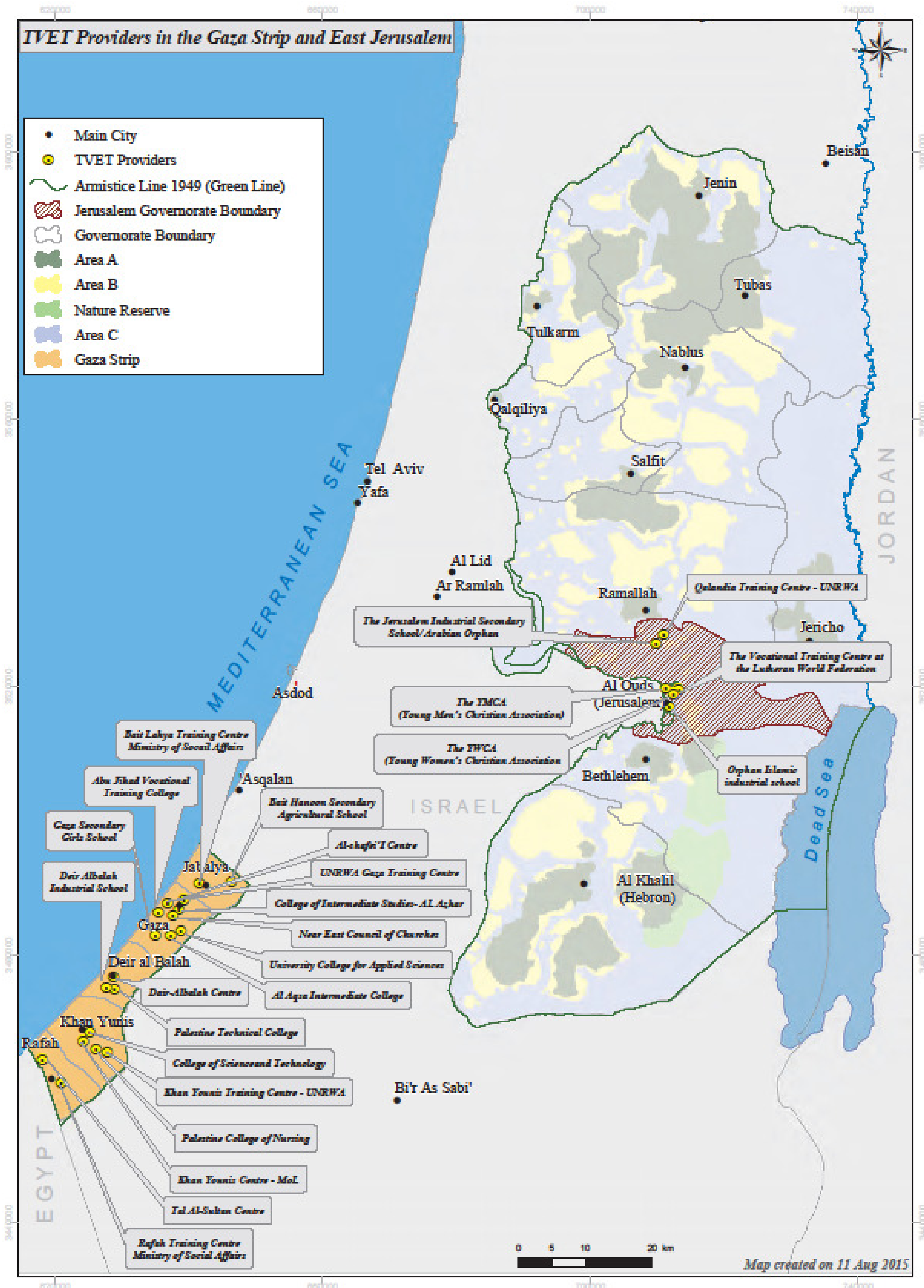
Table 8.6: VTCs in the Gaza Strip

	TVET Centre	Number of Students 2014	Contact detail
Basic Vocational training for young people			
	Ministry of Labour		
	Al-shafei'I Centre –Gaza City	200	2862709
	Khan Younis Centre	200	2051148
	Rafah Centre	200	2149472
	Dair Al-balah Centre	200	2530046
	UNRWA: Gaza Community/ Training College	800	2887143
Rehabilitation training for young people			
	Ministry of Social Affairs		
	Bait Lahya Training Centre	100	2473640
	Gaza Training Centre	200	2806711
	Dair-Albalah Training Centre	100	2530895
	Khan Younis Training Centre	200	2051760
	Rafah Training Centre	100	2145290
Adult further training and retraining			
	Ministry of Ex-Detainees	1000	2428529
Industrial Schools			
	DeirAlbalah Industrial School	200	2537699
	Gaza Secondary Girls School	90-100	2800144
	BeitHanoon Secondary Agricultural School	150	

Map 8.1: Key TVET Related Indicators in the Marginalized Areas of the oPt



Map 8.2: TVET Providers in the Gaza Strip and East Jerusalem



9. Executive Summary (Arabic)

الملخص التنفيذي

الاقتصاد الفلسطيني اقتصاد نامي، وذو بنية تقليدية مصاحبة للعديد من التشوهات وبالأخص في البنية الاقتصادية والعلاقات الخارجية. وتأتي هذه التشوهات بشكل أساسي بسبب الاحتلال الإسرائيلي طويل الأمد، والإجراءات والسياسات التي نفذها بحق الشعب الفلسطيني. وخلال مراحل تطوره، خضع الاقتصاد الفلسطيني إلى نوعين من المؤثرات: الأول ويشمل الإجراءات الإدارية الإسرائيلية التي عملت على إقصاء الفلسطينيين عن معظم مصادر النمو الاقتصادي، ويشمل ذلك القدس الشرقية ومعظم الأراضي والمياه والموارد الطبيعية الأخرى. والتي عملت أيضا على تقييد استغلال المصادر المحدودة التي ظلت متاحة لاستخدام الفلسطينيين من خلال إجراءات الإغلاق وتقييد التجارة الداخلية والخارجية، وحصار قطاع غزة ومنع تطوير البنى التحتية. أما النوع الثاني من المؤثرات فقد كان بفعل إلحاق الاقتصاد الفلسطيني بالغلاف الجمركي الإسرائيلي، والذي حول الأراضي المحتلة إلى سوق حرة للشركات الإسرائيلية، والتي بدورها استغلت المصادر الفلسطينية وحولت السوق الفلسطيني إلى حديقة خلفية تابعة للاقتصاد الإسرائيلي. وأصبح الطلب الإسرائيلي على السلع الفلسطينية الرخيصة العامل الرئيسي في إعادة تشكيل بنية الاقتصاد الفلسطيني، وحصر تجارته الخارجية مع إسرائيل، سواء من حيث كونه سوقاً للبضائع الإسرائيلية أو مصدراً للأيدي العاملة وبعض المواد الأولية. وفي ظل هذه المؤثرات، التي ما تزال قائمة إلى يومنا هذا، كان نمو الاقتصاد الفلسطيني ضعيفا جدا بالمقارنة مع كافة الدول النامية الأخرى، وهشا من حيث عدم استدامته وتبعيته للسياسات والإجراءات الإسرائيلية.

بدأ الاقتصاد الفلسطيني بدخول حالة من الأزمة الاقتصادية المزمنة منذ العام 2000، وبالأخص بعد أعمال التدمير التي قامت بها سلطات الاحتلال للبنى التحتية والممتلكات الفلسطينية العامة والخاصة، والبدء ببناء الجدار الفاصل، وتنفيذ نظام الإغلاق لتعطيل التجارة الداخلية، وتقييد استيراد السلع والخدمات من الأراضي الفلسطينية المحتلة وتقليص عدد العمال الفلسطينيين المسموح لهم العمل في إسرائيل بشكل حاد. تنعكس الأزمة بشكل واضح في تراجع وركود النمو الاقتصادي، ارتفاع مستويات البطالة والفقر، وتوسع العجز في موازنة السلطة الفلسطينية. وبدون أدنى شك، أدت هذه العوامل إلى تراجع الاستثمار وضعف قدرة الاقتصاد الفلسطيني على استيعاب الوافدين الجدد لسوق العمل، مما أدى إلى تفاقم البطالة في أوساط الشباب وخصوصا الخريجين منهم، الأمر الذي وضع السلطة الوطنية الفلسطينية والجهات المانحة أمام تحديات كبيرة للبحث عن حلول من شأنها التخفيف من حدة الأزمة.

وكان موضوع موائمة عرض المهارات مع احتياجات سوق العمل من بين القضايا التي يتركز الاهتمام حولها للتخفيف من حدة الأزمة، وكحل قابل للتطبيق في ظل المعيقات المفروضة على الاقتصاد الفلسطيني. ويرجع ذلك إلى عدة أسباب، أولها؛ إن معالجة الفجوة بين العرض والطلب على المهارات، أو تقليص حدة هذه الفجوة، هو أمر قابل للتحقيق في حال توفرت الإرادة السياسية، كما أن معالجتها ستؤدي إلى زيادة التشغيل وزيادة العائد على التعليم، والذي يحمل نتائج ايجابية للشباب في مرحلة الانتقال من المدرسة إلى سوق العمل بوجه خاص، وللمجتمع الفلسطيني بشكل عام. كما سيؤدي تحقيق الموائمة بين العرض والطلب على المهارات إلى التأثير بشكل إيجابي على المشغلين، وبالأخص في القطاع الخاص.

وهذا التقرير يعده معهد أبحاث السياسات الاقتصادية الفلسطيني (ماس) لمؤسسة التعاون الدولي الألمانية (GIZ) حول فجوة المهارات في مجال التعليم والتدريب المهني، وهو خطوة هامة لإعداد مؤسسة (GIZ) خطتها لدعم تطوير قطاع التعليم والتدريب المهني الفلسطيني للفترة القادمة، والتي تستهدف معالجة الفجوة بين العرض والطلب على مهارات التعليم والتدريب المهني في المناطق الفلسطينية ذات الأولوية القصوى من حيث احتياجاتها التنموية وهي: قطاع غزة، والقدس الشرقية، والمناطق (ج)، ومخيمات اللاجئين الفلسطينيين في

الضفة الغربية. ويقدم التقرير تشخيصا للأوضاع الاجتماعية والاقتصادية في كل منطقة، وبنية الأنشطة الاقتصادية فيها. كما يستعرض البنية التحتية للتعليم والتدريب المهني والتقني، والقدرات والطاقة الاستيعابية للمؤسسات الناشطة في هذا المجال، وتحديد مجالات التطوير المطلوبة في المهارات التي تنسجم مع الاحتياجات التنموية في تلك المناطق. وفيما يلي ابرز النتائج التي توصل إليها التقرير في المناطق الأربعة المدروسة:

القدس الشرقية

اقتصاد القدس الشرقية يعاني على نحو متزايد بسبب السياسات الإسرائيلية من الضم والتفكيك والعزل والتي ازدادت وتيرتها بعد بناء جدار الفصل العنصري. وصل عدد السكان في القدس الشرقية خلال عام 2013 إلى أربع مئة وأربعة آلاف (404,165) شخص (مناطق J1 وJ2). وأكثرية السكان من الشباب التي تعاني من مستويات عالية من البطالة الهيكلية. فمثلا، خلال عام 2014، 17.6% من المشاركين في القوى العاملة كانوا عاطلين عن العمل وثلثهم تتراوح أعمارهم بين 20 و24 عاما. من ناحية التعليم، يعاني هذا القطاع من عدة مشاكل نتيجة للسياسات التمييزية الإسرائيلية ضد الفلسطينيين. كما أن النظام التعليمي مفكك ويقع تحت إدارة عدة جهات: السلطات التعليمية والبلدية الإسرائيلية، والأونروا، والأوقاف الإسلامية، والقطاع الخاص. ومع ذلك، هناك خمسة قطاعات رئيسية محتملة لتحقيق النمو اقتصادي، وهي: قطاع السياحة، وقطاع التجارة والأعمال، وقطاع تكنولوجيا المعلومات والاتصالات، وقطاع الإسكان، وقطاع التنمية الاجتماعية.

يوجد ستة مراكز تدريب مهني وتقني تعمل قي القدس الشرقية حاليا وهي: مدرسة القدس الثانوية الصناعية/ اليتيم العربي، وجمعية الشابات المسيحيات في القدس الشرقية، ومركز التدريب المهني في الاتحاد اللوثري العالمي، ومدرسة دار الأيتام الإسلامية الصناعية في البلدة القديمة في القدس، ومركز قلنديا للتدريب /الأونروا. تعاني هذه المراكز من ضعف البنية التحتية ونقص في الموارد البشرية المؤهلة للتعامل مع وتلبية احتياجات سوق العمل المتغيرة. ولضمان توظيف خريجين هذه المراكز والتوفيق بين العرض والطلب في سوق العمل، يجب ان تعطي مراكز التدريب المهني والتقني أهمية اكبر للمجالات التالية: التصميم الغرافيكي، والاتصالات والمهن المتعلقة بتكنولوجيا المعلومات، والتسويق والمبيعات، والعلاقات العامة. فهذه المهارات مطلوبة بشدة خاصة في قطاع السياحة الذي لديه إمكانيات قوية للنمو.

المناطق (ج)

المناطق (ج) تقع في الضفة الغربية وقد تم الاتفاق خلال محادثات أوسلو على أن تبقى تحت السيطرة المدنية والعسكرية الإسرائيلية الكاملة وتحويلها تدريجيا تحت السيطرة الفلسطينية. تغطي المناطق (ج) 62% من المساحة الكلية لأراضي الضفة الغربية، ولكن 70% من الأراضي في المناطق (ج) تستخدم لتوسيع المستوطنات، في حين 1% فقط من الأرضي في المناطق (ج) متاحة للتوسع السكاني الفلسطيني. وحتى يومنا هذا، لا تزال المناطق (ج) تحت السيطرة الإسرائيلية الكاملة في حين تأوي مئة وسبعة وثمانون ألف (187,000) فلسطيني. 41% من سكان المناطق (ج) تقل أعمارهم عن 14 سنة (أي خارج القوى العاملة)، وفي حين 68% تقل أعمارهم عن 29 سنة. ووفقا لتقرير أعده الجهاز المركزي للإحصاء الفلسطيني عام 2013، هنالك 50,000 طالب وطالبة مسجلون في 183 مدرسة في المناطق (ج) تحت إشراف وزارة التربية والتعليم الفلسطينية، والتي تواجه صعوبات جمة في تطوير المدارس القائمة وفي بناء مدارس جديدة بسبب القيود الإسرائيلية. ولذا يواجه هؤلاء الطلاب مشاكل جمة بسبب صعوبة الحصول على جودة جيدة من التعليم. لذا تشير التقديرات إلى أن غالبية سكان المناطق (ج) غير حاصلين على دبلوم المدارس الثانوية وبشكل عام، يعتبر سكان المناطق (ج) أقل تعليما من سكان المناطق (أ) و (ب).

المعلومات المتعلقة بأنماط العمل في المناطق (ج) لا تزال محدودة. ومع ذلك، هناك بعض الحقائق الرئيسية الواجب ذكرها. العمال الفلسطينيون في تلك المناطق أكثر عرضة لترك مواقع سكنهم والبحث عن فرص عمل في المناطق (أ) و (ب). 39% من مجمل الوظائف في المناطق (ج) هي في الزراعة مقارنة ب 12% في مناطق (أ) و (ب). وترتبط الإمكانات الاقتصادية للمناطق (ج) ارتباطا وثيقا مع القيود المفروضة من قبل سلطات الاحتلال الإسرائيلية على الوصول إلى الأراضي. تنحصر فرص التدريب المهني والتقني الواعدة في تلك المناطق على السياحة، واستخراج المعادن، والمحاجر والتعدين، والنشاطات الزراعية ذات العوائد المرتفعة. ويجدر الذكر هنا أن البنك الدولي قدر أن القيود الإسرائيلية على المناطق (ج) تحد من الوصول إلى ما يقارب 23% من الناتج المحلي الإجمالي الفلسطيني. ومع ذلك، هناك خطوات ملحة يجب أخذها بعين الاعتبار. أولا، الحاجة إلى زيادة اهتمام السلطة الوطنية الفلسطينية بتيسير وتشجيع الاستثمار الخاص والعام في المناطق (ج). ثانيا، قيام السلطة الوطنية الفلسطينية، من خلال تحفيز شركات القطاع الخاص وأرباب العمل، باستهداف موظفي مناطق (ج) للتوظيف والتدريب. وأخيرا، قيام السلطة الوطنية الفلسطينية ومراكز التدريب المهني والتقني التي تقع قرب المناطق (ج) بتسهيل وصول سكان المناطق (ج) إلى المراكز والتسجيل في مرافقهم.

مخيمات اللاجئين الفلسطينيين في الضفة الغربية

بعد تأسيس دولة إسرائيل عام 1948، تم طرد مئات الآلاف من الفلسطينيين من منازلهم وأصبحوا لاجئين في مخيمات تدار من قبل الأونروا في الدول العربية المجاورة وفي الضفة الغربية وقطاع غزة. ومع نهاية عام 2013، كان هناك 754,411 "لاجئ مسجل" في الضفة الغربية، 220,775 منهم يعيشون في 19 مخيما للاجئين في الضفة الغربية تحت إدارة الأونروا. 42% من سكان المخيمات تحت سن 14 سنة، في حين أن 69% تحت سن 29 سنة. وتدير الأونروا 97 مدرسة (ومعظمهم مدارس ابتدائية) تحتوي على 51,327 تلميذا في مخيمات الضفة الغربية. ومن الجدير بالذكر أن البطالة متفشية في مخيمات الضفة الغربية بشكل كبير، حيث أن معدلات البطالة في المخيمات أعلى من معدلاتها في الأحياء المجاورة. كما تدير الأونروا برامج عديدة لتمويل المشروعات الصغيرة للاجئين في الأراضي الفلسطينية المحتلة. فمنذ بدء البرامج حتى يناير 2014، تم إعطاء 90,366 قرض فردي للاجئين بمبلغ إجمالي وصل إلى 128.5 مليون دولار أمريكي.

وبسبب معدلات الفقر المرتفعة جدا في المخيمات، يعتمد اللاجئين على المدن المجاورة للحصول على الرعاية الصحية، والتعليم المتقدم، والعمالة ذات الأجور المرتفعة نسبيا، والتدريب المهني والتقني. لذا، لا بد من اتخاذ إجراءات فورية، ليس فقط لضمان التنمية الاقتصادية داخل المخيمات، ولكن أيضا للتخفيف من التفاوت في مستويات المعيشة بين المخيمات والمناطق المجاورة. وهذا يتطلب تشجيع الاستثمارات في المناطق المحيطة بالمخيمات، وزيادة مساحات الأراضي المجاورة لها وإتاحتها للاستخدام من قبل سكان المخيمات لتخفيف الاكتظاظ السكاني في المخيمات وتحسين بيئة السكن. ثانيا، زيادة استثمار الفلسطينيين في الأعمال التجارية القريبة من المخيمات من خلال إقامة مناطق صناعية وحرفية، وزيادة اهتمام الاونروا بتقديم القروض للمستثمرين فيها من اللاجئين، إضافة إلى اشتمالها كمناطق تطوير ذات أولوية لتشجيع الاستثمار فيها. ثالثا، زيادة عدد وقدرة مراكز التدريب المهني والتقني القريبة من المخيمات بما يشجع الشباب اللاجئين للالتحاق بها. رابعا، اهتمام السلطة الفلسطينية بمعالجة أوجه القصور في نظام الأونروا التعليمي والصحي داخل المخيمات.

قطاع غزة

قطاع غزة جزء لا يتجزأ من الاقتصاد الفلسطيني. وبلغ الناتج المحلي الإجمالي في قطاع غزة 2.9 مليار دولار في 2013 (بالأسعار الثابتة 2010)، وهو ما يمثل 24.4% من الناتج المحلي الإجمالي للأراضي الفلسطينية. اعتبارا من يونيو عام 2014، تواجد أكثر من 1.7 مليون شخص في قطاع غزة على مساحة تقل عن 360 كم2. 43.2% من مجموع السكان هم من الأطفال الذين تقل أعمارهم عن

14 سنة من العمر. هناك 474698 طالب مسجل في التعليم الابتدائي والثانوي في 395 مدرسة حكومية و 245 مدرسة تابعة للأونروا و50 مدرسة خاصة في قطاع غزة، مع معدل 31.36 طالب في الصف الواحد. إضافة إلى ذلك، وفرت مؤسسات التعليم العالي التدريب لـ 213581 طالب، خلال العام الدراسي 2013/2012. وعلى مدى العقد الماضي، ازداد معدل المشاركة في القوى العاملة من 37.3% في عام 2004 إلى 41.2% في عام 2013. سجل معدل المشاركة في القوى العاملة لدى النساء نسبة منخفضة جدا (16%) في العام 2013 بسبب ارتفاع معدلات البطالة وبعض القيود الاجتماعية التي تقف في طريق العديد من النساء للانضمام إلى القوى العاملة. وقد ساهم الحصار منذ 2006 والاعتداءات الإسرائيلية المتتالية إلى استنزاف قاعدة الأصول في غزة مما أدى إلى الحد من النمو وإلحاق أضرارا جسيمة بهيكلية الاقتصاد، وتراجع مساهمة قطاع غزة في الاقتصاد الفلسطيني إلى نصف ما كان عليه سابقا.

يقدر العدد الإجمالي لمراكز التدريب المهني والتقني في قطاع غزة بحوالي 14 مركزا، خمسة منهم تحت إدارة وزارة العمل، بطاقة استيعابية لا تتجاوز 1000 متدرب، وخمسة تحت إدارة وزارة الشؤون الاجتماعية بطاقة اقل، وبالإضافة إلى ثلاث مدارس صناعية، ومركز واحد تحت إدارة وزارة الأسرى والمعتقلين. وتعكس أعداد المراكز وقدراتها الاستيعابية المحدودة أن قطاع غزة يعاني من نقص شديد في توفير خدمات التدريب المهني والتقني. كما أن هناك ضرورة لزيادة كفاءة المدربين في تلك المراكز وزيادة قدرتها على فتح مجالات تدريب متوائمة مع احتياجات السوق. كما أن التدريب المهني والتقني في قطاع غزة يجذب الطلاب ذو التحصيل المتدني فقط ويلبي الحد الأدنى من الاحتياجات التدريبية لرجال الأعمال والصناعة.

بالرغم من التشوهات والعوائق الناجمة عن الحصار والانقسام والحروب، وما نجم عنها من تراجع في مساهمة القطاعات الإنتاجية في التشغيل والناتج المحلي مقابل ارتفاع مساهمة قطاعات الخدمات والتجارة، لا تزال هناك مساحات كبيرة للنمو الاقتصادي في قطاع غزة لدى انتهاء الحصار وفتح المعابر التجارية، وهذا يشمل البناء والإنشاءات، والزراعة وصيد الأسماك، والصناعات الغذائية والأثاث ومواد البناء، وإنتاج الطاقة المتجددة. وهي مجالات يجب أخذها بعين الاعتبار من القائمين على تخطيط التدريب المهني والتقني، ومن الجهات الداعمة لهذا القطاع من المؤسسات الدولية ومن الدول والجهات المانحة.