

# Economic Monitor

Palestine Economic Policy Research Institute (MAS)

2018

**SDG8 “Promote Inclusive and Sustainable Economic Growth,  
Full and Productive Employment and Decent Work for All”  
Needed Economic Policies under the Current Palestinian Situation**

Supplement  
I

# Economic Monitor Supplement (1), 2018

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## FOREWORD

This special supplement to the Economic Monitor (EM), has been prepared as part of a research project implemented by the Palestine Economic Policy Research Institute (MAS), in close collaboration with the Palestinian Central Bureau of Statistics (PCBS). The report examines SDG8 on labor issues, stating “To promote inclusive and sustainable economic growth, full and productive employment and decent work for all”. The report also touches upon other SDGs targets and related thematic areas, such as poverty, gender inequality and women’s leadership.

The report starts with a presentation of the developments of SDG8 indicators in the Palestinian context over the past years, based on their relevance to SDG8 targets. The report relied on indicators with no data limitations or which have direct correlation with the Palestinian situation. Then in Section II, the report provides a summary of priority economic interventions inferred from indicators under study. In Section III, the authors draw comparisons between these indicators and Palestinian national development plans, in an endeavor to investigate alignment between SDG8 and these plans and to assess the possibility of achieving its targets. Section IV discusses the alignment of SDG8’s indicators with economic and social policies, defines Palestinian priorities in this sphere, and presents an overview of the policy framework required to achieve the targets of SDG8.

Finally, MAS extends its sincere thanks to the research team for their industrious work. A special thank you also goes to the International Labor Organization (ILO) for their support and funding this research project.

## CONTENTS

◆ <b>Introduction</b>	<b>3</b>
Box 1: Targets and Objectives Addressed in This Report	
◆ <b>1. Targets and Objectives of SDG8 in Palestine and Performance Indicators</b>	<b>4</b>
◆ <b>2. Economic Challenges in Brief: A Labor Market Perspective</b>	<b>10</b>
◆ <b>3. Alignment of the SDGs Labor-related Targets with Relevant Palestinian National Plans</b>	<b>11</b>
◆ <b>4. Economic Policies towards Achieving SDG8 Targets and Objectives</b>	<b>13</b>
◆ <b>References</b>	<b>15</b>
◆ <b>Appendix (1): Alignment of SDG8 and its Targets and Objectives with National Strategies</b>	<b>16</b>

## Introduction

Recently, the concept of “Sustainable Development - SD” has garnered much attention, becoming a mainstreamed way of perceiving development that refers to the different economic, social, political and environmental dimensions of human wellbeing. SD is about the quality of economic growth and how its economic benefits are distributed to all segments of the society, not just the mere process of economic expansion. Within this context, SD has proved to be a practical conceptual solution to multiple problems that challenge mankind, through risk assessment, awareness-raising, and political action at local, regional and international levels (Mitchel, 1996).

The Sustainable Development Goals (SDGs) are derived from the United Nations’ Millennium Declaration (MDGs), which guided global development efforts from 2000 to 2015. Following 2015, the world’s leaders renegotiated and committed to achieve the SDGs Agenda for 2016-2030. The MDGs focused on eradicating extreme poverty, hunger, and preventable disease, while the 17 SDGs adopted by all UN Member states in 2015, are anchored on the three pillars of SD - economic growth and development, social inclusion and environmental sustainability, along with good governance. In addition, SDGs concern all countries of the world, while MDGs targeted developing countries only. The SDGs Agenda by 2030 aims to eradicate poverty and hunger everywhere; eliminate inequalities within and among countries; build safe, just and inclusive societies; protect human rights, promote gender equality, and empower all women and girls; ensure permanent protection of land and its natural resources and creating enabling conditions for sustained and inclusive economic growth and decent work for all, while taking into account the different levels of development and national capacities (United Nations, 2015, Sustainable Development Declaration, Para. 3). As part of the 2030 Agenda, governments pledged that “no one will be left behind” and that they will “focus on the least developed countries” (United Nations, 2015, Para. 4).

The 17 SDGs consist of a set of 169 targets that help in defining these goals thoroughly and clearly. In addition, hundreds of indicators deriving from these targets, are to be used by different countries to measure progress made, to come up with quantitative estimates of progress, and to better plan for achieving SDGs. Indicators of achievement of SDGs are divided into three main sets, based on the availability of data used in measurement:

- First, a set of indicators that are clearly defined and have available data in most countries of the world.
- Second, a set of indicators, data for which are clearly defined and their methodology developed, but there isn’t enough data for measurement.
- Third set of indicators are clearly defined yet there is no agreement on their computation methodology and therefore the data needed for these indicators is not defined yet.

This report has been prepared as an annual Supplement to the MAS quarterly Economic Monitor, as part of a research project implemented by the Palestine Economic Policy Research Institute (MAS), in close collaboration with the Palestinian Central Bureau of Statistics (PCBS), and funded by the International Labor Organization (ILO). The report examines SDG8 on labor issues, namely to “Promote inclusive and sustainable economic growth, full and productive employment and decent work for all”, as it applies in the context of Palestine. The report also touches upon some of the targets associated with labor issues, such as poverty, gender equality and women’s leadership. To assess commitment to SDG8 in the Palestinian context, the research team relied on multi-stakeholder consultation meetings, organized by MAS, with the relevant parties and competent institutions. These meetings aimed to:

- First, track key performance indicators of Palestine’s commitment to achieving SDG8, and to assess its suitability as a measurement of actual conditions of the Palestinian labor market under occupation.
- Second, localize SDG8 targets in the national policy agendas and sectoral Palestinian strategies.
- Third, analyze policy and intervention responses undertaken by the Palestinian national leadership related to achieving SDG8 by 2030.

Section One of the report, presents the developments of SDG8 indicators in the Palestinian context over the past years, using available data and their relevance to SDG8 targets. These indicators are usually tracked in all countries of the world for comparison purposes, follow-up of progress made, and for designing development plans. The report relied on indicators with no data limitations or which have direct correlation with the Palestinian situation. Section Two provides a summary of priority economic interventions inferred from studied indicators. In Section Three, the authors draw comparisons between these indicators and Palestinian national development plans, in an endeavor to investigate alignment between SDG8 and these plans and to assess the possibility of achieving its targets. Section Four discusses the alignment of SDG8’s indicators with economic and social policies, defines Palestinian priorities in this sphere, and presents an overview of the policy framework required to achieve the targets of SDG8.

### Box (1): Targets and Objectives Addressed in This Report

- Sustain per capita economic growth in accordance with national circumstances and, in particular, sustain at least 7% GDP growth per annum in the least developed countries.
- Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors
- Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.
- By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- By 2020, substantially reduce the proportion of youth not in employment, education or training.
- Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.
- Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
- By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.
- Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
- By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty, in all its dimensions according to national definitions.
- Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
- Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

## 1. Targets and Objectives of SDG8 in Palestine and Performance Indicators

**1.1 Target 8.1** Sustain per capita economic growth in accordance with national circumstances and, in particular, sustain at least 7% GDP per capita growth per annum in the least developed countries.

Economic growth is a major indicator used for measuring living standards in any country (Nye, 2002). As stated in the SDGs, at least 7% GDP per capita growth is needed in the least developed countries (LDCs) to indicate sustainability of economic growth and thus better living standards. In the Palestinian case, over the past 20 years the real GDP per capita growth has fluctuated from its lowest level (-15% in 2002) to 9% in 2011. In 2017, GDP per capita grew by a mere 0.02%. Over the last ten years, excluding 2011, total real GDP per capita growth was less than 7%. As extensive research on this topic demonstrates, the fluctuation of GDP per capita growth rate is ascribed to occupation policies and their economic implications, especially during the Second Intifada and the attacks on the Gaza Strip (Economic Monitor, different issues; Abu Ghattas, 2017).

**1.2 Target 8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.

**Figure (1): Growth Rate of Real GDP per capita, (1995-2017)**



Source: PCBS, National Accounts Data (different years).

**Target 8.4** Improve progressively, through 2030, global resource efficiency in consumption and production, and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.

The economic productivity of labour, measures the output per each worker in any given economy during a given period of time. Therefore, it is seen as a sound economic indicator, because of its correlation with economic growth in that country. Also, productivity is directly correlated with the economy's efficiency, competitiveness and ability to attract investments. There is a direct correlation between productivity growth, in particular that resultant from technological development, and investors' attraction to invest in any country (Javorcik, 2004). Additionally, there is a relation between productivity and living standards, as productivity growth and the growth of real wages of workers usually move in tandem, which is reflected in improved purchasing power and improvement of people's overall standards of living.

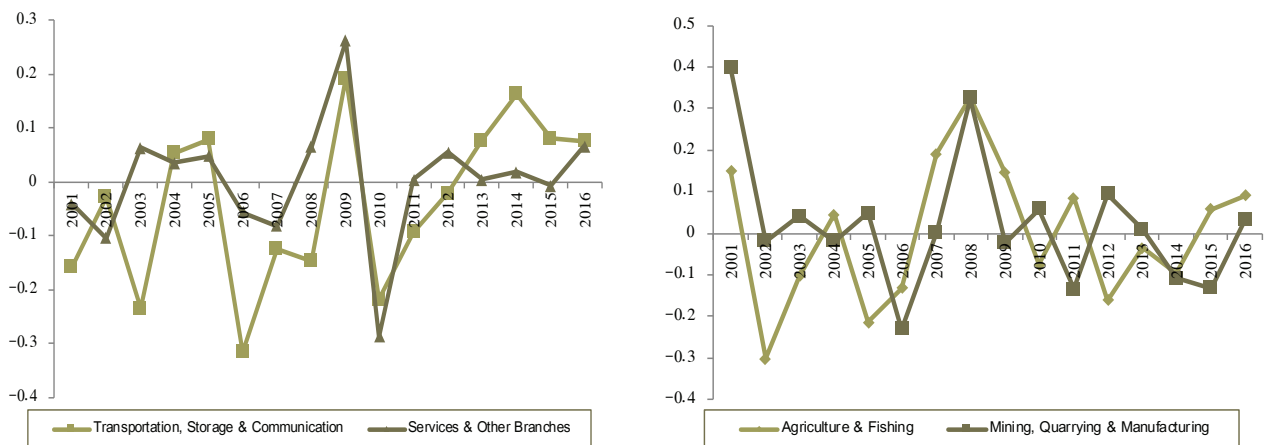
According to SD indicators, a simple method of estimating the change in a country's productivity is by considering growth rate of real GDP per employed person in that country (i.e. the change in real GDP divided by the number of workers). In the Palestinian case, this computation method reveals large fluctu-

**Figure (2): Change in Growth Rate of Real GDP per worker (%)**



Source: PCBS, Labor Force Survey and National Accounts Data (different years).

**Figure (3): Change in Labor Share of GDP by Economic Sector (%)**



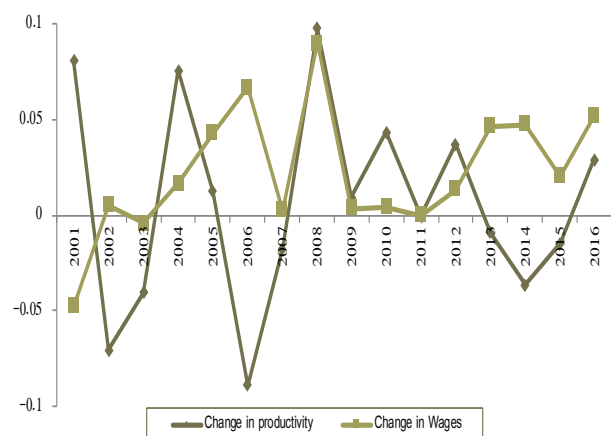
Source: PCBS, Labor Force Survey and National Accounts data (different years)

ations in growth rate of real GDP per worker. This is mainly associated with GDP fluctuations caused by the destructive measures of the occupation (Figure 2). The fluctuation in the labor share of real GDP in the West Bank and the Gaza Strip indicate that living standards not only correlate with the efficiency and technological development of the economy, as well, they relate to determinants of GDP change, which in turn are affected by political factors and negative external shocks (wars) or positive determinants (international aid).

At the micro level, all economic sectors are witnessing fluctuations in productivity growth rates. This is attributed to the impact of the high volatility of GDP and growing at slower rates, accompanied by a steady increase in the volume of workers. This confirms the previous conclusion that change in Labor share of GDP is not mainly affected by economic efficiency and competitiveness, rather by political determinants of GDP growth, leading to its rise or decline.

As demonstrated in Figure (4), the relation between the change in productivity and that of real wages is random, and does not exhibit a consistent trajectory, whether proportional

**Figure (4): Change in Productivity and Real Wages in Palestine (%)**



Source: PCBS, Labor Force Survey and National Accounts data (different years).

or not. In other words, wages are not determined by productivity, which fails to incentivize workers to work harder.

**1.3 Target 8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

**Target 8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

**Target 8.9** By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products

According to SD indicators, decent work is defined by a set of key elements that simulate real life and actual conditions of workers in a given country. These indicators focus on levels of unemployment, wage growth rates, gender wage gap, the proportion of workers who are sub-minimum wage earners, employment of disabled persons, the enrollment rate in trade unions, work injuries, and the prevalence of informal employment.

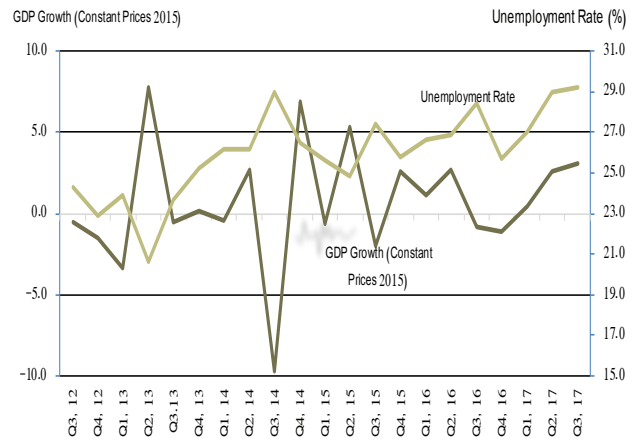
### 1.3.1 Unemployment Rates and School-to-Work Transition

Among the formidable challenges facing the Palestinian economy today, is the enduring high unemployment rates, lately accompanied by the declining GDP growth. This means that economic growth is no longer linked with employment as it was before. Although prevalent in the Arab region for many years now, the Palestinian economy has experienced this phenomenon early 2016. This is explained mainly by, among other reasons, the growing contribution of other sectors that do not depend on labor to economic growth, like non-tradable sectors; real estate and lands, and the expanding financial sector. Such a trend where high levels of growth is attainable without increased employment, referred to as “jobless growth”, poses a great threat to the economy, leading to growing inequality gaps within the society, exacerbating poverty and deprivation, as well as undermining decision makers’ ability to control economic policy in a manner that ensures equitable distribution of fruits of growth among the population.

Markedly, unemployment rate among females is much higher compared with males as Figure (6) shows. Females spend longer period of time unemployed (17 months) compared with males (6 months), i.e. three times more than unemployed males. Palestinian female unemployment rates are the highest in the world, especially among the young cohort. The ILO links these high rates with the sharp economic stagnation that the Palestinian economy plunged into between 2000-2002, 2005-2006 and 2013-2014 (ILO, 2016). Also high levels of unemployment among the youth with higher levels of education have adversely affected their perception of education and its relation to their entry into the labor market.

If education does not translate into enhanced employability, then several future problems are on the radar; most impor-

**Figure (5): Unemployment Rates and Change in GDP (%)**



Source: Economic Monitor, Issue 54, MAS.

**Figure (6): Unemployment Rates Among Males and Females (%)**

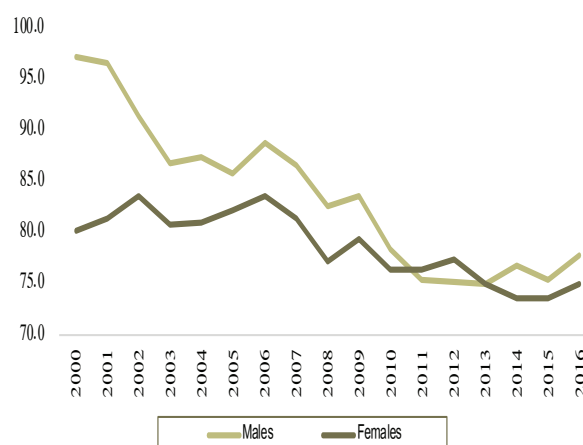
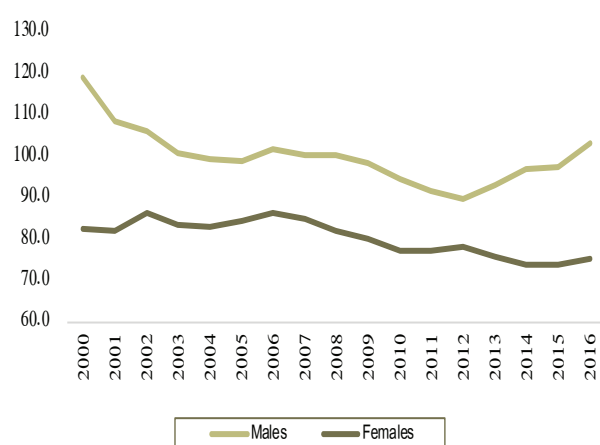


Source: PCBS, Labor Force Survey (different years).

tantly, is the change in the values among the youth and society as a whole, about the importance of education and the role it plays in the life of an educated person. The other issue of concern in this regard, is that new entrants to the labor market are not educated correspondingly with the needs of the labor market. According to a survey on school-to-work transition, that included a sample of persons aged between 15 and 29 covering the study period (2013-2015) (PCBS and ILO, 2016), less than 40% of young males and 7% of females have transitioned from school to stable and secure jobs in 2013 (14.9% in total). Also, the results of the 2015 survey show that only a small ratio of the youth (16.3%) has transitioned to a stable or satisfactory job. Geographical location is a common factor, however, there are many significant differences in the attainment of transition. In 2015, about 20.5% of the young population in the West Bank completed transition to a stable or satisfactory job, compared with 9.6% in the Gaza Strip. These statistical figures show that employment problems are largely associated with the quality of the attained school and university education.

### 1.3.2 Real Wages

As Figure (7) shows, the wage difference between females and males in the Palestinian territory is large, reaching

**Figure (7): Real Wage Difference between Males and Females (NIS)**

Source: PCBS, Labor Force Survey (different years). Base year 2010.

around NIS 30. This is partially caused by the higher wages of male workers working in the Israeli economy compared with workers in the West Bank. However, excluding wages of Palestinian workers in Israel and its colonies reduces the gap largely. This implies that the overall wage difference between females and males in local market is insignificant.

However, considering the effects of this wage difference on individuals' economic decisions, such as the decision to join the labor force, just like the average wage in the local labor market, the expected gross wage becomes an important factor. Therefore, the wage difference between males and females has serious implications on females' participation in the labor market. According to economic literature, the expected wage in the labor market is one of the key determinants of female's participation in the economy (Mincer, 1962). Based on that, one of the most significant factors that could encourage female employment does not in this case act to incentivize greater participation.

Looking at the wage distribution by economic sector shows that employment in the Israeli economy is linked with the construction sector where offered wages are high. Regarding females, employment is linked with the agriculture sector, yet their wage is "undefined", since most of workers in this sector are unpaid family members or self employed.

**Table (1): Distribution of Daily Wages by Sector and Gender, 2017 (NIS)**

Sector	Females	Males
agriculture, fishing and forestry	-	81.9
Mining, quarrying, and manufacturing	52.4	103.2
Building and construction	-	181.4
Trade, hotels, and restaurants	51.5	80.1
Transportation, storage, and communications	87.8	85.5
Services and other sectors	90.3	110
Total	84.6	119

Source: PCBS, Labor Force Survey (different years).

On the other hand, the ratio of workers who are sub-minimum wage earners is on the rise, increasing from 13% in 2015 to 14.7% in 2016 to 15.2% in 2017 (excluding Palestinians working in Israel and its colonies). The increase in the number of sub-minimum wage earners is as indicator of rising poverty rates, assuredly.

### 1.3.3 Membership in Trade Unions

Regarding workers' membership in trade unions, the West Bank shows low enrollment rate in trade union, against slightly higher rate in the Gaza Strip. This is mainly caused by informal sector workers, whose volume in the Gaza Strip is lower than that in the West Bank (Table 2). The low enrollment rate in trade unions translates into weak collective labor-bargaining power in terms of enforcing the labor law acts, such as annual leave, maternity leave, end-of-service benefits and other rights provided for by the Palestinian Labor Law.

**Table (2): Membership in Trade Unions in Palestine (%), 2017**

Members in Trade Unions	2017		
	West Bank	Gaza Strip	Palestine
All	12.4	29.6	17.4
Males	10.7	28.3	16
Females	21.4	37.8	25.7

Source: PCBS, Labor Force Survey (different years).

Regarding disabled persons, around 8.4% of the disabled in the West Bank and the Gaza Strip have jobs, while 87.3% have never worked or sought employment. These statistics expose the barriers that the disabled face in exercising their right to work, although, the Palestinian Labor Law obliges employers to employ a number of disabled workers, no less than 5% of the total number of workers in a public or private institution.

As for work injuries in the West Bank and the Gaza Strip, injuries are mainly concentrated in the crafts sector, which relies on extensive use of tools and machinery. Noticeably, the occurrence of these incidents is increasing largely over a relatively short period of time, from 28% in 2015 to 32% in 2017.



**Table (3): Work Injuries in the West Bank and the Gaza Strip by Occupation (%)**

Occupation	2015	2017
Legislators, Senior Official and Managers	1.0	1.2
Technicians, Clerks, and Assistants	11.9	8.5
Service workers and Vendors in the markets	8.0	7.0
Skilled workers working in agriculture and fishery	0.6	0.6
Craftsmen and other related occupations	36.6	39.4
Machine operators and assemblers	13.9	11.6
Primary occupations	28.0	31.7

Source: PCBS, Labor Force Survey (different years).

### 1.3.4. Informal Employment

Based on the PCBS definition, workers in the informal sector include:

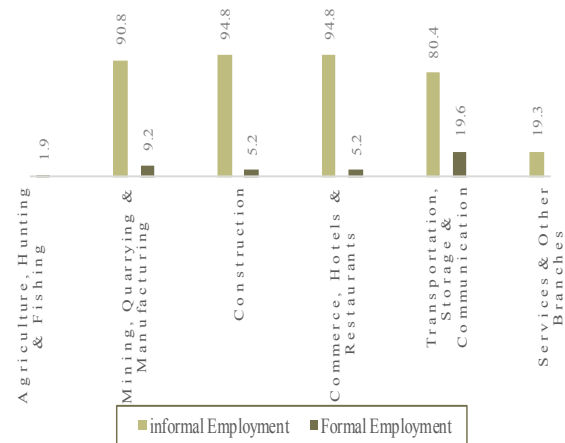
- the self-employed who are the end users of their own products;
- the self-employed producing commodities for the purpose of trade or bartering and working in the informal sector;
- employers in the informal sector;
- all workers in family businesses such as unpaid family members;
- employees in the informal sector;
- employees in informal jobs in public sector institutions.

Based on these definitions, around 67% of total number of Palestinian workers in the West Bank and the Gaza Strip worked in the informal sector in 2017. Informal employment is much higher than formal employment in most of the economic sectors, except for the service sector and other related sub-sectors. The latter sector includes health, education and social services, whether public, private or related to the UNRWA, whose workers are required to have high scientific attainment and qualifications and whose institutions are committed taxpayer and accounting book-keeping (Figure 9). Markedly, Palestinian informal employment is increasing, up from 66% in 2015. Such an increase signals a drawback in the working conditions of Palestinian workers, given the disadvantages and compromised rights the sector offers its workers, in terms of work insurance, health insurance, as well as retirement benefits.

**1.4 Target 8.6** By 2020, substantially reduce the proportion of youth not in employment, education or training

There is a significant proportion of the youth (males and females) who are not in employment, education or training. The prevalence of this problem is higher among females than males, where half of females, whether in the Gaza Strip or the West Bank, are not engaged in education or work activities. This is attributed to several reasons, including the relatively low participation rate of females in the labor market (around 20%). Investigation of the causes behind this low rate, revealed a number of factors, including sluggish demand on employing females because of the weak economic sectors that usually employ females, namely agriculture and industry. Another factor is associated with the high fertility rate in the Palestinian society, which adds child care and maternity burdens.

**Figure (8): Distribution of Palestinian Workers by Employment Type and Economic Sector, 2017**



Source: PCBS, Labor Force Survey (different years).

Other factors are associated with insufficient services provided to women and children, such as shortage in nurseries and difficult transportation. In addition, unemployment rates among females and males are extremely high in the Gaza Strip (Botmeh, 2013).

The low enrolment rates of the youth, whether males or females, in educational or labor market activities, is an indication of the extent of wasted potentials of Palestinian society. Since the achievement of SD depends heavily on exploitation of these potentials, policy interventions should be oriented toward integrating these societal potentials and transforming them into a productive energy contributing to development.

**1.5 Target 8.7:** Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, , and all forms of child labor by 2025

Child labor, which is most prevalent among the age group 15-17 years, is legal under certain conditions and terms. The employment ratio of both boys and girls below the age of 15 years is low and decreasing over time.. Therefore, it is necessary to highlight the situation of employed boys aged 15-17 years, and work on reducing this ratio by returning these children to school, regardless of the law.

**1.6 Indicator 2.1** By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

According to PCBS data, poverty rates in the West Bank plateaued until 2011 and decreased thereafter. In the Gaza Strip, poverty rates have increased significantly, which has led to an increase in overall poverty rates in the oPt. In 2009, poverty rates in the Gaza Strip reached 38.3%, rising to 53% of the total population in 2017. Whilst in the West Bank, the rates decreased from 19.4% to 14% of the total population during the same period. The high poverty rate in the Gaza Strip is strongly linked with the siege imposed on the Strip, and the Palestinian political division, which undermines collaboration to mitigate the siege's effects. Therefore, policies must be directed

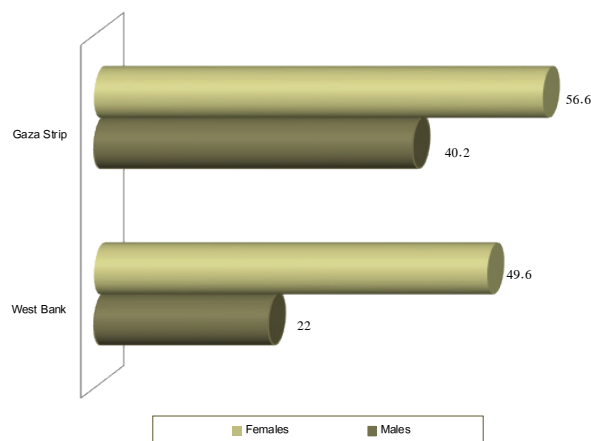
toward ending the division which will in turn allow for efforts that would help to reduce poverty rates in the Gaza Strip.

**1.7 Indicator 3.1** Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.

In the PNA's general budget, the social services expenditures item shows increased spending on education, while spending on health and social affairs remained at the same levels. This indicates that rising poverty rates were not offset by a counter measure aimed at alleviating poverty by increasing assistance to disadvantaged groups or by allocating the resources needed to alleviate poverty, which can only mean further exacerbation of poverty.

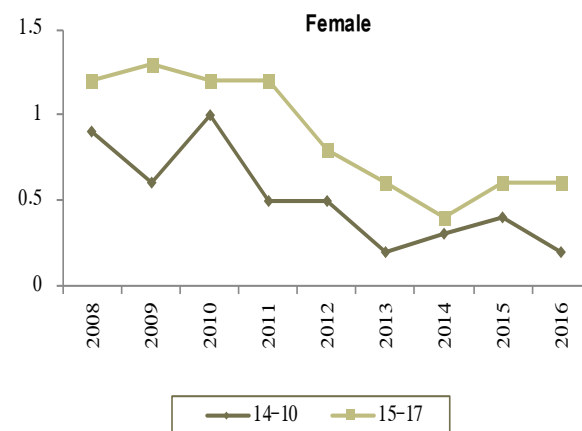
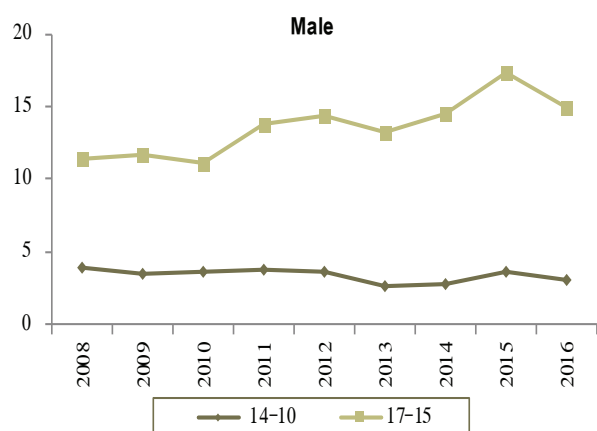
**1.8 Indicator 5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

**Figure (9): Ratio of Youth aged 15-29 Years who are not in Employment, Education, or Training, 2017**



Source: PCBS, Labor Force Survey (different years).

**Figure (10): Child Labor in the West Bank and the Gaza Strip (%)**



Source: PCBS, Labor Force Survey (different years).

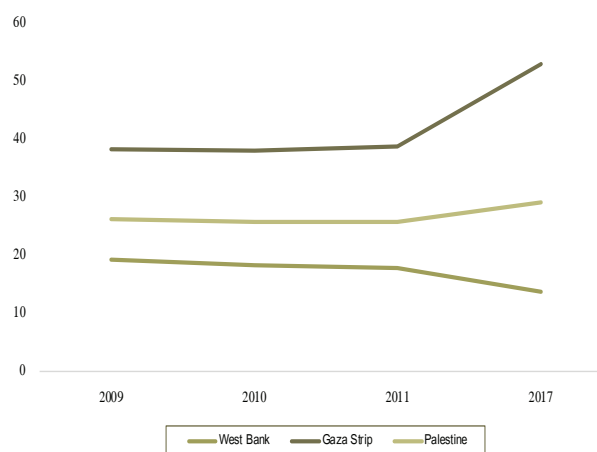
**Table (4): Distribution of Women and Men by Occupation (%)**

Occupation	Males (%)	Females (%)
Legislators, Senior Official and Managers	3.9	3.8
Technicians, Clerks, and Assistants	17	54.8
Service workers and vendors in the markets	19.6	16.2
Skilled workers working in agriculture and fishery	3	7.1
Craftsmen and other related occupations	22.6	6
Machine operators and assemblers	11.5	4.1
Primary occupations	22.4	8

Source: PCBS, Labor Force Survey (different years).

The International Labour Organization (ILO) suggests this indicator of the proportion of women in managerial senior positions to measure their participation in decision-making and leadership positions in different communities. In the Palestinian context, women and men distribution by profession is similar among legislators and senior management personnel group (Table 4). However, the number of women occupying senior positions remains low, because of females'

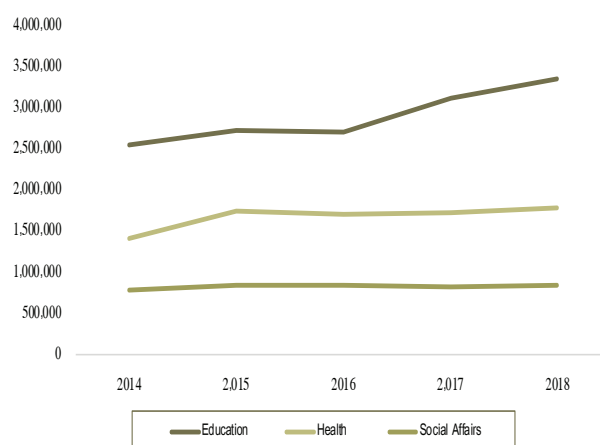
**Figure (11): Poverty Rates in the West Bank and the Gaza Strip (%)**



Source: PCBS, Labor Force Survey (different years).

low participation rate in the labour market and the high unemployment rates among them. This means that the proportion of women in decision-making positions applies only to the limited number of women participating in the labour force. The table below shows that the two female-dominated occupations are: technicians, specialists, and clerks on one hand, and service workers and vendors on the other. This means that women suffer from vertical segregation in the labour market, i.e. women have limited choices regarding the sectors they can work in, which can adversely affect unemployment rates.

**Figure (12): Annual Expenditures on Social Services**



Source: PNA's general budget, different years.

## 2. Economic Challenges in Brief: A Labor Market Perspective

Overall, most determinants of the decent work target in oPt do not seem encouraging, exhibiting weak or declining performance, namely; unemployment, minimum wages, work injuries, informal employment prevalence, and low real wages. As such, policy intervention in this area is urgently needed. Based on the previous discussion in the paper, priority economic-interventions were identified based on the following main challenges:

### 2.1 Mitigating the Impact of the Occupation's Restrictive Policies on the Palestinian Labor Market

The impact of occupation and a Palestinian economy highly dependent on Israel largely affect indicators of economic growth and labor market trends in the West Bank and the Gaza Strip. Despite high levels of growth seen in previous years, it is unsustainable, fluctuating, and is closely contingent on the Israeli policies in the West Bank and the Gaza Strip.

### 2.2 Re-linking Economic Growth with Higher Levels of Employment, Ending the "jobless growth" Phenomenon and Reducing Unemployment Rates

High growth witnessed in latest years, has not led to higher levels of employment. Unemployment rates have increased, especially among women in the West Bank, as well as among men and women in the Gaza Strip.

### 2.3 Improving Productivity Levels and the Value Added

Productivity is linked with the size and quality of GDP growth and employment efficiency. Growth, which depends on the efficiency and competitiveness of the economy, moves in tandem with high productivity and increased sustainability of growth.

### 2.4 Stop the Decline of the Productive Sectors and Boost their Contribution to the Economy

Though the industrial and agriculture sectors used to employ the largest proportion of Palestinian workers, the two sector's

contribution to GDP and employment have declined significantly. The agricultural sector constituted 12% of GDP in 1994, dropping to 3.7% only in 2017, while the industrial sector declined from 21.3% to 9.2% during the same period. In terms of employment, the contribution of the agriculture sector to employment decreased from 13.7% in 2000 to 6.7% in 2017 and in the industry sector from 14.3% to 13% in 2017.

### 2.5 Stop the Fall in Real Wages of Males and Females and Increase the Proportion of Minimum Wage Earners

The fall in real wages of males and females in the West Bank and the Gaza Strip is an indication that living standards have been negatively affected, signaling growing inequality in the Palestinian society.

### 2.6 Address the Problems of Females Low Participation Rate in the Labor Market and Horizontal and Vertical Segregation

There is a combination of factors, on both the supply and demand sides, underpinning the low female participation rate, amongst the link between the structure of the economy and female labor supply. The concentration of females' occupations in certain economic sectors limits their economic opportunities and thus increases unemployment rates among them.

### 2.7 Address Problems Associated with the Decline in the Determinants of Decent Work

The high rates of work injuries, prevalence of informal employment, and the low enrollment rate in trade unions indicate a decline in the determinants of decent work, which calls for intervention in this area as well.

## 2.8 Diminish Economic Disparities between the West Bank and the Gaza Strip, with Special Focus on Poverty Rates

Economic indicators of the West Bank and those of the Gaza Strip show marked differences, including those related to the perfor-

mance of the labor market and bridging these regional inequalities is a pressing priority. All economic indicators have been declining and diverging, including GDP growth and per capita GDP growth, the smaller share of the productive sectors and expansion of the services sector, employment rates and poverty rates.

## 3. Alignment of the SDGs Labor-related Targets with relevant Palestinian National Plans

This section presents the essential observations emerging from a review of national policies set by the government to enhance and achieve further progress in SDG8, as well as specific targets of SDG1, 5 and 10. The review encompassed the National Policy Agenda, as well as a number of relevant sectoral national strategies, like: the Sectorial Strategy for the Development of the National Economy 2017-2022; the Social Development Sector Strategy 2017-2022; the Education Sector Strategic Plan 2017-2022; the Labour Sector Strategy 2017-2022; the Strategic Framework for the Ministry of Local Government 2017-2022; the Cross-sectoral National Gender Strategy for Promoting Gender Equality and Equity; and the National Health Strategy 2017-2022.

The review is presented in a matrix aligning the different national policies incorporated in those mentioned strategies with targets under study (Appendix 1 of this report). Here we provide a preliminary reading of these policies, based on examining a selection of them that contribute to enhancing opportunities for achieving decent work SDGs. This review shows that there are many policies that respond to the SDGs, yet the question that needs to be answered whether the will and the executive instruments that can ensure further progress towards those SDGs are in place. Although “performance indicators” have been developed by competent ministries, to measure progress made in implementing those strategies, information about these indicators have not been published yet, making it difficult to assess decision makers’ readiness to lead and coordinate national efforts towards sustainable development over the coming years.

**3.1** For example, the National Priority 6 in the NPA pertains to the need to advance “Economic Independence” by adopting a national policy aimed at building Palestine’s future economy. To achieve this end, a range of policy interventions are put forward, for example: rebuilding productive sectors in Palestine, through focusing on industry, agriculture, tourism and restoring Gaza’s industrial base. This National Priority is coherent with the SDGs in general, and to SDG8 in particular, especially with regard to rebuilding the productive sectors with special focus on manufacturing, agriculture and tourism. However, these interventions fall short of the needed mechanisms and practical measures through which these objectives could be accomplished. For instance, there is no mention of the need for supporting small farmers, reducing water tariffs for agricultural uses, or provision of fertilizers to

farmers. In addition, the industrial sector is not addressed thoroughly, especially regarding how to protect industries, capacity-building of vocational training centers that target promising industries in Palestine, promotion of the culture of professionalism through promotional-campaigns in schools, and increasing the number of those holding vocational training certificates. The same applies to tourism, as there is no reference of practical measures that should be taken, such as rehabilitation of important tourist facilities, developing promotional multi-lingual brochures about touristic sites, promoting domestic tourism through adding special material to the curriculum about these sites.

**3.2** The First Strategic Objective in the Sectorial Strategy for the Development of the National Economy 2017 -2022 stresses the need to build an independent Palestinian economy through achieving a set of sub-goals: reducing dependence on the Israeli economy, facilitation of Palestinian trade in accordance with international best practices, promoting and developing Palestinian exports, and developing trade in services. However, the strategy does not relate those sub-goals to actual trade policy measures and mechanisms needed for reducing dependence on the Israeli economy. Instead, it proposes trade policy interventions, without specifying the nature of the intended trade, overlooking several issues: First, international experiences have proved the failure of the trade-led development approach, given that trade occurs between countries with varying levels of economic development. Second, implementing a trade-led development must be preceded by the development and protection of industries, in a way that enhances the country’s productive and competitive capacity before stepping into trade liberalization and removal of protectionist measures. In addition, it specifies that trade policy interventions should be in accordance with international best practices, without specifying what best practices are appropriate for Palestine, given the Palestinian context specificity which is the only economy in the world that is still under occupation.

**3.3** On the other hand, the National Policy No. 6.12 in the NPA addresses the creation of job opportunities through suggesting a range of interventions, namely: expediting job creation through public-private partnerships; developing job-creation programs targeting graduates; ensuring equal opportunities for females; expanding the work of the Palestinian Fund for Employment and Social Protection for Workers

(PFESP). While establishing new public-private partnerships is a priority, it is not guaranteed that these partnerships will create new jobs and opportunities, without specifying the nature of these initiatives and their target sectors, and which sectors are capable of creating jobs while capable of fulfilling its other objectives, such as reducing economic dependence on Israel and building an independent economy. In addition, the intervention does not indicate any suggested incentives that could boost interest in this form of partnerships. Regarding developing job-creation programs targeting graduates, the intervention overlooked the real challenge ahead which is the scarcity of job opportunities. As for ensuring equal opportunities for all, proposed interventions do not warrant achieving equality.

**3.4. The First Strategic Objective in the Labor Sector Strategy 2017-2022** stresses the need to reduce unemployment rates through a range of policy interventions: extensive reciprocal relations between the Ministry of Labor, employers, and employees; activating and modernizing the Labour Market Information System (LMIS); the promotion of individual and joint projects; and opening foreign labor markets to Palestinian workers. However, the first intervention does not indicate how reciprocal relations contribute to reducing unemployment and creating new jobs. Also activating LMIS is very crucial to informing decision-makers, since it provides precise data on supply and demand for labor and the mismatch between education and the labour market, facilitating their mission in proposing interventions for the sectors with the highest unemployment rates and clarifying the nature of gap between education and the labor market. Yet, activating the LMIS alone does not reduce unemployment rates. Regarding the other intervention on the promotion of individual and joint projects, it is not related to an implementation mechanism, such as tax exemption in the first years of establishment or low-interest rates on credit. In addition, the strategy does not specify the targeted sectors for implementing those projects. Regarding opening foreign labor markets, the proposed interventions do not clarify implementation mechanisms, more importantly, it overlooks the fact that such a policy needs to specify clarifications or restrictions, else it risks leading to the emigration of highly qualified and skilled labor. Such an outcome would also increase the dependence of the Palestinian economy on external factors that are contingent on any political change in relations with host countries. Moreover, these interventions do not propose any mechanisms for reducing employment in Israel, despite the goal of reducing economic dependence on Israel, and that employment in Israel does not meet the minimum conditions of decent work. In addition, reliance on employment in Israel is subject to political stability that may change any time.

**3.5 The National Strategic Objective no. 4 of the Cross-sectoral National Gender Strategy** seeks to promote gender equality and equity and to promote females' economic empowerment through adopting decent work standards for women working in public and private institutions and international organizations in Palestine. This policy does not provide any interventions that ensure accomplishing the desired goal. Additionally, the dissemination of decent work standards is not enough. For example, adhering to specific terms

in the Labor Law promotes the principles of decent work, yet most of the private sector institutions do not comply with the law, as around 126,000 worker working in private institutions, who are mostly females, earn less than the minimum wage. The gap between their wages and the minimum wage level is very wide. In addition, about 82% of the private sector workers are not entitled to claim end of service benefits and a high ratio of workers are not eligible for paid leaves. Add to that, many economic establishments do not provide minimum standards of occupational safety and health, jeopardizing the life of many workers in the workplace without any deterring measures or penalties. These indicators and many others demonstrate that disseminating standards of decent work or having a law in force, are not enough to achieve the desired goal or guaranteeing the promotion of females' economic and productive empowerment.

**3.6 In conclusion,** the different National Strategies align significantly with all SDGs and especially with SDG8 which is directly associated with labor issues. These National Strategies focus on promoting economic growth, productivity, labor market participation rates, minimizing unemployment and emphasizing the importance of decent work. National Strategies, like SDGs, revolve around youth related issues, like school-to-work transition and the reduction of unemployment among this cohort, especially among females. However, these National Strategies have a number of shortcomings, such as:

- No special focus was given to any issue of the issues addressed in the National Strategies, therefore, there are no clear priorities.
- These National Strategies set forth general policy interventions while overlooking mechanisms needed for achieving their objectives, i.e. largely generic.
- The interrelation between microeconomic and macroeconomic levels is absent in the strategies' policy interventions. Mostly, propositions are at the level of sectoral-interventions. For example, strategies do not relate improving the performance of productive sectors to trade.
- Even if the current PNA labor policy configuration represents a move in the right direction and a sound choice of general policies, Palestine will not reap the fruits of cross-sectoral coordination and combining these efforts for the end of achieving SDGs without defining clear and achievable quantitative indicators for all these goals for the next 10 years.
- The soundness of economic policies can only be measured over time with reference to agreed comprehensive targets for economic and social growth, which need to be spelt out sooner rather than later, such as reducing unemployment to 20% by 2030 or increasing productivity by a defined and measured rate in vital sectors, increasing female participation in the labor market close to prevailing rates in the region, or reducing the proportion of those who earn less than the minimum wage to less than 20%, etc.

## 4. Economic Policies Towards Achieving SDG8 Targets and Objective

The capacity of developing countries to achieve SDGs to their full extent should not be taken for granted. The exceptional conditions of Palestine, an occupied country that has been denied sovereignty over its lands and resources, poses further challenges in addition to those faced by comparable developing countries. Such impeding circumstances preclude regulating the national economy and the labor market, and achieving the different targets and objectives of SDG8, in addition to its adverse impact on the progress Palestine is making in sustainable development in the various economic, social, environmental spheres. As such, a “heterodox” package of policies and interventions -that other comparable countries might not opt for- is needed in Palestine.

Economic and social development in the Palestinian context depends on the pervasiveness of the Israeli occupation and its violations and intrusion into Palestinian domestic affairs, as much as it depends on adopting the right policies and on their potential implementation. In other words, no matter how well-designed and on par with international best practices Palestinian development policies are, or how keen the government and the concerned authorities are to implement them, their viability remains contingent to the volatile political and security conditions and, ultimately, on the interests of Israel. Thus, it is not possible to combat unemployment, introduce minimum wages or stop labor leakages to Israel and its settlements, without building a productive national economy. This goal necessitates putting in place trade, monetary or financing policies that are not possible within the limited space given to the Palestinian people under the current Palestinian-Israeli economic relations.

Despite these facts on the ground, there is no room for hesitation or giving up. On the contrary, when formulating policies, interventions, and mechanisms for their implementation, all steps should be realistic, well-planned, and determined. With the help of the previous review of SDG8 indicators for Palestine (covering current trends and needed interventions -incorporated in the national policy matrix and Palestinian sectoral strategies- and their alignment with global SDGs), identifying the most prominent policies and implementation priorities in the near future becomes possible. This endeavor would enable stakeholders to choose the right path that is particularly suited for the Palestinian context. This review concludes with drawing a general roadmap for policy formulation and further advancement of the SDGs addressing decent labour. The Government and its development partners concerned with labor market issues, should exert all their effort to achieving the defined performance indicators for 2020-2030, and committing to a yearly follow-up to test these indicators’ suitability and practicality, which is based on the developments in the general economic and political situation.

In this section’s analysis and conclusions, the proposed socio-economic policy interventions take into account both the macro and micro levels, majority of which are based on previous studies and reports published by the Palestine Economic Policy Research Institute (MAS), and Alnaqeb (2003, 2006); ILO (2018); UNCTAD (2006); and Khalidi and Taghdisi (2009).

### 4.1 Building Sector-focused Development Vision

To catalyze development towards achieving SDGs in Palestine, particularly those related to labor, poverty reduction and gender equality, it is important to set priorities at the level of key sectors and their sub-sectors. Policymakers should focus on a very limited number of sectors or sub-sectors and achieving their specific objectives, one at a time, and then moving on to the next set of objectives, and so on. It is highly important that priority economic sectors are able to thrive during times of economic contraction, and maintain the same level of employment, if not better. Priority sectors should be those that have been able to survive the severe political and economic conditions burdening the Palestinian economy over the last 20 years. Another criterion for selecting these sectors is their ability to create sustainable employment opportunities, and their strong backward and frontward linkages (natural resources or primary resources). In addition, these sectors should have a strong presence in the local market in terms of providing for domestic consumption, and have exporting ability.

Some of the economic sectors that fulfill these criteria include specific agricultural branches, manufacturing industries, as well as information technology services. Identifying these priority sectors will facilitate prioritization of infrastructure rehabilitation and reconstruction activities. To succeed, supply and demand for these sectors’ products should be increased at the local level. Supporting the supply side can be done either by increasing productivity, building capacity in terms of physical or human capital, or by transferring technology. On the other hand, increasing demand for local products can also be done through incentives or organizing promotional campaigns for local products, or by encouraging boycott of Israeli products.

Supporting measures for these sectors may include tax exemptions, micro finance schemes, and protection against competition for a certain period of time. Nonetheless, protection should differentiate between production inputs and final products, by protecting final goods and promoting importation of production inputs. Targeted sectors should act as a lever for the rest of the economic sectors that have positive and crucial role in increasing productivity and value added, reducing unemployment, raising real wages, and encouraging females’ participation in the labor market.

### 4.2 Linking Economic Development Priorities to Educational Outcomes

Education comes at the top of the list of the needed support activities for Palestine’s economic sectors; educational curricula should focus on qualifications and skills that are not only needed but also boost the priority productive sectors. Palestine shows high levels of educational attainment, however, the skills acquired do not match with the needs of the economic sectors nor help in improving their productivity. The focus of the current educational system is more on knowledge than on skills. Therefore, assessment of students’ abilities revolves around memorization tests less than on creativity and innovation, or abilities to put

ideas into practice. Thereupon, it is necessary to focus on the quality of specialized education that focuses on skills, rather than on attaining a certain level of vocational or technical education.

#### 4.3 Addressing the Determinants of Decent Work

Adherence to the Palestinian Labor Law should be strictly monitored by inspectors from the Ministry of Labor (MoL), who should ensure law-enforcement, encourage workers to claim their rights, and ensure that trade unions play their prospective role. It is also important to increase the proportion of workers who earn at least the minimum wage, by combating informal employment and its poor working conditions, limited protection mechanisms and realization of labor rights. All of the above necessitate supporting economic sectors by improving their quality, marketing, and protection mechanisms against unfair competition from both international and Israeli products. In addition, it is necessary to provide more job opportunities for disabled persons with high educational qualifications, and whose participation in the labor market is weak. To this end, awareness campaigns should be organized for promoting disabled people's rights and eligibility.

#### 4.4 Linking Economic Priorities to Social Goals

A complementary set of priorities to the productive sectors' priorities, addressing health and social safety nets, should be identified. Therefore, the wage gap in each sector should be controlled and kept within a certain threshold, as these gaps may cause further inequality among the different segments of the society and increase the need for social safety net schemes. Local productive sectors could contribute to covering the needs of the poor in terms of food, housing and medication. Before allocating resources to priority growth sectors, it is necessary to allocate the needed financial resources to cover the basic needs of the poor (food/nutrition, health and education). The mechanisms (active labour market policies) that can be used at different sectoral levels to achieve this, include: tax exemptions, micro finance schemes, training and capacity building for workers, subsidizing production, introducing advanced technologies for added value, and working on developing and customizing these technologies to local needs and conditions.

#### 4.5 Investing in Social Capital

To benefit from the accumulation of physical and human capital, it is necessary to invest in social capital, that is, the legal and institutional framework that encourages investment over consumption, and productive activities over rent-seeking activities (e.g. trading in lands). Nurturing of social capital in Palestine has been neglected since 1967, however, it is a key factor to increase the efficiency of the economy. To ensure the successful implementation of these economic policies, there is a need to coordinate efforts of the different ministries, such as the Ministry of Economy and the Ministry of Finance and Planning, for incorporating development priorities and expenditures into budgetary item lines and needs.

#### 4.6 Crisis Adaptation and Coping Mechanisms

It is highly important to study different crisis adaptation and coping mechanisms, which were developed by the different lo-

cal industries and tradesmen to cope with the current distorted market conditions, just as threatened communities have developed their coping mechanisms to ensure resilience. Palestinian stakeholders should work on improving these vital mechanisms and use accumulated experiences to achieve self-reliance, and transfer lessons learned to other local communities and industries. This approach should be in the core of the socio-economic vision that also drills down to sector-focused objective, in addition to implementing programs and policies towards the development of high-value-added and viable industries that are capable of thriving in the current conditions.

#### 4.7 Benefiting from Socio-economic Research and other Countries' Experiences

Palestinian decision makers benefit from the abundant scientific research on the Palestinian economy published by the different national and international research institutes and development agencies during times of both crisis and stability. Palestine can also benefit from the experiences of the East Asian countries, who achieved rapid economic growth despite deep economic crises and political conflicts. These countries' strategies focused on promoting a limited number of sectors over a specified period of time, which were mainly capital-intensive industries, in parallel with other labor-intensive sectors. These sectors employed low-skilled labor and depended on the production of intermediary and capital goods in order to drive technological advancement. This double-edged strategy incorporated both export-oriented industries, governed by free trade principles, and other industries that were fully protected. In other words, trade protectionism can be applied to specific sectors while leaving other sectors completely free.

#### 4.8 Conclusions

This report provided a review of the current Palestinian situation in relation to realizing SDG8, which is linked with economic growth and labor. It has also aligned SDG8 with the different national strategies, and provided recommendations that can help achieve its targets. Based on this review, it may be concluded that achieving SDG8 targets in the Palestinian case is impeded by multifaceted challenges. Economic growth is volatile, unemployment rates are high, females' participation in the labor market is low, real wages are dropping, work injuries are high, and the enrollment rates in trade unions are likewise low. In addition, more than 60% of workers are employed in informal employment and poverty rates are high, especially in the Gaza Strip. To add to that, these indicators do not show much improvement over time. Contrarily, the trends seem negative, in particular females' unemployment rates, females' real wages, and numbers of workers in informal employment, inter alia. However, this does not need to mean there is no economic horizon, were a different policy package to be adopted. This situation calls for the formulation of an urgent national plan and policies, which address the decline in economic indicators and define economic priorities, in addition to focusing on the specific promising sectors that could become levers for the whole economy. Realizing these priorities depends on adherence to a combination of macro and micro socio-economic policies that have been presented in this report.

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## Appendix (1)

### Alignment of SDG8 and its Targets and Objectives with National Strategies

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through focusing on high-value added and labor-intensive sectors

	National Priority	National Policy	Policy Intervention
Palestinian National Authority (National Policy Agenda (2017-2022))	6. Economic Independence	6.11 Building Palestine's Future Economy	6.11.1 Rebuild Palestine's productive sectors, by focusing on manufacturing, agriculture, tourism and restoring Gaza's industrial base. 6.11.2. Attract domestic and foreign direct investment, by focusing on construction, tourism, agriculture, energy and ICT sectors. 6.11.4. Plan and invest in strategic infrastructure (water, electricity, transportation and telecom networks, airports, seaport and industrial parks). 6.11.5 Strengthen the financial sector's role in supporting the private sector growth. 6.11.6 Bridge the West Bank-Gaza development gap.
	10. Resilient Communities	10.29. Revitalizing Agriculture and Strengthening our Rural Communities	10.29.1. Increase agricultural plant and livestock production and develop value chains. 10.29.2. Protect and support farmers, particularly in areas under threat.
Ministry of National Economy: Sectoral Strategy for the Development of the National Economy 2017 -2022	1. An independent Palestinian economy	1.1 Reducing dependence on the Israeli economy 1.2. Facilitating Palestinian trade in line with international best practices. 1.3. Promoting and developing Palestinian exports. 1.4. Developing the trade in services.	1.1.1. Diversify trading partners and find alternative markets. 1.2.1. Create an appropriate working environment. 1.3.1. Implement the national export strategy and plan. 1.4.1. Regulate and institutionalize trade in services.
	A leading competitive Palestinian industry	3.1. Increasing the competitiveness of industrial establishments. 3.2. Increase the volume of industrial exports. 3.3. Increasing the market share of local products. 3.4. Providing infrastructure and services to support industrial growth.	3.1.1. Adopt and implement the national industrial strategy. 3.2.1. Promote industrial exports. 3.3.1 Expand import substitution. 3.3.2. Support and protect national products and improve their quality. 3.4.1 Establish state of the art industrial parks. 3.4.2. Provide services needed for the industry.
	4. Local authorities play an active and supportive role in stimulating local economic development.	4.2. Develop an efficient and reliable infrastructure (water, energy, telecommunications, roads, industrial zones, ...etc.) that enables providing affordable services to facilitate and encourage the work of the private sector. 4.3. Promote a green and sustainable economy and develop appropriate standards, procedures, incentives and controls to ensure optimal and sustainable economic use of traditional and non-traditional natural resources.	

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

Palestinian National Authority (National Policy Agenda 2017-2022)	4. Citizen-Centered Government	4.7 Responsive Local Government 4.8 Improving services to Citizens 4.9 Strengthening accountability and transparency	4.7.5 Expand local economic development. 4.8.1 Develop and implement a government service improvement strategy, with particular focus on "Area C" and East Jerusalem, in cooperation with our delivery partners. 4.8.3 Strengthen service delivery through partnerships with the private sector and civil society.
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	6. Economic Independence	6.11 Building Palestine's Future Economy. 12. Creating Job Opportunities. 13. Improving Palestine's Business Environment. 14. Promoting Palestinian Industry	6.11.1 Rebuild Palestine's productive sectors, through focusing on manufacturing, agriculture, tourism and restoring Gaza's industrial base. 6.11.2 Attract domestic and foreign direct investment, focusing on construction, tourism, agriculture, energy and ICT sectors. 6.11.4 Plan and invest in strategic infrastructure (water, electricity, transportation and telecom networks, airports, seaport and industrial parks). 6.11.5 Strengthen the financial sector's role in supporting private sector growth. 6.11.6 Bridge the West Bank-Gaza development gap.
		6.14 Promoting Palestinian Industry	6.14.1 Support and protect national products, increase competitiveness and expand import substitution. 6.14.2 Increase Palestinian products' share in the local market.
	2. Creating an attractive business environment	2.1. Creating a legislative environment that attracts investment. 2.2. Provide infrastructure to attract investment.	2.1.1. Establish a competitive legal and regulatory framework. 2.2.1. Provide investment support services. 2.2.2. Create state of the art Industrial parks.
	3. A leading and competitive Palestinian industry	3.5 Developing the supporting industrial SMES. Enhancing innovation and creativity especially among the youth. 3.6 develop the quality of infrastructure in line with international practices.	3.5.1 Develop and implement appropriate policies for developing and supporting projects. 3.6.1. Implement national quality policy strategy.
Ministry of Social Development (Social Sector Development Strategy 2017-2022).	1. Poverty alleviation	2. Institutionalize and develop the economic empowerment program for poor families, including the provision of necessary financial resources and programs, and strengthen relevant legislation.	2.1 Men, women, youth and young women from poor families registered in collective and individual economic empowerment programs, through: •Economic empowerment programs for poor families, including the creation of new start-ups and the development of existing projects for poor families. • collective empowerment programs for poor families and farmers. • granting loans to economic projects for poor families. • Vocational training and employment for the youth, women and disabled young persons from poor families' programs. • Encouraging companies and projects providing marketing services to support small businesses and their products, connecting them to the global "solidarity" markets in this field. • Training and capacity building for the staff of the Ministry of Social Development to improve their performance in delivering direct interventions, provision of services to the poor at the local level, and in designing and implementing interventions as well.
	2. Ending all forms of violence, marginalization and social segregation in the Palestinian society.	6-To provide and develop social, health and educational services to all vulnerable groups, in particular women, disabled persons, children, the elderly and the youth, and ensure access to water, energy, sports and appropriate cultural events. Enable economic development and entrepreneurship.	
Ministry of Education and Higher Education (Educational Sector Strategic Plan 2017-2022).	1. Ensure safe, inclusive and equitable access to quality education at all levels of the system.	1. Improve enrollment rates in all educational stages and maintain good enrollment rates.	3. Maintain a balance in enrollment in terms of secondary education streams (vocational, scientific, and humanities streams) by increasing enrollment rates in vocational education, making it the largest among educational streams, followed by the scientific and humanities streams, and not vice versa. 6. Raising the gross enrollment ratio in higher education from 50% to 55%. This can be achieved through working in collaboration with community institutions to increase the number of scholarships awarded to students, and with international and Arab foundations to award scholarships to students. There is also a need to invest in the labor market to encourage students and award scholarships in the majors and disciplines needed in the local market, as well as other jobs elsewhere. 7. Increasing the absorptive capacity of the Palestine Technical University (PTUK).

		c. Equity and Justice	9. Increase enrollment in technical and vocational education and training, especially for females. This should be incorporated with labor market requirements and implemented in collaboration with private enterprises and factories to identify and promote access to majors needed in the labor market. The Ministry of Education should cooperate with local and international institutions, the Ministry of Labor and other partners in this respect. In addition, there is a need to provide appropriate specialties.
Ministry of Labor (Labor Sector Strategy, 2017-2022).	1.Reduced unemployment rates	1.5 Promote the concept of entrepreneurship and SMEs. 1.6. Create innovative employment partnerships between the public and private sectors. 1.7. Boost investment opportunities in the private sector.	1.1. The trilateral relations and partnership between the Ministry of Labor, employers, and employees is active and strong. 1.2. Activation and modernization of the LMIS. 1.3. The Palestinian labor councils in the governorates are activated and their roles are developed. 1.4 The Palestinian Fund for Employment and Social Protection for Workers (PFESP) has expanded as a tool and umbrella for the implementation of various employment programs. 1.5 Individual and collective projects are promoted. 1.6. Foreign labor markets opened to Palestinian labor.
	2. Provision of well prepared and trained labor that matches the labor market needs.	2.2 Activating the involvement of NGOs, especially social partners.	2.1 Expand vocational training services and develop the quality of training. 2.2. Formulating regulations and legislations for vocational education and training system
	5. Capacity building and management of the institutions of the three partner sectors, and strengthening their role at the local and international levels.	5.1. Build human and physical capital of the labor sector institutions. 5.2. Digitalize the labor sector. 5.3. Governance of the three partner institutions. 5.4. Institutionalize committees involved in the development of the labor sector and enhance their role.	5.3. The relationship with foreign institutions supporting the labor sector has expanded and developed. 5.4. Partnership with the Arab and International Labor Organization is strengthened. 5.5. Palestine's commitments to Arab and international conventions is strengthened.
Ministry of Local Government MoLG (Local Government Sector Strategy 2017-2022)	4. Local authorities play an active and supporting role in stimulating local economic development	4.4 Develop mechanisms that enhance partnership between Local authorities and the banking system, facilitating investment in infrastructure and implementation of viable economic ventures. 4.5. Institutionalize local development services in local government and local authorities and in the Municipal Development and Lending Fund.	
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for equal work.			
Palestinian National Authority (National Policy Agenda 2017-2022)	1.Ending the Occupation, Achieving Our Independence	1.1 Mobilizing National and International Support	1.1.1 Reassert sovereignty over the whole territory of the State of Palestine on the 1967 borders including East Jerusalem. 1.1.4 Increase political, legal, economic and grassroots pressure to end the occupation. 1.1.5 Lift the siege of Gaza and establish a geographic link with the West Bank. 1.1.6 Prepare independence transition plans that chart the steps towards asserting full Palestinian authority over all of Palestine in all sectors of a sovereign state.

	6. Economic independence	6.12 Creating job opportunities.	6.12.1 Expedite job creation through public-private partnerships. 6.12.2 Develop job creation programs for graduates, and ensuring equal opportunities for women. 6.12.3 Expand the Palestinian Fund for Employment and Social Protection for Workers (PFESP) 6.12.4 Ensure a safe work environment through application of health and occupational safety standards.
	7. Social justice and rule of law	Escaping Poverty	7.15.1 Strengthen economic and social empowerment programs targeting vulnerable groups and the poor. 7.15.2 Ensure that economic and social policies address the needs of vulnerable groups and the poor. 7.15.3 Promote social integration by establishing job creation programs for segregated groups (disabled, youth, women, ex-prisoners).
		7.18 Gender Equality and Women's Empowerment	7.18.1 Eliminate all forms of discrimination and violence against women and girls. 7.18.2 Remove barriers that prevent the full participation of women in community and economic development and public life.
		7.19 Our Youth, Our Future	7.19.2 Ensure that the youth have adequate opportunities for a successful future.
Education and Higher Education (Education Sector Strategic Plan 2017-2022).	1. Ensure safe, inclusive and equitable access to quality education at all levels of the system.	c. Equity and justice	12. Reinforcing technical and vocational training and education, university and other higher education, as well as adult education and training, with special attention to gender equality. This necessitates the need to remove gender-based barriers and barriers affecting vulnerable categories (i.e. persons with disability).
Ministry of Labor (Labor Sector Strategy, 2017-2022).	1. Reducing unemployment rates	1.1. Implementation of the Inclusive national employment strategy. 1.2. Strengthening the role of the national employment umbrella (Palestinian Employment Fund) in the implementation of job-generating programs. 1.3. Creating an enabling environment for employment of youth, women and marginalized groups in the labor market. 1.4. Adopting the LMIS as a database that present supply and demand information and a database for research studies. The interrelationship and partnership between the Ministry of Labor, employers and employees is active and strong.	1.1. The reciprocal relations between the Ministry of Labor, employers, and employees and partnership is active and strong. 1.2. Activation and modernization of the LMIS. 1.3. The Palestinian labor councils in the governorates activated and developed their role. 1.4 The Palestinian Fund for Employment and Social Protection for Workers (PFESP) has expanded as a tool and umbrella for the implementation of various employment programs. 1.5 Individual and collective projects were promoted 1.6. Foreign labor markets opened to Palestinian labor.
	2. Provision of well prepared and trained labor that match the needs of the labor market.	2.1 Develop and expand the vocational and technical training system. 2.4. Developing professional standards for the public and private sectors.	2.1 Expand vocational training services and develop the quality of training. 2.2. Formulating regulations and legislations for vocational education and training system.
National Cross-sectoral Strategy to Promote Gender Equality and Equity and Women's Empowerment 2017-2022)	4. Enhancing women economic empowerment.	1. Disseminate principles of decent work for women working in public, private, community and international institutions in Palestine.	4.1 the sector's institutions are committed to relevant laws, regulations and decisions to ensure a decent work for all female and male workers.
8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.			
Palestinian National Authority (National Policy Agenda 2017-2022)	Quality Education for All	8. 21 Improving Student Enrolment and Retention.	8.21.1 Maintain high enrolment and improve retention of boys and girls in basic education. 8.21.2 Improve enrolment and the gender balance of boys and girls in all streams of secondary education. 8.21.3 Improve enrolment in continuing education and literacy programs. 8.21.4 Support and protect Palestinian education in East Jerusalem, Area "C" and Gaza.

		8.23 From Education to Employment	8.23.1 Align TVET and higher education with development and labor market needs, with equal access to these opportunities. 8.23.2 Upgrade and expand TVET infrastructure and facilities. 8.23.3 Strengthen Palestine's scientific research capacity
Education and Higher Education (Educational Sector Strategic Plan 2017-2022).	1. Ensure safe, inclusive and equitable access to quality education at all levels of the system.	c. Equity and justice	12. Reinforce technical and vocational training and education, university and other higher education, as well as adult education and training, with special attention to gender equality. This necessitates the need to remove gender-based barriers and barriers affecting vulnerable categories (i.e. persons with disability). 13. Support higher education institutions, including universities, by encouraging and supporting formulation of policies that provide for life-long and quality education opportunities on an equitable basis. 14. Identify, monitor and improve women's access to quality education. In addition, encourage their participation in the education sector, their achievement, and degrees attained is equally important. There is also a need to take measures that focus on males in case of a clear disparity in favor of females.
	2. developing student-centered teaching and learning pedagogy and environment	1. Developing programs, curricula and evaluation systems	4. Provide an environment conducive to education through educational facilities and playgrounds, promoting sport activities, encouraging reading, and participating in the free activity for all students. This is done in cooperation between the Ministry and donors to the education sector, the local community and some international institutions
Ministry of Labor (Labor Sector Strategy, 2017-2022).	2. Provision of well prepared and trained labor that match the needs of the labor market.	2.3 Promote vocational training to students.	2.1 Expand vocational training services and develop the quality of training. 2.2. Formulate regulations and legislation for vocational education and training.
Ministry of Women Affairs (National Cross-sectoral Strategy to Promote Gender Equality and Equity and Women's Empowerment 2017-2022)	4. Improving quality of life for poor and marginalized families.	1. Introduce immediate interventions to reduce low enrollment rates, improve quality of pre-school education for boys, girls and children with disabilities, reduce enrollment in scientific and humanities programs and increase boys' enrollment rates in secondary schools.	5.1 Children's enrollment in kindergartens increased, and boys' yearly enrollment rates in secondary schools increased.
8.7 Take immediate and effective measures to eradicate forced labor, modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms			
Ministry of Education and Higher Education (Educational Sector Strategic Plan 2017-2022).	1. Ensure safe, inclusive and equitable access to quality education at all levels of the system.	1. Improve enrollment rates in all educational stages and maintain good enrollment rates.	1. Maintain high enrollment rates in early childhood basic education (1-4 grades) for all. This can be done through cooperation between the MoHE and the Ministry of Social Development toward progressive enforcement of compulsory early childhood education. 5. Follow up on students who drop out of school at all education levels especially after Grade 8, in order to increase the level of enrollment in secondary education. This is possible through the cooperation of the Ministry of Labor, the Ministry of Social Development, the Ministry of Waqf, local community institutions, civil society institutions, the media and the security services, and others to make education compulsory up to the tenth grade.
	2. Developing student-centered teaching and learning pedagogy and environment	1. Developing programs, curricula and evaluation mechanisms	6. Evaluating the early childhood care and education programs and policies to raise their quality.

Ministry of Labor (Labor Sector Strategy, 2017-2022).	4. Promoting decent work principles in Palestine	4.1 Implement the National Occupational Safety and Health Policy. 4.2. Improve working conditions. 4.4. Strengthen the relationship between the law and collective labor agreements. 4.5. Promote freedom of cooperative societies. 4.6. Enhance the role of social dialogue in the development and organization of the labor sector.	4.1. Strengthen inspection and monitoring of law enforcement in line with the provisions of the Law. 4.2. Strengthen safety and prevention measures. 4.4. Strengthen the regulation of labor relations.
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8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Palestinian National Authority (National Policy Agenda 2017-2022)	1.Ending the Occupation, Achieving Our Independence	2.3 One Land, one People 2.4 Upholding Democratic Principles	2.3.3 Work with international organizations and host countries to improve the quality of services to Palestinian refugees.
		2.4 Upholding Democratic Principles	Safeguard citizens' rights and promote respect for pluralism, equality and freedom from discrimination.
Palestinian National Authority (National Policy Agenda (2017-2022)	6. Economic Independence	6.12 Creating Job Opportunities.	6.12.4 Ensure a safe work environment through application of health and occupational safety standards.

Ministry of Labor (Labor Sector Strategy, 2017-2022).	4. Promoting decent work principles in Palestine	4.1 Implement the National Occupational Safety and Health Policy. 4.2. Improve working conditions. 4.4. Strengthen the relationship between the law and collective labor agreements. 4.5. Promote freedom of cooperative societies. 4.6. Enhance the role of social dialogue in the development and organization of the labor sector	4.1. Strengthen inspection and monitoring of law enforcement in line with the provisions of the Law. 4.2. Strengthen safety and prevention measures. 4.4. Strengthen the regulation of labor relations.
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8.B By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labor Organization.

Palestinian National Authority (National Policy Agenda 2017-2022)	3.Strengthen Palestine's International Status	3.5 Broaden Palestine's international Participation. 6. Expanding Palestine's bilateral relations.	3.5.2 Fulfill obligations arising from Palestine's accession to international treaties and membership in international organizations. 3.5.3 Active participation in international forums.
Ministry of Education and Higher Education (Educational Sector Strategic Plan 2017-2022).	1. Ensure safe, inclusive and equitable access to quality education at all levels of the system.	c. Equity and justice	9. Increase enrollment in technical and vocational education, especially for female students, to be incorporated with the requirements of the labor market, and carried out in cooperation with the owners of private institutions and factories to provide and encourage access to majors that the labor market needs. The Ministry should cooperate with local and international institutions, the Ministry of Labor and other partners in this regard. Furthermore, there is a need for providing suitable specializations.
Ministry of Labor (Labor Sector Strategy, 2017-2022).	5. Capacity building and management of the institutions of the three partner sectors, and strengthening their role at the local and international levels.	5.5. Partners' response to the requirements of Palestine's accession to international treaties and conventions. 5.6. Strengthen and expand partnerships with relevant organizations and institutions regionally and internationally. 5.7. Provide thorough legal framework that governs the work of partners in the making of economic and social policies.	5.3. The relationship with foreign institutions supporting the labor sector has expanded and developed. 5.4. Partnership with Arab and International Labor Organization is enhanced. 5.5. Palestine's commitments to Arab and international conventions has been strengthened.