

# OCCUPIED PALESTINIAN TERRITORY



International  
Labour  
Office



SWTS country brief

December 2016

The ILO Work4Youth project worked with the Palestinian Central Bureau of Statistics (PCBS) to implement two rounds of the School-to-work transition survey (SWTS) in 2013 (August–September) and 2015 (June–July). The results of the first survey were published in T. Sadeq and S. Elder (2014): *Labour market transitions of young women and men in the Occupied Palestinian Territory*, Work4Youth Publication Series No. 20 (Geneva, ILO) and the second round in T. Sadeq (2016): *Labour market transitions of young women and men in the Occupied Palestinian Territory: Results of the 2015 school-to-work transition survey*, Work4Youth Publication Series No. 40 (Geneva, ILO) (available in English and Arabic). Both surveys are also highlighted in the regional synthesis report, R. Dimova, S. Elder and K. Stephan (2016): *Labour market transitions of young women and men in the Middle East and North Africa*, Work4Youth Publication Series No. 44 (Geneva, ILO). The objective of this country note is to offer a general summary of youth labour market trends in the Occupied Palestinian Territory based on the SWTS. Youth is defined as 15–29.

## Main findings of the ILO SWTS

### *Human capital and mismatch*

- All surveyed youth had attended school or training at some point in their lives; as of 2015, only 0.3 per cent of youth never attended any school. One-quarter (25.6 per cent) of the youth population had completed their schooling, while 43.9 per cent was still attending school in 2015; the school dropout rate was quite high at 30.2 per cent, affecting almost double the number of young men compared to young women (38.3 and 21.7 per cent, respectively).
- SWTS results show a correlation between the level of education and a young person's labour market transition: a young person with tertiary education was able to complete the transition from school to a first stable/satisfactory job in 8.2 months, while youth with a secondary and primary education needed 21 months, on average.
- With few youth able to stay in school through the higher levels in the Occupied Palestinian Territory, approximately one-half (49.5 per cent) of young workers were classified as undereducated for the job they were doing in 2015. Another 13.7 per cent of young workers were classified as overeducated for their job, whereas just over one-third (36.8 per cent) of young people were deemed with matching qualifications.
- More than one-third (36.1 per cent) of current students in the Occupied Palestinian Territory showed a preference for future work in the government/public sector in 2015, down from 50.8 per cent of students in 2013. Another one-third (35.7 per cent) preferred to work for a private company and only 12.2 per cent of youth expressed a preference to start their own business.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market.

See the website [www.ilo.org/w4y](http://www.ilo.org/w4y) for more information.

### *Underutilization of the youth labour potential remains a top concern*

- The youth labour underutilization rate in the Occupied Palestinian Territory remained stable but high between 2013 and 2015 at 46.3 and 46.2 per cent, respectively. The share of underutilized labour potential consisted of 6 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract of less than 12 months), 24 per cent unemployed and 16.2 per cent inactive non-students in 2015.
- The youth unemployment rate decreased between 2013 and 2015 from 37 to 32.3 per cent, but remained above the regional average (Arab States) of 30.6 per cent in the latter year.<sup>1</sup> The unemployment rate of young women was more than double that of young men (56.2 per cent compared to 26.7 per cent for males in 2015).
- The unemployment rate of youth increased with the level of educational attainment. The rate of university graduates was the highest at 42.9 per cent unemployed in 2015 compared to 27.4 per cent for youth who finished secondary (general) education and 26.6 per cent for youth with primary education.
- The duration of unemployment is very long. More than one-half (54.2 per cent) of unemployed youth had been looking for work for longer than one year in 2015 (down from 56.7 per cent in 2013).
- The share of youth neither in employment nor in education or training (NEETs) in the Occupied Palestinian Territory decreased slightly between 2013 and 2015 from 35 to 32.8 per cent, respectively. The share among young women was double that of young men in 2015 at 44.6 and 21.6 per cent, respectively, and is explained primarily by the obligation of many young women to remain outside of the labour force to tend to family responsibilities.

### *Low employment rates for youth, especially young women, remain a strong hindrance to the territory's productive transformation*

- Slightly more than one-quarter (27.9 per cent) of youth in the Occupied Palestinian Territory was employed in 2015, a small increase from 24.3 per cent in 2013. Young men were almost seven times more likely to work than young women (employment ratios were 47.9 and 7.1 per cent, respectively).
- Most young workers were in paid employment (81.6 per cent), but a small share remained in vulnerable employment as own-account workers (6.9 per cent) or unpaid family workers (9.8 per cent). At the same time, three-quarters (75.5 per cent) of youth in paid employment were engaged without a written contract.
- The services sector absorbed the largest portion of young workers (53.1 per cent of young male workers and 76.1 per cent of young female workers), followed by industry (39.1 and 15.9 per cent, respectively) and agriculture (7.8 and 8 per cent, respectively).
- Informal employment affected the vast majority (94.9 per cent) of young workers in the Occupied Palestinian Territory in 2015; the informal employment rate increased slightly since 2013 (94.1 per cent).

## **Selection of data tables**

**Table 1. Youth population by educational status, 2013 and 2015 (%)**

| Educational attainment                                | Total |      | Male |      | Female |      |
|---|-------|------|------|------|--------|------|
|   | 2013  | 2015 | 2013 | 2015 | 2013   | 2015 |
| Never attended school                                 | 0.2   | 0.3  | 0.3  | 0.4  | 0.2    | 0.2  |
| Dropped out before graduation or completion of school | 28.2  | 30.2 | 33.0 | 38.3 | 23.4   | 21.7 |
| Currently attending school                            | 44.8  | 43.9 | 41.7 | 38.4 | 47.9   | 49.7 |
| Education completed                                   | 26.8  | 25.6 | 25.0 | 22.9 | 28.6   | 28.4 |
| Total   | 100   | 100  | 100  | 100  | 100    | 100  |

<sup>1</sup> ILO, *World Employment and Social Outlook: Trends for Youth 2016* (Geneva). Note, the regional figure covers youth aged 15–24 while the data on the SWTS refer to youth aged 15–29. The youth unemployment rate in OPT for the age range 15–24 was very close to the regional average at 35.2 per cent in 2015 based on the SWTS.

**Table 2. Key youth labour market indicators – traditional distribution, 2013 and 2015 (%)**

|   | Total |      | Male |      | Female |      |
|---|-------|------|------|------|--------|------|
|   | 2013  | 2015 | 2013 | 2015 | 2013   | 2015 |
| Employed                                    | 24.3  | 27.9 | 41.8 | 47.9 | 7.1    | 7.1  |
| Unemployed (strict definition)              | 14.2  | 13.3 | 20.0 | 17.4 | 8.5    | 9.1  |
| Inactive                                    | 61.5  | 58.7 | 38.2 | 34.6 | 84.4   | 83.9 |
| Total                                       | 100   | 100  | 100  | 100  | 100    | 100  |
| Youth labour force participation rate       | 38.5  | 41.3 | 61.8 | 65.4 | 15.6   | 16.1 |
| Youth unemployment rate (strict definition) | 37.0  | 32.3 | 32.4 | 26.7 | 54.8   | 56.2 |

Note: The "strict" definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The "broad" definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

**Table 3. Key youth labour market indicators – alternative distribution, 2013 and 2015 (%)**

|  | Total |      | Male |      | Female |      |
|--|-------|------|------|------|--------|------|
|  | 2013  | 2015 | 2013 | 2015 | 2013   | 2015 |
| In regular employment                                    | 18.8  | 21.9 | 32.2 | 38.0 | 5.6    | 5.1  |
| In irregular employment                                  | 5.5   | 6.0  | 9.5  | 10.0 | 1.4    | 2.0  |
| Unemployed (broad definition)                            | 23.5  | 24.0 | 26.6 | 24.0 | 20.4   | 23.9 |
| Inactive students  | 34.9  | 31.9 | 28.2 | 23.4 | 41.5   | 40.8 |
| Inactive non-students                                    | 17.3  | 16.2 | 3.4  | 4.7  | 31.0   | 28.2 |
| Total  | 100   | 100  | 100  | 100  | 100    | 100  |
| Youth labour force participation rate (broad definition) | 47.8  | 51.9 | 68.4 | 72.0 | 27.4   | 31.0 |
| Youth unemployment rate (broad definition)               | 23.5  | 24.0 | 26.6 | 24.0 | 20.4   | 23.9 |
| Youth labour underutilization rate                       | 46.3  | 46.2 | 39.6 | 38.6 | 52.8   | 54.1 |

**Table 4. Distribution of NEET youth by composition, 2013 and 2015 (%)**

| Sex    | 2013      |                       |                         | 2015      |                       |                         |
|--------|-----------|-----------------------|-------------------------|-----------|-----------------------|-------------------------|
|        | NEET rate | of which:             |                         | NEET rate | of which:             |                         |
|        |           | Inactive non-students | Unemployed non-students |           | Inactive non-students | Unemployed non-students |
| Total  | 35.0      | 23.0                  | 12.0                    | 32.8      | 21.7                  | 11.1                    |
| Male   | 23.6      | 7.2                   | 16.4                    | 21.6      | 7.3                   | 14.4                    |
| Female | 46.2      | 38.5                  | 7.7                     | 44.6      | 36.8                  | 7.7                     |

**Table 5. Employed youth by status in employment, 2013 and 2015 (%)**

| Status in employment                  | Total |      | Male |      | Female |      |
|---------------------------------------|-------|------|------|------|--------|------|
|                                       | 2013  | 2015 | 2013 | 2015 | 2013   | 2015 |
| Wage and salaried workers (employees) | 82.2  | 81.6 | 81.8 | 82.3 | 84.1   | 76.6 |
| Employers                             | 1.9   | 1.7  | 2.0  | 1.5  | 1.4    | 2.9  |
| Own-account workers                   | 6.9   | 6.9  | 7.2  | 6.2  | 5.2    | 11.9 |
| Contributing (unpaid) family workers  | 8.9   | 9.8  | 8.8  | 10.0 | 9.4    | 8.7  |
| Not classified                        | 0.1   | 0.0  | 0.1  | 0.0  | 0.0    | 0.0  |
| Total                                 | 100   | 100  | 100  | 100  | 100    | 100  |

**Table 6. Distribution of youth employment by sector at the 1-digit level, 2013 and 2015 (%)**

| Sector                                       | Total |      | Male |      | Female |      |
|--|-------|------|------|------|--------|------|
|  | 2013  | 2015 | 2013 | 2015 | 2013   | 2015 |
| <b>Agriculture</b>                           | 7.1   | 7.8  | 7.2  | 7.8  | 6.5    | 8.0  |
| <b>Industry</b>                              | 30.3  | 36.3 | 34.1 | 39.1 | 7.8    | 15.9 |
| <b>Services</b>                              | 62.6  | 56.0 | 58.7 | 53.1 | 85.7   | 76.1 |
| Agriculture, forestry and fishing            | 7.1   | 7.8  | 7.2  | 7.8  | 6.5    | 8.0  |
| Mining                                       | 0.1   | 0.2  | 0.1  | 0.3  | -      | -    |
| Manufacturing                                | 12.4  | 17.4 | 13.4 | 17.6 | 6.5    | 15.9 |
| Electricity, gas, steam                      | 0.2   | -    | 0.2  | -    | -      | -    |
| Water supply                                 | 0.3   | -    | 0.4  | -    | -      | -    |
| Construction                                 | 17.2  | 18.6 | 19.9 | 21.2 | 1.3    | -    |
| Wholesale and retail trade                   | 24.9  | 20.8 | 26.9 | 22.5 | 13.6   | 9.2  |
| Transport                                    | 2.9   | 2.7  | 3.4  | 3.1  | -      | -    |
| Accommodation                                | 4.9   | 5.8  | 5.5  | 6.3  | 1.0    | 2.2  |
| Information and communications               | 1.1   | 1.9  | 1.2  | 1.7  | 0.7    | 2.7  |
| Financial activities                         | 1.4   | 1.2  | 1.0  | 0.9  | 3.9    | 3.5  |
| Real estate                                  | 0.1   | 0.3  | -    | 0.3  | 0.7    | -    |
| Professional scientific activities           | 2.1   | 2.6  | 1.5  | 2.0  | 5.5    | 7.3  |
| Administrative and support activities        | 1.4   | 1.3  | 1.1  | 0.7  | 3.4    | 5.5  |
| Public administration                        | 7.8   | 4.7  | 9.0  | 4.6  | 0.9    | 5.4  |
| Education                                    | 6.8   | 3.0  | 3.3  | 1.4  | 27.7   | 14.5 |
| Health and social work                       | 3.8   | 3.7  | 2.1  | 3.0  | 14.0   | 8.5  |
| Arts and entertainment                       | 1.0   | 1.9  | 1.1  | 2.1  | 0.6    | 0.4  |
| Other services                               | 3.4   | 5.1  | 2.1  | 4.1  | 11.4   | 12.2 |
| Private households                           | 0.2   | 0.2  | 0.2  | -    | -      | 1.4  |
| Activities of extraterritorial organizations | 0.7   | 0.8  | 0.5  | 0.5  | 2.0    | 3.2  |

**Table 7. Young wage and salaried workers by type of contract, 2013 and 2015 (%)**

| Type of contract                   | Total |      | Male |      | Female |      |
|------------------------------------|-------|------|------|------|--------|------|
|                                    | 2013  | 2015 | 2013 | 2015 | 2013   | 2015 |
| Written agreement                  | 31.4  | 24.5 | 27.1 | 20.8 | 56.3   | 52.6 |
| Oral agreement                     | 68.6  | 75.5 | 72.9 | 79.2 | 43.7   | 47.4 |
| Unlimited duration                 | 86.9  | 91.3 | 87.5 | 92.1 | 83.5   | 85.3 |
| Limited duration                   | 13.1  | 8.7  | 12.5 | 7.9  | 16.5   | 14.8 |
| – Less than 12 months              | 62.0  | 69.6 | 66.7 | 71.2 | 41.8   | 63.1 |
| – 12 months to less than 36 months | 26.3  | 25.9 | 19.9 | 23.1 | 53.8   | 36.9 |
| – 36 months or more                | 11.7  | 4.6  | 13.4 | 5.7  | 4.3    | 0.0  |
| Total                              | 100   | 100  | 100  | 100  | 100    | 100  |

**Table 8. Youth informal employment by composition, 2013 and 2015 (%)**

|  | Total |      | Male |      | Female |      |
|--|-------|------|------|------|--------|------|
|  | 2013  | 2015 | 2013 | 2015 | 2013   | 2015 |
| Youth formal employment rate   | 5.9   | 5.1  | 6.0  | 4.8  | 5.5    | 6.9  |
| Youth informal employment rate   | 94.1  | 94.9 | 94.0 | 95.2 | 94.5   | 93.1 |
| <i>Of which:</i>   |       |      |      |      |        |      |
| – Informal employment outside the informal sector (share in informal employment) | 62.7  | 60.4 | 60.4 | 58.9 | 76.0   | 71.4 |
| – Employment in the informal sector (share in informal employment)               | 37.3  | 39.6 | 39.6 | 41.1 | 24.0   | 28.6 |
| Total  | 100   | 100  | 100  | 100  | 100    | 100  |

**Table 9. Employed youth by overeducation, undereducation or matching qualifications, 2013 and 2015 (%)**

| Qualifications match    | Total |      | Male |      | Female |      |
|-------------------------|-------|------|------|------|--------|------|
|                         | 2013  | 2015 | 2013 | 2015 | 2013   | 2015 |
| Undereducated           | 44.1  | 49.5 | 46.5 | 52.3 | 31.0   | 29.9 |
| Overeducated            | 14.7  | 13.7 | 15.5 | 13.2 | 10.3   | 17.2 |
| Matching qualifications | 41.1  | 36.8 | 38.0 | 34.5 | 58.6   | 53.0 |
| Total                   | 100   | 100  | 100  | 100  | 100    | 100  |

**Table 10. Youth unemployment rates by level of completed educational attainment, 2013 and 2015 (%)**

| Educational attainment                     | Total |      | Male |      | Female |      |
|--|-------|------|------|------|--------|------|
|  | 2013  | 2015 | 2013 | 2015 | 2013   | 2015 |
| Less than primary (including no schooling) | 31.2  | 30.1 | 29.8 | 29.5 | 50.2   | 53.5 |
| Primary                                    | 38.1  | 26.6 | 36.8 | 26.5 | 52.6   | 27.5 |
| Secondary vocational                       | 19.4  | 21.4 | 19.4 | 21.0 | -      | -    |
| Secondary general                          | 31.0  | 27.4 | 25.8 | 26.0 | 62.2   | 36.7 |
| Post-secondary vocational                  | 41.4  | 36.4 | 42.0 | 28.7 | 40.5   | 51.2 |
| University and postgraduate studies        | 45.1  | 42.9 | 30.0 | 20.4 | 61.3   | 67.8 |

**Table 11. Unemployed youth by duration of job search, 2013 and 2015 (%)**

| Duration of job search         | Total |      | Male |      | Female |      |
|--------------------------------|-------|------|------|------|--------|------|
|                                | 2013  | 2015 | 2013 | 2015 | 2013   | 2015 |
| Less than a week               | 2.9   | 4.7  | 2.3  | 4.8  | 4.3    | 4.4  |
| 1 week to less than 1 month    | 6.3   | 11.9 | 7.0  | 10.8 | 4.5    | 14.0 |
| 1 month to less than 3 months  | 16.5  | 11.5 | 16.1 | 10.1 | 17.6   | 14.4 |
| 3 months to less than 6 months | 8.0   | 6.2  | 8.5  | 7.6  | 6.8    | 3.5  |
| 6 months to less than 1 year   | 9.6   | 10.4 | 9.4  | 10.6 | 9.8    | 9.8  |
| More than a year               | 56.7  | 54.2 | 56.6 | 55.3 | 56.9   | 51.9 |
| Not classified                 | 0.1   | 1.3  | 0.2  | 0.9  | 0.0    | 2.1  |
| Total                          | 100   | 100  | 100  | 100  | 100    | 100  |

**Table 12. Youth population by stages and subcategories of transition, 2013 and 2015 (%)**

| Stage of transition                                       | Total       |             | Male        |             | Female      |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
|   | 2013        | 2015        | 2013        | 2015        | 2013        | 2015        |
| <b>Total transited</b>                                    | <b>14.9</b> | <b>16.3</b> | <b>25.0</b> | <b>27.8</b> | <b>5.0</b>  | <b>4.3</b>  |
| Transited to stable employment                            | 10.1        | 11.2        | 16.7        | 19.0        | 3.7         | 3.1         |
| Transited to satisfactory temporary employment            | 2.8         | 3.1         | 4.9         | 5.5         | 0.7         | 0.6         |
| Transited to satisfactory self-employment                 | 2.0         | 2.0         | 3.4         | 3.4         | 0.6         | 0.6         |
| <b>In transition</b>                                      | <b>39.5</b> | <b>42.3</b> | <b>46.0</b> | <b>47.2</b> | <b>33.0</b> | <b>37.1</b> |
| Unemployed (broad definition)                             | 17.7        | 16.7        | 20.2        | 17.0        | 15.2        | 16.3        |
| In non-satisfactory temporary employment                  | 4.1         | 5.3         | 7.5         | 9.5         | 0.7         | 0.9         |
| In non-satisfactory self-employment                       | 1.2         | 1.6         | 2.2         | 2.6         | 0.2         | 0.6         |
| Active students   | 9.9         | 12.0        | 13.5        | 15.1        | 6.3         | 8.8         |
| Inactive non-students with aim to work in the future      | 6.6         | 6.7         | 2.6         | 3.0         | 10.6        | 10.5        |
| <b>Transition not yet started</b>                         | <b>45.6</b> | <b>41.4</b> | <b>29.0</b> | <b>25.0</b> | <b>62.0</b> | <b>58.5</b> |
| Inactive students   | 34.9        | 31.9        | 28.2        | 23.4        | 41.5        | 40.8        |
| Inactive non-students with no plans to work in the future | 10.7        | 9.5         | 0.8         | 1.6         | 20.5        | 17.7        |
| <b>Total</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  |

Note: Unless other specified, the categories exclude current students.