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**Meeting the Humanitarian Needs of the
Palestine Refugees in the Near East:
Building Partnerships in Support of UNRWA**

Working Group III

**“Promoting the Socio-Economic Development of the Palestine
Refugees”**

Discussion Paper

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Promoting the Socio-economic Development of the Palestine Refugees

I. Executive Summary

The thrust of this paper is to examine ways to strengthen the links between relief assistance provided by the United Nations Relief and Works Agency (UNRWA) to Palestine refugees with a strategy of developing human capital resources. This challenge occurs at a time of increased pauperization among refugees, chronic budget shortfalls and diversion of limited donor funds to emergency relief in the occupied Palestinian territory (oPt).

The overall context for this linkage is the global Millennium Development Goals (MDGs) adopted by the United Nations in its 2000 Millennium Declaration to reduce regional poverty to half its current levels by the year 2015, and the proposed UNRWA five-year Medium Term Plan (MTP). Failing to achieve sufficient synergy between these two approaches could mean that the bulk of UNRWA resources, and much of the international aid to Palestine refugees, could become hostage to the need of giving emergency aid aimed at fending off sliding living standards and averting disaster, rather than helping refugee households to permanently escape the cycle of poverty and despair.

The current crises also occur at a time which witnesses the collapse of the Palestinian -Israeli negotiations which held hopes for an earlier solution to the refugee issue and the diversion of international attention from the Palestine issue to the situation in Iraq.

The paper brings together observations and recommendations from the three thematic papers on socio-economic needs, economic empowerment through microfinance development, and technical and vocational training. Three key new observations linking these three themes together are:

- Significant differences occur in the situation of refugees in the oPt because of Israeli restrictions on movement and access, and in the host countries due to the legal status of residency determines to a large extent mobility and access to jobs and services.
- Rising unemployment among young people has enhanced an informal sector that has partly absorbed the severe impacts of reduced income. Women and female-headed households play important roles in this sector. But a crucial determinant of the refugee household's ability to supplement lost income is access to land and capital resources, both of which are either absent or scarce.
- One area which allows UNRWA to intervene in this process is making capital resources available through microfinance and the training of unemployed youth, and the retaining of teachers in vocational and technical training centres to meet the changing economic and job needs in the region. The aim is to move UNRWA

from an agency responding to market needs to one of creating jobs for a potential market.

Among the key recommendations:

To All Stakeholders

- There is a need to strengthen the links between humanitarian assistance and human development goals. Poverty reduction should be achieved by building the assets and capabilities of poor large households. Supporting survival assistance to households afflicted with chronic poverty in a context of building additional services (such as for the elderly and the disabled) and assets (such as microfinance, and skills for youth) that break the cycle of poverty.
- Increase the level of synergy and cooperation with donor funded export promotion and business services programmes.
- Increase level of coordination and cooperation with host authorities to ensure better living conditions for the Palestine refugees.

To Donors:

- Focus on supporting UNRWA's programmes and services in health and education sectors, and increase funding for the regular budget beyond zero nominal growth in these areas.
- Focus support toward programmes which provide all refugee youth with skills and training that will help them to access modern labour markets.
- Provide funding for UNRWA's mandate and efforts to build internal capacity and introduce measures to make training centres more market oriented, including the new Research and Development unit for Vocational colleges and support for replacing obsolete equipment for training centres.
- Support the general development of a vibrant microfinance industry through capitalisation, capacity building and technical assistance.

To Host Countries:

- Provide more places at all Technical & Vocational Education & Training (TVET) Centres which could be reserved or designated for children from poor households.
- Create an enabling environment for credit arrangements through developing legal frameworks for simplified collateralization procedures, and lifting legal restrictions on refugees in labour and business markets.
- Ensure that microfinance institutions, associations and NGOs are adequately regulated, without being over regulated.

To UNRWA:

- In line with UNRWA's MTP, there is a need for a policy linking education, employment and sustainable livelihood by upgrading the educational system

- through teacher training, hiring more teachers to alleviate classroom overcrowding and improve teaching, reduce double-shifting, modernizing facilities and equipment, particularly laboratories and computer labs.
- Invest in revising the Special Hardship Programme by addressing both the chronic poverty of poor households and the multiple causes and effects that preclude sustainable livelihoods, including withdrawal from schools, poor child and adolescent health standards, and early marriage for women. In this regard there is a need to train (and retrain) social workers for effective intervention.
 - Transform the conception of educational and vocational training centres from a strategy based on training job seekers to one based on job creation. This means that it should contribute to forging the market rather than anticipating it.
 - Orient youth training to emerging market potentials through forging partnerships with business monitors in the host countries.
 - In the microfinance sector, increase the range of microfinance products and services to include: housing finance, consumer finance, micro-insurance, saving and deposits.

II. Methodology

The methodology used in these thematic papers relies on a combination of field observations, field surveys, regional workshops, structured interviews and literature review.

For the socio-economic paper, in addition to literature review, regional workshops were conducted in the five Fields in March 2004 and involved UNRWA staff, refugee organisations, and local and international NGOs in the West Bank (Balata Camp), Gaza (Jabalya Camp), Lebanon, Syria and Jordan (Wihdat Camp). In addition, structured interviews were made with a selected sample of heads of poor households, both those receiving special hardship assistance and those ineligible for such assistance, interviews with senior officials working on refugee issues and other experts in the field.

The economic empowerment paper relied on World Bank, the United Nations Economic and Social Commission for Western Asia (ESCWA) and United Nations Development Programme (UNDP) assessments of micro enterprise projects in Jordan, Lebanon, Syria and the occupied Palestinian territory (oPt), as well as on an UNRWA e-mail survey of microfinance institutions in the four regions.

The Vocational Training and Education survey relied primarily on a desk review, with a limited number of structured interviews with UNRWA TVET graduates from the West Bank, conducted in April 2004.

III. Issues at Stake

This discussion paper addresses the findings of the research teams on the medium-term humanitarian needs of the Palestine refugees in the five Fields of UNRWA

operations in the face of increased funding crises that are drastically affecting the health, education, social welfare and employment needs of the refugees. This discussion paper comes in the aftermath of the collapse of the peace process (Oslo and Camp David) and the return of a cycle of escalating conflict, excessive force and the re-occupation of Palestinian areas, and when hopes for an earlier prospect of self-determination for the Palestinians have been all but dashed. In addition, a year after the Anglo-American occupation of Iraq a significant shift has occurred, with donors and the rest of the international community increasingly averting their eyes from the Arab-Israeli conflict to the fate of Iraq and its future. Nevertheless the issue of the Palestine refugees remains a core issue in regional debates since it affects not only the status of the oPt, but also the regional stability of Jordan, Syria and Lebanon. These events have had direct bearing on the Palestine refugees in three crucial areas which only three years ago held the prospects for greater positive developments:

- The prospect of a Palestinian State, envisioned in the Madrid and Oslo Peace Negotiations, would have created an economy which would have directly addressed the needs of refugees and non-refugees in the West Bank and Gaza.
- The peace negotiations, based on UN resolutions, were expected to bring about a permanent agreed upon solution of the long-standing refugee problem.
- The peace plan also envisioned an era of economic growth and free movement of labour, goods, and capital resources, which would have created a favourable atmosphere for breaking the cycle of poverty and dependence which engulfs a large section of the region's citizenry, refugees and non-refugees alike.

On the negative side, the collapse of the peace negotiations have had immediate and disastrous effects on the lives of camp refugees throughout the region, but particularly in the oPt:

- A substantial rise in unemployment due to the policies of closure and segmentation of the oPt.
- A rise in poverty level of camp and non-camp refugees who do not have access to the alternative sources of livelihood (such as businesses or agricultural land).
- Similarly, a greater involvement in informal sector activities to compensate for loss of jobs, and in the proportion of female-headed households among those below the poverty line.
- A decline in capital investment and capitalisation of human resources, which accompanied the earlier years of the peace process throughout the region.
- Setbacks in UNRWA's ability to deliver education, health, welfare, and microfinance funding due to the combination of relative retreat in donor funding, and the diversion of limited resources to emergency needs.

Linking Development Strategy with Humanitarian Assistance:

UNRWA was created by the UN General Assembly, to whom it reports, as a unique organ of the UN, mandated exclusively to provide work and relief assistance to the Palestine refugees without pre-empting a political solution to the future of its recipients. The original mandate of UNRWA remains valid and is supported by all stakeholders of the Palestine refugee issue.

Over the years UNRWA has developed an impressive network of schools, health services, community-, women- and youth-centres and training centres in Jordan, Gaza, the West Bank, Syria and Lebanon to cater to the needs of a community that has grown from some 800,000 refugees (1950) to over 4 million registered refugees in 2004. The relief and training functions of UNRWA have superseded its role as provider of employment. But the single theme, which has remained constant, has been the provision of instruments (education, training—and later credit), and services (health welfare assistance), which has allowed refugees to become self-reliant.

Over the last decade the component of ‘work’ in UNRWA’s welfare administration has been re-introduced (largely under the impact of massive unemployment caused by closures in West Bank and Gaza) in the form of public works hiring, and—more successfully—in making available credit for microenterprise projects.

Within UNRWA there has been a noticeable shift over the years from a programme based on relief assistance to one based on investment in human capital resources, in tandem with international assistance trends and new conceptions of poverty alleviation. This shift was succinctly expressed in the WG III report on Socio-economic Needs:

“The linking of immediate humanitarian assistance to promoting socio-economic and longer-term human development is a strategic need articulated by refugees themselves (Tamari 1996), in the context of the meeting developmental needs without prejudicing refugee rights. This need is also clearly acknowledged by the international community and by UNRWA, who perceives its mandate as evolving from “humanitarian crisis to humanitarian development” (Hansen 2003). However, just as conditions of “perpetual emergency” (Johnson and O’Brien 2003) have often overwhelmed the fragile stability and hopes of refugee families for a better life, emergency needs have competed for scarce resources with initiatives to promote future human development and community, family and individual development. Perhaps no programme better signals perpetual emergency and its contradictions than food aid. Food aid was the first initiative of the international community to prevent “starvation” of the new refugees from Palestine. Often stigmatized as a sign of refugee dependence, food aid remained a staple of UNRWA’s Special Hardship Programme over the decades, and “the ration” was extended to other

refugees during periods of emergency. Suspended in the Palestinian territory at the beginning of the interim period, international food aid was reintroduced in Gaza in 1996 to allow families to cope with closure and consequent unemployment -- a sign of dashed hopes for a better life. Most dramatically and tellingly, in 2003, UNRWA's emergency food programme delivered food packages to almost 220,000 families across the West Bank and Gaza (1.1. million people), over twenty times the number of families receiving food aid in 2000. (UNRWA 2003) With about half of households in refugee camps receiving some form of food aid in 2003 (Bocco et. al. 2003) and about a third of the Palestinian population in the oPt, it is clear that humanitarian assistance is both necessary and must be accompanied by a human development strategy that addresses obstacles to socio-economic development, rather than partially alleviates their effects - -- if these emergency initiatives are not themselves to become perpetual." (Johnson, 2004)

The main factor undermining this strategy was the constant need to mobilize limited resources to meet emergency assistance for refugees in times of war and upheavals.¹

But the current crisis in humanitarian aid strategy is not only manifested in the oPt, but significantly in the other host countries as well. In Lebanon, it is linked to severe legal restrictions on refugee employment and mobility and access to some resources (e.g. construction materials), and in Syria and Jordan to setbacks in expectations of economic growth that were generated by the prospects of a peace agreement.

The main objective of this discussion paper is to examine how UNRWA, in partnership with the region's host authorities (Jordan, Syria, Lebanon, and the Palestinian National Authority), the donor community, and in coordination with local NGOs and other international bodies, can maintain a pro-active policy of developing human resources among refugees, while dispensing emergency aid to contain the impact of reduced budget allocation on existing educational, health and credit programmes. It is true that emergency aid has emerged in response to the current crises emanating from the policy of closures and military conflict, and that funding for such aid has come from separate sources not always at the expense of the regular UNRWA budget, while the Medium Term Plan (MTP) has been drawn to address long-term under funding and ways of restructuring UNRWA aid to refugees. Nevertheless there is a danger of diverting UNRWA manpower resources (and sometimes funding and potential funding) from short-term crisis management to long term planning.

A failure to adequately synergize these two approaches could mean that the bulk of UNRWA resources, and much of the international aid to Palestine refugees, could become hostage to the need of giving emergency aid aimed at fending off sliding living

standards and averting disaster, rather than helping refugee households to permanently escape the cycle of poverty and despair.

These two approaches occur in the context of two overarching objectives:

- The first is the global Millennium Development Goals (MDGs) adopted by the United Nations in its 2000 Millennium Declaration to reduce regional poverty to half its current levels by the year 2015. This puts the Palestine refugees as a primary target for these policies since not only are they mostly among the poorest, but also among the most hampered by Israeli military measures which restricts access and movement, and by legal and institutional restrictions on movement and employment possibilities.
- The second concerns proposed UNRWA's proposed five-year Medium Term Plan (MTP—2004-2009), whose objective is to meet the challenges of rapid population increases against changed (and more restricted) labour markets for employment. The chief features of this plan are to redirect existing resources and to allocate new ones to go beyond the crisis management of falling standards of vocational and educational training. It focuses on a number of highly innovative and cost efficient methods in meeting the future educational needs of refugees: improving access to quality education; developing communication technology facilities (including computerization) and improving the infrastructure for learning through the more efficient use of existing facilities, and optimizing vocational training and science faculties. This involves the introduction of an education management information system that will lead to improved operational effectiveness and more efficient human resource allocation.

Obviously these objectives would require enhanced fundraising for medium and long-term planning aimed at creating more sustainable human and physical resources, but much of it involves optimization of existing resources through efficient and innovative management. On the other hand, the nature of UNRWA's programmes are constructed such that they will not pre-empt the permanent solution of the refugee issue, and 'planning', in this context should be taken within these parameters.

IV. Themes Addressed: Socio-Economic Needs, Economic Empowerment, and Vocational & Educational Training

This discussion paper² synthesizes and integrates the three thematic papers of Working Group III addressing Socio-Economic Needs (“Socio-Economic Needs, Challenges and Priorities of the Palestinian Refugees”, prepared by the Bisan Centre for Research and Development and P. Johnson), Economic Empowerment (“Empowering Palestine Refugees through Microenterprise Development: Microfinance as a Development Tool”, by A. Pollock of the United Nations Relief Works Agency for Palestine Refugees in the Near East (UNRWA) and Vocational and Educational Training “Upgrading UNRWA’s Technical and Vocational Education and Training Programme”, prepared by the United Nations Development Programme (UNDP).

The three thematic papers tend to complement each other in the demographic profile of their target population: the socio-economic paper places an analysis of the social and economic needs of refugees in the five Fields in the context of regional dynamics and the substantial achievements of UNRWA in health and educational development during the past fifty years. The economic empowerment paper focuses on the living conditions of heads of households and female headed households; and the vocational training paper focuses on problems of youth training and employment for the 15-45 year age category.³

The following section brings together the main findings of the three sectoral reviews prepared by Working Group III. The details of each group are highlighted and synthesized here. The reader is referred to the original documents for elaboration.

i. Socio-Economic Needs⁴:

The main finding of this paper is that much of the substantial achievements of UNRWA in the field of health and educational development in the last fifty years, which has created a sustained (and successful) investment in human capital is now being threatened by a combination of demographic pressures, budgetary shortfalls, military blockades against the movement of refugees, and restrictions on access to resources, in particular, labour markets.

The social profile of refugees today has the following features:

- UNRWA registered refugees have exceeded the 4 million mark in June 2003, out of a total of 5, 250, 000 Palestine refugees in the region
- Refugee population growth at 2.3 percent annually is one of the highest in the world due to high fertility and low mortality; however, it is also exhibiting slowly declining fertility rates (except for Gaza).
- About a third of registered refugees live in camps. In Lebanon and Gaza half the refugees live in camps.
- Over 50 percent of the refugees are 18 years or younger (in Gaza 15 years or younger).
- The main concentration of registered refugees is in Jordan (40 percent), followed by 22 percent in Gaza, 16 percent in the West Bank, 10 percent in Syria, and 10 percent in Lebanon.
- The poorest refugees have living standards that are on par with the condition of the poorest rural population.

The paper identifies significant new regional trends that are common to all refugees, but also exhibit important regional differences.

The paper identified “unoccupied youth”⁵ and increased pauperization (i.e., growth, job and knowledge deficits) as the two central trends affecting the region as a whole, but the refugee population in particular. Refugee camps normally do not have

access to independent sources of livelihood besides labour skills, and therefore the lack of access to labour markets—which is affecting the region as a whole—would hit camp populations hardest.

Refugee populations have a very high demographic growth rate (2.3 percent on average), which under conditions of high labour demand could be an economic asset, but with high levels of unemployment, it is manifested in high habitat congestion and lower standards of living. Furthermore, access to labour markets is hindered by physical and legal restrictions in the oPt and Lebanon.

Women's formal labour force participation is low, at 10-20 percent, despite educational gains, suggesting restricted and gendered labour markets and a weak link between education and employment. However, the extent of credit outreach to women microentrepreneurs by a number of microfinance institutions in the region indicates that informal economic activity⁶ may be significant.

Camp residence becomes “a marker of poverty” since households with higher incomes tend to move out of camps to improved housing conditions in urban areas. This is visible in Fields such as Jordan, where one third of camp households live under the poverty line (1998 figures) which is double the size of poor households among non-refugee households. A similar trend is noted for Lebanon. Large households (ten persons or over) are three times more likely to be afflicted with poverty, although many of these households may not be eligible for social assistance, given the presence of able-bodied males.

A related feature of poverty is that large households with a single earner or unemployed breadwinner are major contributors to poverty. Because the dependence ratio has increased, low or irregular wages cannot meet family needs and the loss of a job affects the family more drastically.

Despite these trends the report found significant regional variations:

- In oPt (West Bank and the Gaza Strip) the main issue was restrictions on the movement of workers, both internally and to external Israeli labour markets. Gaza identified the most urgent emergency needs.
- In Jordan, labour market demands are increasingly at odds with refugee skills.
- In Syria, the economic recession has led to increased unemployment, coupled with high illiteracy and increasing functional illiteracy.
- In Lebanon the main obstacle has been legal restrictions on the Palestine refugees seeking jobs in the formal sector. A main need is addressing the increasingly poor health status and conditions among residents of camps and gatherings.

- Social problems facing youth were of special concern in Lebanon and the West Bank.

In terms of services administered by UNRWA, the report found that health and educational scholarships were the primary concern among Lebanon refugees; employment the main concern in Jordan and the West Bank; emergency health services and damaged homes in Gaza; and poor environmental conditions in Syria.

The report concludes that while UNRWA's services in the field of health and education represented one "of the most sustained international investments in human capital," current trends represent a clear and present danger to these significant achievements, with the very real threat that the refugees' condition will slide backwards, resulting in de-development and stagnation as a result of budgetary shortfalls and increased demands from the rising population. As a remedy, it proposes a focus on "unoccupied youth" combating the problems in the arena of high unemployment and frustrated expectations. This can be done with an ambitious project of training and appropriate education, as well as addressing the specific needs of male and female youth in poor households. The report concludes, "Re-visioning vocational education for twenty-first century economics, and expanding opportunities for vocational placement, can build the vital link between education and employment for male and female youth."

ii. Microenterprise Development⁷

Credit lending strategies through microfinance for the poor has been one of the most effective tools of combating poverty in the third world over the last three decades. Alex Pollock, in his paper on microenterprise, examines its applicability and limitations for the Palestine refugees and makes some challenging observations.

He warns against treating microfinance as a 'panacea for solving the problem of poverty' without addressing the structural aspects of poverty. He also warns against treating the recipients of credit as if they were "nascent capitalists who can expand the private sector, increase effective demand and open markets for the good of all". He reminds us in this context that microentrepreneurs tend to be—in the main—not businessmen, but self-employed initiators of small-scale enterprises employing less than five people. They "...are more likely to be part of an impoverished sub-proletariat than a mushrooming class of small capitalists..."—many are housewives, shopkeepers, peddlers and artisans that enter the marketplace as a survival strategy rather than with a business plan.

From the Palestinian experience, Pollock suggests that for microfinance to be cost-effective it should adopt appropriate institutional systems of credit delivery in which governments and NGOs colate effectively. He warns against shortcuts: "Donors should be wary of funding organisations that produce no more than few hundred loans a year in countries where the poor number in the hundreds of thousands or millions as such development assistance tends to put the quality of the inefficient microfinance

practitioners over the equity of the needy.” Instead he suggests that donors and host authorities seek to develop the microfinance industry through efficient institutions capable of delivering sustainable services of sufficiently large scale.

In the oPt the survey notes the collapse of private sector employment as a result of the Israeli blockade since 2001. In the last 30 months alone one-third of all private sector jobs have been lost. The private sector, which had been generating substantial growth in the aftermath of the Oslo Accords, is today marked by stagnation. During 2002, 17 percent of all enterprises had closed and 76 percent were operating below capacity. Today, poverty levels have become endemic. Before 1997 only one household out of five in the West Bank and Gaza lived below the poverty level. Since 2001 three households out of five now live in poverty, and 81.5 percent of Gaza households are poor. More than two million people today, the bulk of them refugees, survive on less than two dollars a day.⁸

Fewer than 15 percent of the region’s potential borrowers have access to microfinance services and this is unlikely to increase substantially unless the current funding gap of US\$ 150 million is narrowed. In terms of microfinance markets in UNRWA’s areas of operation, Jordan seems to be the most successful area and Syria the least (despite having the largest number of potential borrowers). Surprisingly, Lebanon and the oPt had the smallest microfinance markets, but the highest depth of client overreach. Up to the start of the second *Intifada* and the Israeli blockade, the oPt had the best credit delivery system with credit reaching to about one quarter of potential clients. In the informal sector, women play a major role in absorbing the impact of poverty. Microenterprises run by women in refugee camps function as shock absorbers for the economy in the same manner that marginal land acts as a shock absorber for poor people who have lost their jobs in the urban economy. A recent survey is very illustrative: 71 percent of women enterprise owners were housewives before they started their businesses, 81 percent of women were married and each household had an average of 7.4 dependents. Most importantly the survey shows that in 75 percent of the cases those women who run the microenterprises provided more than half of their family income.

The study finally refers to the need for conducting impact assessment studies for comparative purposes between institutions and regions utilizing basic standard measures that would allow comparison both over time and between different institutions, i.e. something akin to national accounts measures developed for comparative statistics that would enable an institution to compare its performance against its competitor, for donors to compare the performance of its partners, and for authorities to compare the state of its microfinance industry with that in other countries. Obviously these monitoring mechanisms are costly and require skilled field surveyors that many donor groups hesitate to supply or fund. However, such mechanisms are likely to save money in the long run and allow for better targeting of needy recipients. The working group proposes, in the absence of such large-scale longitudinal studies, that a structured sample of clients and potential clients in the five fields be conducted. Even a small in-depth sample is likely to yield significant results if the observations are rigorously examined.

iii. Vocational Education and Training⁹

As in the socio-economic needs report, this paper focuses on problems of “unoccupied youth”. It involves the status and problems of 22 vocational training colleges and 32 technical and vocational training colleges in the five UNRWA fields.¹⁰ These two-year post secondary colleges offered 5,101 training places for refugees, 64 percent of them women. The employability record of these training centres is quite impressive. Despite increased levels of unemployment in the five Fields since the start of the *Intifada*, 75 percent of the 2,132 graduates in the 2000/2001 period were employed in 2002.

However these statistics do not properly reflect the grim economic realities. Specifically, they do not indicate if their graduates were employed in the fields for which they were trained (there is a high tendency in the Arab world to take family members in family enterprises regardless of their suitability), and there is little follow up data on the fate of graduates. In earlier years, UNRWA graduates in technical and semi-technical fields had been able to find immediate placement in Gulf countries, but this trend has been substantially reversed since the early 1990s. The main finding of the paper is that there is little congruence today between the specializations offered by the Technical & Vocational Education & Training (TVET) centres and labour market demand for jobs.

The paper found significant regional variations in problems facing graduates of TVET programmes. In Lebanon, Palestinian graduates are hampered by legal restrictions to the local labour market, and with a deteriorating human rights situation in the camps. In Jordan, a high population growth and economic recession has created an unfavourable job situation for trainees. Syria has witnessed the repercussion of integration in the global market, indicating the least preparation in technological adaptation to new market needs. According to the report, TVET programmes in Syria “need to anticipate these changes and should try and cater to the expanding markets in the services sector, particularly through technical training, including catering to export oriented enterprises, IT, banking, and small service oriented business”. Unlike the situation in Lebanon, the Palestine refugees in Syria have no legal restrictions on access to local labour markets.

Since the start of the *Intifada* and the severe closure system in the oPt, only the public sector has been able to sustain significant employment possibilities; the private sector has seriously contracted during the past four years. Results of a recent survey examining specializations provided by the various TVET institutions indicated absence or low priority given to the following areas¹¹:

- In business management: specialization in sales, marketing and management skills
- In the health sector: specialization in dental and thalamic services
- In construction: specialization in surveying, brickwork, plastering and tiling
- In manufacturing: computer aided drawing, testing measurement and inspection, industrial textile and fabrics, maintenance and industrial food.

These are important indicators that can guide future planning for training centres in introducing new curricula, and the elimination of areas which no longer serve market needs.

V. Recommendations

Policy recommendations for the three working papers assume a coordination of efforts between donor countries, host authorities, UNRWA and local NGOs active in the five Fields. Stress was made on promoting refugee welfare in the context of UNRWA's Medium Term Plan (MTP) and the UN Millennium Development Goals in two particular areas: (1) the reduction of poverty levels through development projects; and (2) the implementation of strategies for productive work and meaningful activity for youth.

A common issue addressed by all papers concerns the removal of physical and legal barriers for refugee employment. This refers to the physical barriers erected to control population movement and access to labour markets (Israel and oPt), and policies which affect the refugee non-citizen population (Lebanon). The same policy concerning barriers (not addressed by the reports) should be followed with respect to access to health and educational/training services denied by checkpoints and police barriers in the oPt.

To All Stakeholders

1. There is a need to strengthen the links between humanitarian assistance and human development goals. Poverty reduction should be achieved by building the assets and capabilities of poor large households. Supporting survival assistance to households afflicted with chronic poverty in a context of building additional services (such as for the elderly and the disabled) and assets (such as microfinance and skills for youth) that break the cycle of poverty.
2. Increase the level of synergy and cooperation with donor funded export promotion and business services programmes.
3. Increase level of coordination and cooperation with host authorities to ensure better living conditions for the Palestine refugees.

To Donors

4. The erosion of human capital needs to be stopped by reversing the slide in health and education services resulting from budget cuts and refugee population growth. Donors need to focus on supporting UNRWA's programmes and services in health and education sectors, and increase their funding for the regular budget beyond zero nominal growth in these areas.
5. Focus support toward programmes which provide all refugee youth with skills and training that will help them to access modern labour markets.

6. Provide funding for UNRWA's mandate and efforts to build internal capacity and introduce measures to make training centres more market oriented, including the new Research and Development unit for Vocational colleges and support for replacing obsolete equipment for training centres.
7. Support the general development of a vibrant microfinance industry through capitalization, capacity building, and technical assistance.
8. Prioritize support for large-scale, sustainable, self-sufficient microfinance institutions with significant outreach capacity.

To Host Authorities

9. Provide more places at all TVET centres which could be reserved or designated for the children from poor households.
10. Create an enabling environment for credit arrangements through developing legal frameworks for simplified collateralization procedures, and lifting legal restrictions on refugees in labour markets.
11. Ensure that microfinance institutions, associations and NGOs are adequately regulated, without being over regulated.

To UNRWA

12. In line with UNRWA's MTP, there is a need for a policy linking education, employment and sustainable livelihood by upgrading the educational system through teacher training, hiring more teachers to alleviate classroom overcrowding and improve teaching, reduce double-shifting, modernizing facilities and equipment, particularly laboratories and computer labs. In this regard a policy of retraining technical teaching staff should be pursued. A balance has to be maintained to ensure the infusion of new recruits for training in new fields with retraining of staff from phased out fields. An equitable separation policy needs to be worked out for those staff that cannot be retrained.
13. Invest in revising the Special Hardship Programme by addressing both the chronic poverty of poor households and the multiple causes and effects that preclude sustainable livelihoods, including withdrawal from schools, poor child and adolescent health standards, and early marriage for women. In this regard there is a need to train (and retrain) social workers for effective intervention.
14. Electronic versions of the curricula should be made available and more use should be made of the internet to exchange ideas for improvement. All teaching materials should be made available to all instructors and textbooks for all trade courses should be produced based on the adopted curricula.

15. Transform the conception of educational and vocational training centres from a strategy based on training job seekers to one based on job creation. This means that it should contribute to forging the market rather than anticipating it. “TVET needs to be viewed less through a relief or delivery of education lens, and more as a sub-branch of tertiary education directly linked to job attainment, organically linked to external actors in the market.”
16. Orient youth training to emerging market potentials through forging partnerships with business monitors in the host countries. UNRWA should explore the possibilities of participating in job forums with private sector organisations, and market research organisations. UNRWA graduates must be competitive, but also encouraged to innovate and foster enterprise so that they are not seen as competing with citizens for scarce jobs. Graduates should not be trapped in the vortex of local skills and low income that can exacerbate socio-economic barriers and disadvantages already faced by them. In Jordan and Syria particularly there is a scope for job creation in the service sector by TVET graduates if equipped with entrepreneurial and business management skills. This can be tied to a scheme of micro-enterprise loans. Greater technical support from the International Labour Organisation (ILO) on initiatives such as Start Your Own business might be useful.
17. Undertake a tracer study on the destination of TVET graduates. This can be done either by its career placement division or by forging partnerships with independent local job placement organisations. This will provide both an indicator of the effectiveness of the programme as well as a pointer on the relevance (or otherwise) of certain courses to the evolving labour markets. There is a need to upgrade youth centres, youth programmes and recreational facilities for male and female youth, with attention to the safety of public spaces and within a framework of addressing male and female youth’s social development. NGOs may have a leading role in these initiatives, in cooperation with UNRWA and the host countries.
18. In the microfinance sector, increase the range of microfinance products and services to include: housing finance, consumer finance, micro-insurance, saving and deposits.
19. Emergency food needs should be addressed in a manner that strengthens rather than weakens local economics and household capabilities. Links need to be created between emergency job creation, capacity building and infrastructure for socio-economic development. This issue of cash vouchers in the place of food packages has been discussed by UNRWA and donors on many occasions, and UNRWA should continue to evaluate the pros and cons of food distribution vs. the distribution of cash vouchers, and communicate its findings with donors.

End Notes

¹ 1967 war and dislocation; 1970-71 civil disturbances in Lebanon; 1975-1985 civil war in Lebanon; 1982 invasion of Lebanon and occupation of the southern region by the Israeli forces; the first uprising in oPt—1988-1993; the Israeli blockade on the West Bank and Gaza, 1993-1996 and the second *intifada* (2000-present).

² The writer would like to thank Steven Siqueira, Penny Johnson, Saji Salameh, Mays Warrad, Khalil Nijem, Alex Pollack, and Raja Khalidi for their helpful comments on the first draft of this paper. I am particularly grateful for Mays Warrad for her great input in formulating the text and coordinating the responses to the first three drafts.

³ This is the age given for the productive work force, but is not a definition of youth or the target age for vocational training.

⁴ Socio-Economic Needs, Challenges and Priorities of the Palestine Refugees, prepared by Penny Johnson (Framework Document) Yasser Sara, Mohsin Abu Ramadan, Abdul Rahim al Mugharabi, and Jaber Suleiman (Field Reports) on behalf of the Bisan Centre for Research and Development (Ramallah).

⁵ We define unoccupied youth to be male and female youth (ages ranging roughly from 15-25 years) who are frustrated in their searches for meaningful and productive activities and life opportunities, including but certainly not exclusively paid work. There is an assumption that “youth” are unmarried.

⁶ For this paper, “informal economic activity” refers to that sector whose indicators do not appear in the formal sector; the activity is not subject to government regulation and often involves household labour.

⁷ Alex Pollock, “Empowering Palestine Refugees through Microenterprise Development: Microfinance as a Development Tool.

⁸ The Impact of Israeli measures on economic conditions in Palestinian households, 3rd Round; July-August 2001. Palestinian Central Bureau of Statistics, Sept 2001.

⁹ Upgrading UNRWA’s Technical and Vocational Education and Training Programme for Palestinian Refugees. UNDP. Author not indicated.

¹⁰ “Field” is the UNRWA term for its administrative regions located in four countries (Lebanon, Syria, Jordan and oPt (West Bank and Gaza Strip, constituting two ‘fields’).

¹¹ Mazen Hashweh, East Jerusalem Multi Sector Review Project, Vocational and technical training, review and strategy, ECOYS, Jerusalem, 1 October 2002.

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