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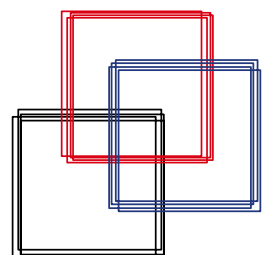
Labour market transitions of young women and men in the Occupied Palestinian Territory

Results of the 2015 school-to-work
transition survey

Tareq Sadeq

July 2016

Youth Employment Programme
Employment Policy Department



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International Labour Office • Geneva

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Preface

Youth is a crucial time of life when young people start realizing their aspirations, assuming their economic independence and finding their place in society. The global jobs crisis has exacerbated the vulnerability of young people in terms of: (i) higher unemployment, (ii) lower quality jobs for those who find work, (iii) greater labour market inequalities among different groups of young people, (iv) longer and more insecure school-to-work transitions, and (v) increased detachment from the labour market.

In June 2012, the International Labour Conference of the ILO resolved to take urgent action to tackle the unprecedented youth employment crisis through a multi-pronged approach geared towards pro-employment growth and decent job creation. The resolution “The youth employment crisis: A call for action” contains a set of conclusions that constitute a blueprint for shaping national strategies for youth employment.¹ It calls for increased coherence of policies and action on youth employment across the multilateral system. In parallel, the UN Secretary-General highlighted youth as one of the five generational imperatives to be addressed through the mobilization of all the human, financial and political resources available to the United Nations (UN). As part of this agenda, the UN has developed a System-wide Action Plan on Youth, with youth employment as one of the main priorities, to strengthen youth programmes across the UN system.

The ILO supports governments and social partners in designing and implementing integrated employment policy responses. As part of this work, the ILO seeks to enhance the capacity of national and local level institutions to undertake evidence-based analysis that feeds social dialogue and the policy-making process. To assist member States in building a knowledge base on youth employment, the ILO has designed the “school-to-work transition survey” (SWTS). The current report summarizes the results of a second SWTS implemented in 2015 in the Occupied Palestinian Territory by the Palestinian Central Bureau of Statistics. The surveys and subsequent reports are products of a partnership between the ILO and The MasterCard Foundation. This report will contribute to the national dialogue on how to address discrepancies between the supply of and demand for youth labour more effectively in order to ensure that young people are better equipped to transition to quality employment.

It is not an easy time to be a young person in the labour market today. The hope is that, with leadership from the UN system, with the commitment of governments, trade unions and employers’ organizations and through the active participation of donors such as The MasterCard Foundation, the international community can provide the effective assistance needed to help young women and men make a good start in the world of work. If we can get this right, it will positively affect young people’s professional and personal success in all future stages of life.

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Director
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¹ The full text of the 2012 resolution “The youth employment crisis: A call for action” can be found on the ILO website at: http://www.ilo.org/ilc/ILCSessions/101stSession/texts-adopted/WCMS_185950/lang--en/index.htm.

Contents

	<i>Page</i>
Preface.....	iii
Contents.....	v
Acknowledgements	ix
1. Introduction and main findings	1
1.1 Overview.....	1
1.2 Main findings.....	2
1.3 Structure of the report.....	5
2. Overview of the labour market and survey methodology	5
2.1 Socio-economic context.....	5
2.2 The labour force in the OPT	7
2.3 Survey objectives and methodology	10
3. Characteristics of youth in the survey sample.....	11
3.1 Individual characteristics of youth.....	11
3.2 Educational attainment	14
3.2.1 Completed education level	14
3.2.2 Current students.....	17
3.3 Activity status of surveyed youth	19
3.4 Primary life goals.....	22
4. Characteristics of inactive and unemployed youth	23
4.1 Youth outside of the labour market (inactive).....	23
4.2 Unemployed youth.....	25
5. Characteristics of employed youth.....	30
5.1 Employment status, occupation and sector.....	30
5.1.1 Wage and salaried workers.....	33
5.1.2 Self-employed youth	35
5.1.3 Unpaid family workers.....	37
5.2 Working hours	37
5.3 Informal employment	38
5.4 Qualifications mismatch	39
5.5 Job satisfaction and security	40
6. Stages of transition.....	42
6.1 Concepts and definitions.....	42
6.2 Stages of transition	44
6.2.1 Youth who have not start the transition.....	46
6.2.2 Youth in transition.....	46

6.2.3	Transited youth.....	47
6.3	Transition paths and lengths of transition.....	49
7.	Policy framework and recommendations.....	51
7.1	Relevant policy framework.....	51
7.2	Policy implications	53
References	57
Annex I.	Definitions of labour market statistics	58
Annex II.	Additional statistical tables	60

Tables

2.1	Palestinian population distribution in the OPT by age and area of residence.....	6
2.2	Labour market indicators by age group and sex, 2015 (%)	7
2.3	Labour market indicators by years of schooling and sex, 2015 (%).....	9
2.4	Status in employment by sex, 2015 (%).....	9
2.5	Employed population by occupation (ISCO-08) and sex, 2015 (%).....	9
3.1	Youth distribution by age, sex and area of residence.....	11
3.2	Reasons for moving by sex and area of residence	13
3.3	Completed level of education of youth by household income level	15
3.4	Share of early school leavers and their completed education level by sex and area of residence.....	16
3.5	Reasons for early school leaving.....	16
3.6	Current students by desired future occupation and place of work	17
3.7	Current students by next step after completion of current educational level	18
3.8	Key labour market indicators for youth (%)	21
3.9	Completed level of education by current activity status	22
3.10	Primary life goals of youth by economic activity status	22
3.11	Primary life goals by completed educational level	23
4.1	Inactive non-students by completed educational level.....	24
4.2	Discouraged youth by reasons	25
4.3	Unemployed youth by duration of unemployment (%)	26
4.4	Occupations sought by unemployed youth	27
4.5	Unemployed youth's opinions on main obstacles to finding a job	29
4.6	Unemployed youth who had refused a job offer by reasons	29
4.7	Mean monthly wage expectations of unemployed youth by level of educational attainment (in ILS).....	30
5.1	Employed youth by status in employment	30
5.2	Status in employment of youth by level of educational attainment, sex and area of residence.....	31
5.3	Employed youth by occupation.....	32
5.4	Distribution of employed youth by sector at the 1-digit level.....	32

5.5	Young wage and salaried workers by type of contract and duration of contract	33
5.6	Young wage and salaried workers on limited duration contract by reason.....	33
5.7	Young wage and salaried workers by access to benefits (%).....	34
5.8	Mean monthly wage of young wage employees by level of educational attainment	34
5.9	Share of young wage workers whose wages were below the minimum wage by level of educational attainment (%)	35
5.10	Self-employed youth by most significant challenge	36
5.11	Financial resources for self-employed youth	37
5.12	Young unpaid family workers by reason	37
5.13	ISCO major groups and skill levels	39
5.14	Shares of overeducated and undereducated young workers by major occupational category (ISCO-08) (%).....	40
5.15	Employed youth perception of education relevance	40
5.16	Share of employed youth who would like to change job	41
5.17	Employed youth who want to change job by reason.....	41
6.1	Distribution of transition stages of youth by area of residence.....	44
6.2	Transition stages of youth by selected characteristics	45
6.3	Distribution of youth in transition by subcategory and selected characteristics (%)	47
6.4	Distribution of transited youth by subcategory and selected characteristics (%).....	48
6.5	Average lengths of labour market transitions from school graduation (months).....	50
A.1	Educational attainment of youth and youth's parents	60
A.2	Comparison between youth's completed education level and their parents' education level	60
A.3	Preferred field of study of current young students.....	60
A.4	Unemployed youth by household's income level	61
A.5	Distribution of NEET youth.....	61
A.6	Job search methods of employed and unemployed youth.....	61
A.7	Employment youth by aggregate sector of employment.....	62
A.8	Job satisfaction rates (%)	62
A.9	Detailed transition stage distribution by area of residence	62
A.10	Transited youth by subcategory and occupation	63

Figures

2.1	GDP per capita in US\$ at constant prices, 1994–2015 (base year = 2004)	6
2.2	Unemployment rates in the OPT by sex, 2000–15 (%).....	8
3.1	Youth men and women by marital status	12
3.2	Proportion of youth who moved from their original residence, 2013 and 2015	13
3.3	Completed level of education of youth by sex, 2013 and 2015	14
3.4	Completed level of education of youth by area of residence, 2013 and 2015	15
3.5	Economic activity status of youth.....	19

3.6	Detailed economic activity status of youth	20
4.1	Inactive youth by reasons for inactivity	24
4.2	Unemployed youth by method of job search	26
4.3	Youth unemployment rate by level of educational attainment.....	28
5.1	Self-employed youth by reason for self-employment.....	36
5.2	Employed youth by average hours worked per week	38
5.3	Informal employment among youth by subcategories	38
6.1	Distribution of transition stages by subcategory of transition.....	45
6.2	Distribution of youth in category “transition not yet started” by subcategory.....	46
6.3	Distribution of transition groups (transited and in-transition) by selected characteristics.....	48
6.4	Flows to first stable and/or satisfactory employment	49
6.5	Average length of labour market transition from school graduation to first stable and/or satisfactory job by level of completed education	51

Boxes

1.	Definition of youth.....	10
2.	Work4Youth: An ILO project in partnership with The MasterCard Foundation.....	11

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1. Introduction and main findings

1.1 Overview

The transition from education to employment is a challenge for youth in the Occupied Palestinian Territory (OPT). The Palestinian educational system has experienced important improvements over the past two decades, following the establishment of the Palestinian Authority. However, youth are still severely affected by the lack of opportunities, as evidenced by a youth unemployment rate of around 40 per cent, even among youth with tertiary education.

Youth discouragement is an obvious fact. Lack of opportunities for youth and increasing restrictions on Palestinians' daily lives may have contributed to the recent political tensions that started in October 2015. The Israeli occupation of more than 60 per cent of the West Bank and the imposition of movement barriers within the territory affect the mobility of workers. Moreover, the Israeli wall erected in the territory has removed access to parts of the agricultural areas and natural resources of the West Bank, and the lack of border controls by the Palestinian National Authority and Israeli restrictions on the passage of tradable goods have had negative impacts on productivity. The 1994 Protocol on Economic Relations, which bound the Palestinian Authority to Israel's economy through a customs union, gave Israel control over all borders and further restricted the development of the Palestinian economy.

Youth are the most vulnerable to economic difficulties due to their lack of skills and experience, with young women being especially disadvantaged. Young women are largely found outside of the labour market. Those who are active face sectoral and occupational segregation which limit the employment opportunities available for them. The result is a concentration of young women in a few professional posts primarily in the public sector. As a result, female unemployment rates are even higher than the male rates, and almost one-third of the female youth population is outside of the labour force and not in education or training.

This report analyses the findings of the ILO's school-to-work transition survey (SWTS) conducted by the Palestinian Central Bureau of Statistics (PCBS) in the OPT. The SWTS is an ILO survey instrument for generating information on the current labour market situation of young people aged 15–29 years, and on their past economic activities and their perceptions and aspirations. Two rounds of the survey were commissioned in the OPT. The first round was implemented in 2013 and reached 4,321 interviewees. A report summarizing the 2013 results was published in 2014 (Sadeq and Elder, 2014). The second round was completed in 2015 and involved 4,141 youth. This report discusses the findings of the second round of SWTS, and makes some comparisons between the 2013 and 2015 results.

The indicators generated from the survey and analysed in this report allow a much more detailed picture of youth in the labour market to be presented than can usually be derived through standard surveys, including the Labour Force Survey. Unemployment among youth is a major national concern, but it is also important to consider the quality of work made available to the young population. Does the work provide the wages and security necessary to empower young people to move toward self-sufficiency in their pending adulthood? The emphasis on quality of employment in this report should help to answer this question. The report also draws attention to the path and duration of young people's transitions from school to work and makes conclusions on characteristics or experiences that make for a smoother transition.

1.2 Main findings

Still too many young people are not fully benefiting from the educational system.

The survey found that 51.5 per cent of young men and women (15–29 years old) had at most completed basic education, while 21.9 per cent of youth had not completed any level. At the same time, there is an increasing trend towards completion of higher education. In 2015, 22.3 per cent of youth had completed education at the tertiary level compared to 19.7 per cent in 2013.

The survey found that 30.2 per cent of youth had left the education system before completing the educational level where they were originally enrolled; 49.5 per cent of early school leavers had completed basic education at most. Failed examinations (20.0 per cent) and lack of interest in education (36.6 per cent) were the major reasons for dropping out of school. The latter implies disenchantment on the part of young people, and a feeling that investing in their education would not bring them a sufficient rate of return in terms of job opportunities. Economic reasons seem to be the barrier to entry into tertiary education; none of the surveyed young people with a bachelor's degree belonged to a poor household (self-assessment of household income), while 21.5 per cent of youth without any education did.

Inactivity is the dominant economic activity status among young women, and the reasons for their inactivity differ from those of young men.

The ILO estimates that the global rate of participation of young people (aged 15–24) in the labour market in 2015 was 47.3 per cent. The estimated rate for young men was 55.2 per cent, and for young women was 38.9 per cent (ILO, 2015). Compared with these, the labour force participation rate for young people in the OPT was very low; primarily reflecting the remarkably limited involvement of young women in the labour market.

The youth labour force participation rate in OPT at the time of the survey was 41.3 per cent. The participation rate for young women was especially low at 16.1 per cent, compared with 65.4 per cent for young men. These results represent a slight increase for young women compared to the 2013 figure (15.6 per cent) and decrease for young men (61.8 per cent). Not only did the extent of inactivity differ between the sexes, but the reasons for inactivity also differed. The most frequent reason for inactivity was enrolment in education or training, which accounted for a larger share of inactive males (78.9 per cent) than inactive females (55.5 per cent). The second most frequent reason was family responsibilities or housework, which was an almost fully female feature as it represented 30.6 per cent of inactive young women but only 1.6 per cent of inactive men. The large share of young women who are inactive but not involved in either the labour force or in education or training has an impact on the productive potential of the country.

The youth labour market in the OPT is profoundly influenced by gender issues.

As already hinted at, gender-based issues emerge as a major characteristic of the youth labour market in the OPT. The share of the young female population that is employed was as low as 7.1 per cent, thus even less than the share of young women who were unemployed (9.1 per cent). The vast majority of young women were not involved at all in the labour market. As many as 83.9 per cent of young women were outside of the labour market at the time the survey was conducted.

Among the few young women who did work, their employment was concentrated in the public sector (23.0 per cent in the education and health sectors, compared with 4.4 per cent of male workers). Young women appear to benefit to a lesser extent than men from the returns to education in terms of earnings, and have experienced a worsening of their situation on the labour market in areas where men have seen improvements, including in lower numbers in unemployment.

An analysis of the expectations and interests of students shows that during their years in education, the perspectives of young women and men are still somewhat aligned. For instance, only 2.9 per cent of current female students indicated that they do not wish to work, compared with 0.2 per cent of men. The majority of current students, regardless of sex, indicated a preference for a professional job (80.0 per cent of women and 63.5 per cent of men). However, by the time young people exit education and begin (or not) their transition paths towards the labour market, their choices and real opportunities do not seem to have much resemblance to those early expectations.

Youth unemployment in the OPT is among the highest in the region.

The survey found a decrease in the youth unemployment rate (based on the strict definition) from 37.0 per cent in 2013 to 32.3 per cent in 2015 (22.5 per cent in the West Bank and 50.6 per cent in Gaza). The youth unemployment rate based on the broad definition also decreased, from 49.1 per cent in 2013 to 46.2 per cent in 2015. Yet, the youth unemployment rate remained one of the highest in the region, and almost 10 percentage points higher than the overall unemployment rate in the OPT.

Although the aggregate youth unemployment rate decreased between 2013 and 2015, when disaggregated by sex it is seen that the situation of young women slightly worsened. The female unemployment rate increased by almost 2 percentage points, from 54.8 per cent in 2013 to 56.2 per cent in 2015. The male unemployment rate, on the other hand, has decreased from 32.4 per cent in 2013 to 26.7 per cent in 2015.

The results showed that long-term unemployment is pervasive in the OPT. The share of unemployed youth whose duration of unemployment was one year or longer was 54.8 per cent (55.8 per cent for young men and 53.0 per cent for young women). Persistent and high youth unemployment can have adverse long-term consequences, such as a higher risk of future unemployment, a prolonged period of unstable employment and potentially depressed income growth (ILO, 2010). At the same time, the longer a young jobseeker's period of unemployment, the more likely it is that prospective employers will harbour negative perceptions of the jobseeker, whom they may start to see as unemployable.

The overall unemployment rate is increasing in line with the level of completed education, but with diverging trends between males and females.

Similar to the 2013 findings, in 2015 the unemployment rate was highest among better-educated young people. For those who had completed only basic education the unemployment rate was 26.8 per cent, compared with 42.9 per cent among tertiary graduates. However, once the findings are disaggregated by sex, it emerges that the unemployment rate for young men decreases with the completion of higher education, while the opposite is true for young women.

Although the unemployment rate increases for those with higher education levels (for young women only), education is still considered to be an investment as it provides higher wages. The survey results suggest that the average pay received by a young employee holding an intermediate diploma is comparable with that of someone with no education, but that the earnings associated with a secondary academic degree and a tertiary degree are significantly higher.

At the same time, however, the results showed there to be a deficiency in job opportunities for the most educated young graduates. In fact, while 29.1 per cent of unemployed youth were seeking professional occupations and 72.6 per cent of surveyed students stated a preference for a future career as a "professional", only 10.1 per cent of employed youth were currently engaged in a professional occupation.

The majority of employed youth are working as wage or salaried workers, albeit under conditions of informality.

The majority (81.6 per cent) of employed youth were found to be in wage employment, most of which is based on contracts of unlimited duration. However, such contracts are primarily based on oral agreements; only 24.5 per cent of employees benefitted from a written contractual agreement. More than 50 per cent of young wage workers earned less than the minimum wage set by the Palestinian Authority in 2012.

Informal employment is the norm for virtually every young employed person in the OPT. The majority of employed youth (57.4 per cent) held an informal job in the formal sector and 37.6 per cent worked in the informal sector. Only 5.1 per cent of employed youth were in formal employment. The rest were working without the protection of the basic benefits that characterize formal employment. For instance, only 29.2 per cent had paid sick leave, 23.9 per cent had annual paid leave and 22.3 per cent had medical insurance coverage. Furthermore, access to most benefits diminished between 2013 and 2015.

Despite the poor conditions for some wage and salaried employment, self-employment is not an attractive option to young people in the OPT. Self-employed youth (including employers, own-account owners and unpaid family workers) constituted only 18.4 per cent of employed youth. Only 1.7 per cent of young workers were employers, 6.9 per cent were own-account workers and 9.8 per cent were unpaid family workers.

The most significant challenge facing self-employed youth is insufficient financial resources, which was mentioned by 32.6 per cent of the self-employed. Political uncertainty was considered a critical challenge by 23.3 per cent of self-employed young people overall, and it represented by far the most critical issue in Gaza (47.3 per cent of self-employed youth). In the same area, 13.4 per cent mentioned the shortage of raw materials, due to the blockade that has persisted since 2007, as being the most significant challenge.

The majority of youth have not yet started their transition to work, or have started but not yet completed the transition.

Only a minority of young people, 16.3 per cent, had complete their transition to stable or satisfactory employment at the time of the survey, although this did represent an increase from 14.9 per cent in 2013. The share of youth in transition also increased between the two years, from 39.4 per cent to 42.3 per cent. Geographic location is a factor associated with large differences in the completion of the transition. In the West Bank, 20.5 per cent of youth had completed transition to stable or satisfactory employment, compared with only 9.6 per cent in Gaza. Youth from poor and very poor households were most likely to remain in transition (in contrast, youth in other income groups were most likely to be in the category of transition not yet started).

The SWTS found significant gender-based differences in the probabilities of starting and completing the transition, providing additional confirmation of the gender barriers that characterize the labour market in the OPT. In particular, the traditional divisions of household responsibilities lead to unemployment or inactivity among females. While 27.8 per cent of young men had completed their transitions, only 4.3 per cent of young women had done so. The majority of young women (58.5 per cent) had not yet started a transition, while the corresponding figure for young men was 25.0 per cent.

The few youth who have completed their labour market transition are in stable jobs.

The majority of young people who had completed their transitions had transited to a stable job (68.6 per cent). Sex, household income level and educational attainment are important determinants of the characteristics of transitions. The probability that transited youth from well-off households are found in stable employment was close to double that for

young people from a fairly poor background. Educational attainment is another element that is positively associated with higher shares of stable employment and significantly shorter transition lengths. As many as 87.0 per cent of transitioned, tertiary-educated youth were in stable employment, versus 55.6 per cent of secondary academic graduates.

Young women had a higher probability of completing their transition to a stable job than young men (71.4 per cent and 68.2 per cent, respectively). However, it is important to recall that only a small proportion of women successfully complete their transitions (4.3 per cent of the young female population), and that this proportion is less than one-fifth of that for young men (27.8 per cent).

An important share of youth transit directly after education, and among those who do not, young women are largely disadvantaged.

The majority of young people who had attained a job deemed stable or satisfactory had done so either as their first labour market experience after education (60.6 per cent) or following a period of unemployment (32.2 per cent). Very few young people transitioned from a period of inactivity to their transitioned job. This finding is especially relevant for young women, and shows that for the scores of females who leave or have never entered the labour market the probability of attaining a successful transition is very low.

The results show that it takes a young person, on average, 13.4 months from the time of their graduation to the attainment of a first job that is deemed to be either stable or satisfactory. If youth who moved directly to that first transitioned job (as their first labour market experience after graduation) are excluded from the analysis, the average length of transition shows a moderate increase, to 16.5 months. In both cases, transition lengths experienced by young women were more than 1.5 times longer than those of young men.

1.3 Structure of the report

Section 2 of the report presents an overview of the Palestinian labour market and the socio-economic context surrounding youth employability. Section 3 presents the characteristics of the youth population, focusing in particular on the educational experiences and aspirations of youth. Section 4 goes into detail on the characteristics of unemployed and inactive youth in the OPT, and section 5 presents qualitative and quantitative information on various aspects of young workers. Section 6 introduces the classification of stages of labour market transition and investigates the characteristics that lead to more advantageous labour market outcomes, specifically in the attainment of stable employment. The section also discusses the length of time that young men and women spend in transition and traces the various labour market experiences they have along the way. Finally, section 7 discusses some policy implications.

2. Overview of the labour market and survey methodology

2.1 Socio-economic context

At the time of the survey, the Palestinian population of the whole of the OPT was about 4.749 million (table 2.1). Youth in the 15–29 years age category comprised 29.9 per cent of the whole Palestinian population. This is almost equal to the share of individuals aged from 30 years upwards (30.8 per cent).

Table 2.1 Palestinian population distribution in the OPT by age and area of residence

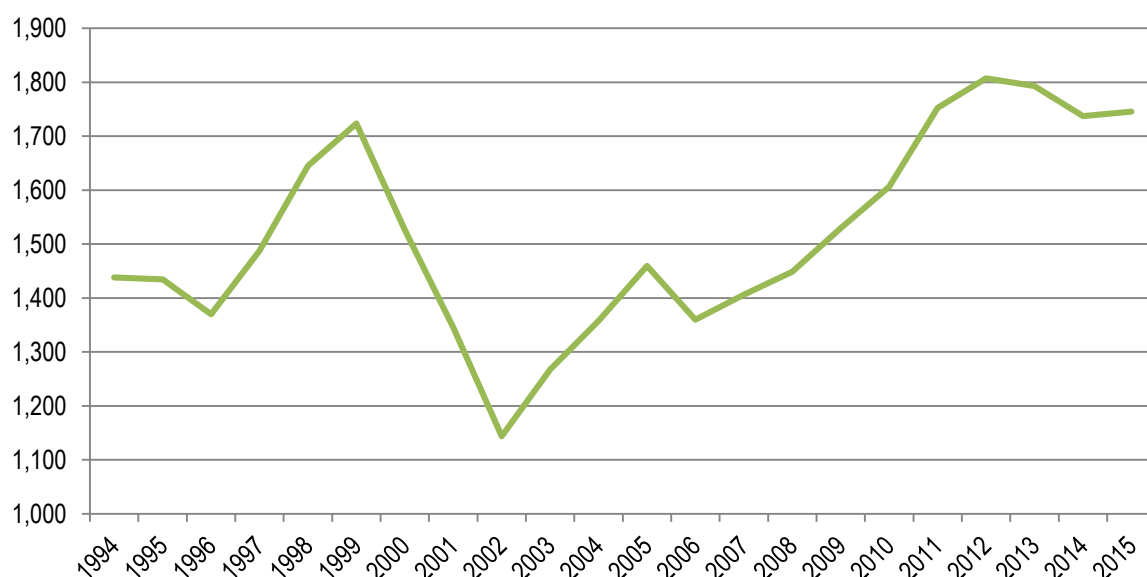
Age	OPT		West Bank		Gaza		Male		Female	
	Number	%	Number	%	Number	%	Number	%	Number	%
0–14	1 866 682	39.3	1 073 383	37.0	793 299	42.9	953 224	39.5	913 458	39.1
15–29	1 421 976	29.9	871 898	30.1	550 078	29.7	725 392	30.1	696 584	29.8
30–64	1 322 842	27.9	859 815	29.7	463 027	25.0	674 924	28.0	647 918	27.7
65+	137 986	2.9	93 831	3.2	44 155	2.4	59 860	2.5	78 126	3.3
Total	4 749 486	100	2 898 927	100	1 850 559	100	2 413 400	100	2 336 086	100.0

Source: PCBS, Palestinians at the end of 2015.

The Palestinian economy has experienced major fluctuations over the past two decades. These fluctuations have been functions of political instability and changes in international aid to the Palestinian Authority. In 2014, the Palestinian economy contracted by 0.2 percent due to the devastating impact of the Gaza war on economic activity. There was a very modest rate of real GDP growth of 3.5 per cent in 2015 (6.8 per cent in Gaza and 2.5 per cent in the West Bank), falling far short of expectations (ILO, 2016). The GDP per capita in 2015 was US\$1,745.9 (figure 2.1), which corresponds to a low-income level, according to the World Bank’s classification.

The political instability in the West Bank since October 2015 also seems to perpetuate the slowdown cycle. In Gaza, the extensive post-war reconstruction efforts that had been anticipated suffered significant delays due to slow inflows of the aid that was pledged by donors in October 2014 in Cairo and continued restrictions on the importation of needed construction and other raw materials. Construction activity picked up pace in the second half of 2015 with the implementation of the Gaza Reconstruction Mechanism, and this fuelled growth and employment, albeit from a very low base. In the West Bank, Israel’s withholding of clearance revenues in the first quarter of the year and reduced budget support necessitated fiscal tightening on the part of the Palestinian Authority, which had a further negative effect on GDP.

Figure 2.1 GDP per capita in US\$ at constant prices, 1994–2015 (base year = 2004)



Source: PCBS, *Palestine in Figures 2015*, March 2016.

2.2 The labour force in the OPT

Table 2.2 presents a selection of key labour market indicators for the population of the OPT from the 2015 Labour Force Survey. Labour force participation rates by age form an inverted U-shape, with lower rates at the younger and older extremes. Only 32.7 per cent of youth in the 15–24 age category participated in the labour force in 2015 (52.9 per cent of males and 11.6 per cent of females). Most of the inactive youth are likely to be enrolled in education. The highest participation rate for males was 92.5 per cent (35–44 age group), while the highest participation rate for females was 31.1 per cent (25–34 age group). The huge gender gap in labour force participation rates is representative of the strongly embedded traditional views on gender roles in the territory.

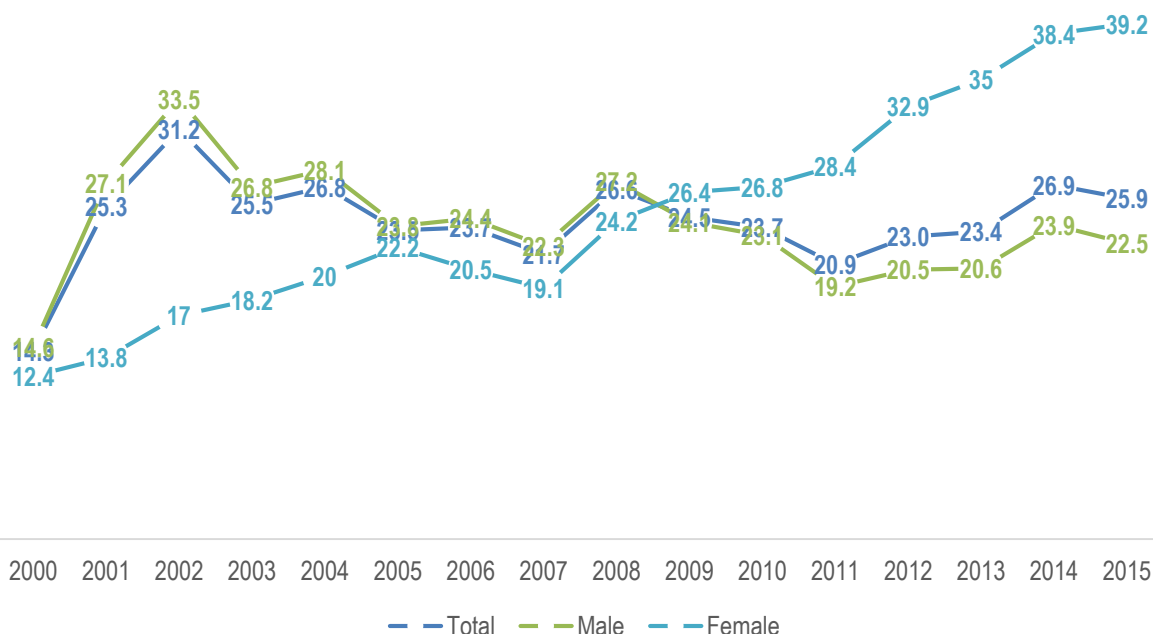
Table 2.2 Labour market indicators by age group and sex, 2015 (%)

Sex	Age group	Labour force participation rate	Inactivity rate	% in the labour force	
				Employed	Unemployed
Total	15 – 24	32.7	67.3	59.3	40.7
	25 – 34	61.4	38.6	69.8	30.2
	35 – 44	59.0	41.0	85.7	14.3
	45 – 54	54.5	45.5	87.2	12.8
	55 – 64	35.6	64.4	86.8	13.2
	65+	9.0	91.0	93.5	6.5
	Total	45.8	54.2	74.1	25.9
Male	15 – 24	52.9	47.1	63.6	36.4
	25 – 34	90.5	9.5	76.9	23.1
	35 – 44	92.5	7.5	87.0	13.0
	45 – 54	86.9	13.1	86.4	13.6
	55 – 64	58.3	41.7	84.9	15.1
	65+	17.6	82.4	92.3	7.7
	Total	71.9	28.1	77.5	22.5
Female	15 – 24	11.6	88.4	39.2	60.8
	25 – 34	31.1	68.9	48.4	51.6
	35 – 44	24.4	75.6	80.7	19.3
	45 – 54	20.0	80.0	90.8	9.2
	55 – 64	12.3	87.7	95.9	4.1
	65+	2.5	97.5	100.0	0.0
	Total	19.1	80.9	60.8	39.2

Source: PCBS, Labour Force Survey, 2015.

Due to the lack of real economic development in the OPT, an important share of Palestinian workers have been travelling to work in Israel. In 2015, according to the Israeli Authorities, the number of Palestinians employed in Israel was 136,500 (World Bank, 2015). Hence, the Palestinian total unemployment rate is a function of the availability of Israeli permits to Palestinians to work in Israel. However, this factor mostly affects male employment, as women are typically not part of the mostly unskilled labour force employed in Israel (World Bank, 2015). The female unemployment rate has been increasing since 2000, and since 2009 has exceeded the male rate. In 2015 the male unemployment rate was almost 20 percentage points lower than the female rate. Given the low rate of women's participation in the labour force, the increasing unemployment rate reflects the decreasing opportunities available to Palestinian women, whose economic situation is relatively more vulnerable to economic fluctuations.

Figure 2.2 Unemployment rates in the OPT by sex, 2000–15 (%)



Source: PCBS, Labour Force Survey.

The share of unemployment in the population is highest among youth: 40.7 per cent of active youth aged 15–24 were unemployed. The share of unemployed among active women in this age group is 60.8 per cent, compared with 36.4 per cent for young men. Up to the age of 44, the share of unemployed women in the active population is significantly higher than the share of unemployed men. The older cohorts contain larger relative shares of unemployed men. However, it is important to note that women aged over 45 have very low rates of participation in the labour force (participation is highest in the 45–54 age group, at 20.0 per cent, compared with 86.9 per cent for men).

Table 2.3 shows that the general trend in labour force categories by years of schooling. In general, the labour force participation rate increases with educational attainment. However, for men, years of schooling have little relation with the rate (except at the lowest end, where the rate for males with no schooling was as low as 21.9 per cent). For women, in contrast, participation in the labour force is almost five times higher for those with 13 years of education than for women who went to school for only 1–6 years. The unemployment shares of active men are low among the least and the most educated. In the case of women, unemployment shares increase steadily with the number of years of schooling. Only 6.5 per cent of active women with no education are unemployed, compared with 48.0 per cent of women with higher education (13+ years).

Table 2.4 shows that the majority of employed individuals work in wage and salaried employment (69.1 per cent of males and 66.8 per cent of females). Men are more likely than women to be in self-employment, while women are as much as four times more likely than men to work as unpaid family workers. This shows once again the female disadvantage in the Palestinian labour market.

Table 2.3 Labour market indicators by years of schooling and sex, 2015 (%)

Sex	Years of schooling	Labour force participation rate	Inactivity rate	% in the labour force	
				Employed	Unemployed
Total	0	9.2	90.8	85.3	14.7
	1 – 6	42.3	57.7	75.0	25.0
	7 – 9	43.5	56.5	76.5	23.5
	10 – 12	40.8	59.2	76.6	23.4
	13+	60.0	40.0	70.1	29.9
	Total	45.8	54.2	74.1	25.9
Male	0	21.9	78.1	79.0	21.0
	1 – 6	69.8	30.2	72.9	27.1
	7 – 9	71.7	28.3	75.9	24.1
	10 – 12	72.5	27.5	76.8	23.2
	13+	74.8	25.2	81.4	18.6
	Total	71.9	28.1	77.5	22.5
Female	0	5.3	94.7	93.5	6.5
	1 – 6	11.0	89.0	90.3	9.7
	7 – 9	7.8	92.2	83.0	17.0
	10 – 12	8.3	91.7	74.9	25.1
	13+	45.6	54.4	52.0	48.0
	Total	19.1	80.9	60.8	39.2

Source: PCBS, Labour Force Survey, 2015.

Table 2.4 Status in employment by sex, 2015 (%)

Employment status	Total	Male	Female
Wage or salaried worker (employee)	68.7	69.1	66.8
Employer	6.2	7.1	2.1
Own-account worker	18.2	19.1	14.0
Unpaid family worker	6.9	4.7	17.1
Total	100	100	100

Source: PCBS, Labour Force Survey, 2015

Table 2.5 Employed population by occupation (ISCO-08) and sex, 2015 (%)

Occupation	Total	Male	Female
Legislators, senior officials & managers	3.2	3.3	3.0
Professionals, technicians, associates and clerks	26.8	21.5	52.9
Service and sales workers	19.4	20.1	16.3
Skilled agricultural & fishery workers	5.0	3.9	10.4
Craft and related trade workers	18.5	20.7	7.7
Plant & machine operators & assemblers	9.6	10.7	4.0
Elementary occupations	17.5	19.8	5.7
Total	100	100	100

Source: PCBS, Labour Force Survey, 2015.

An additional challenge faced by women in the labour market has been occupational segregation. Male employment was rather evenly distributed, with approximately one-fifth employed in each of the following four occupational categories: professionals, technicians, associates and clerks; service and sales workers; crafts and related trade workers; and

elementary occupations. In contrast, female employment was highly concentrated in one occupational category: more than one-half (52.9 per cent) of employed women fell into the category of professionals, technicians, associates and clerks (table 2.5). Moreover, a larger proportion of females (10.4 per cent) than males (3.9 per cent) worked as skilled agricultural workers. These figures indicate that a much wider variety of employment opportunities was available to men than to women.

Similarly, a wider variety of opportunities was available to male workers, across more sectors of economic activity (30.9 per cent were employed in services in 2015, 22.5 per cent in commerce, 18.6 per cent in construction, etc.), than to female workers (not shown). Female employment was concentrated in only two sectors: services (62.9 per cent) and agriculture (13.1 per cent). In contrast, the share of male employment in agriculture was 7.8 per cent.

2.3 Survey objectives and methodology

Current limitations in labour market information make it difficult to obtain detailed information about the conditions of youth employment and the labour market transitions that young people undertake. Even when regular labour force surveys take place, as is the case with the OPT, results are often not tabulated for young people, at least not beyond the basic indicators, such as the youth unemployment rate. However, the issue of improving young people's transitions to work has become a policy priority for a growing number of countries. In response to this obvious information gap, the ILO has developed a framework for understanding the labour market transitions of youth, based on the SWTS. The detailed household survey covering 15–29-year-olds (see box 1) is applied at the national level to generate information on the current labour market situation, the history of economic activities and the perceptions and aspirations of youth.

Box 1. Definition of youth

While in other contexts a youth is defined as a person aged between 15 and 24 (as by the United Nations, for example), for the purpose of the SWTS and related reports, the upper age limit is 29. This recognizes the fact that some young people remain in education beyond the age of 24, and allows the opportunity to capture more information on the post-graduation employment experiences of young people.

Funding for the surveys came from the Work4Youth partnership between the ILO Youth Employment Programme and The MasterCard Foundation (see box 2). The partnership supports the implementation of the SWTS in 34 target countries. A first round of surveys was conducted between 2012 and 2013, and a second series was conducted in 2014 and 2015. National reports summarizing the survey results, as well as the data itself (raw and tabulated), are available on the Work4Youth website.²

The Work4Youth project commissioned the Palestinian Central Bureau of Statistics (PCBS) to run the SWTS survey in the OPT twice, in 2013 and 2015. This report is based on the results of the second survey, but it draws comparisons between the results of the two rounds when meaningful. The survey fieldwork was implemented between June and August 2015. The survey's sampling frame consisted of a list of 150 enumeration areas taken from a census of population, structures and establishments undertaken by PCBS in 2007. Enumeration areas are geographical areas that contain approximately 124 households on average. The sample was drawn according to a two-stage stratified cluster sample. The sample was stratified by governorate and by locality type (urban, rural and refugee camp). During the first stage 125 enumeration areas were selected. At the second sampling stage,

² www.ilo.org/w4y.

20 households were drawn from each enumeration area. All individuals in the eligible households aged 15–29 were interviewed. In total, 4,141 individuals responded to the survey.

Box 2. Work4Youth: An ILO project in partnership with The MasterCard Foundation

The Work4Youth (W4Y) Project is a partnership between the ILO Youth Employment Programme 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 “promot[e] 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. The assumption is that governments and social partners in the project’s 34 target countries will be better prepared to design effective policy and programme initiatives once armed with detailed information on:

- what young people expect in terms of transition paths and quality of work;
- what employers expect in terms of young applicants;
- what issues prevent the two sides – supply and demand – from matching; and
- what policies and programmes can have a real impact.

Work4Youth target areas and countries:

- **Asia and the Pacific:** Bangladesh*, Cambodia, Nepal, Samoa*, Viet Nam*;
- **Eastern Europe and Central Asia:** Armenia, Kyrgyzstan*, the former Yugoslav Republic of Macedonia, Montenegro**, the Republic of Moldova, Serbia**, the Russian Federation, Ukraine;
- **Latin America and the Caribbean:** Brazil*, Colombia*, Dominican Republic**, El Salvador, Jamaica, Peru*;
- **Middle East and North Africa:** Egypt, Jordan, Lebanon**, Occupied Palestinian Territory, Tunisia*;
- **Sub-Saharan Africa:** Benin, Liberia, Madagascar, Malawi, the Republic of Congo**, Sierra Leone**, the United Republic of Tanzania*, Togo, Uganda, Zambia.

* One round only in 2012/13; ** One round only in 2014/15.

3. Characteristics of youth in the survey sample

3.1 Individual characteristics of youth

Youth aged 15–29 accounted for 26.9 per cent of the overall population in the OPT (West Bank and Gaza) at the time the survey was conducted. Around 61 per cent of the sampled youth lived in the West Bank and the remaining 39 per cent lived in Gaza. The distribution by sex showed a slightly higher proportion of young women, who represented 52.3 per cent of the survey sample, compared with 47.7 per cent for young men. Table 3.1 shows that the younger age categories within the sample were relatively larger.

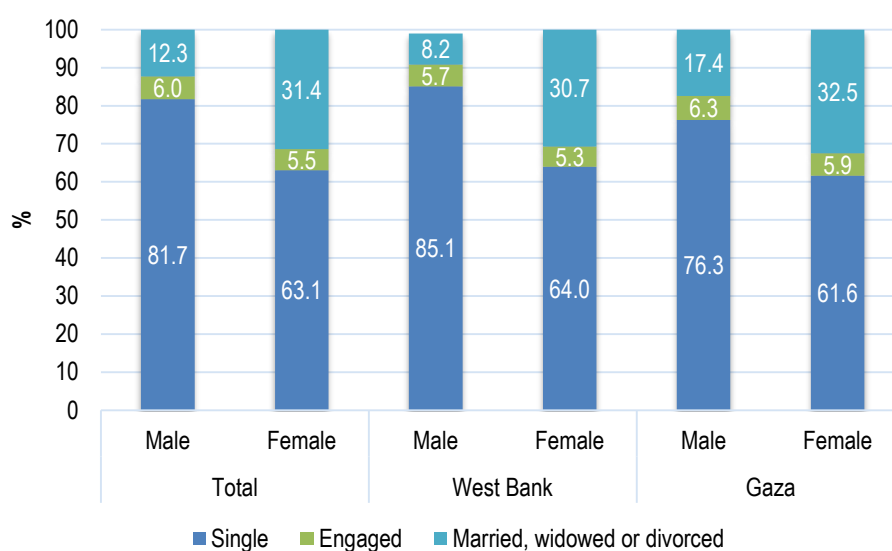
Table 3.1 Youth distribution by age, sex and area of residence

Age group	Total		Male		Female		West Bank		Gaza	
	Number	%	Number	%	Number	%	Number	%	Number	%
15-19	525,481	37.5	268,598	37.5	256,884	37.4	318,597	37.0	206,884	38.2
20-24	482,598	34.4	246,613	34.4	235,985	34.4	297,674	34.6	184,924	34.2
25-29	394,565	28.1	201,317	28.1	193,248	28.2	244,903	28.4	149,662	27.6
Total	1,402,644	100	716,527	100	686,117	100	861,174	100	541,470	100

Source: PCBS, SWTS-Palestine, 2015.

The distribution of the youth population by marital status (figure 3.1) shows that 81.7 per cent of young males and 63.1 per cent of young females sampled were single. A difference in the marital status distribution was found between young men in the West Bank and those in Gaza, with those living in Gaza being less likely to be single than those in the West Bank. Yet, compared with the SWTS survey results from 2013, the proportion of youth in Gaza who are or have been married had declined from 20.7 per cent to 17.4 per cent for males and from 37.7 per cent to 32.5 per cent for females. This decline might have been a result of the economic difficulties that followed the political tensions in the area in 2014.

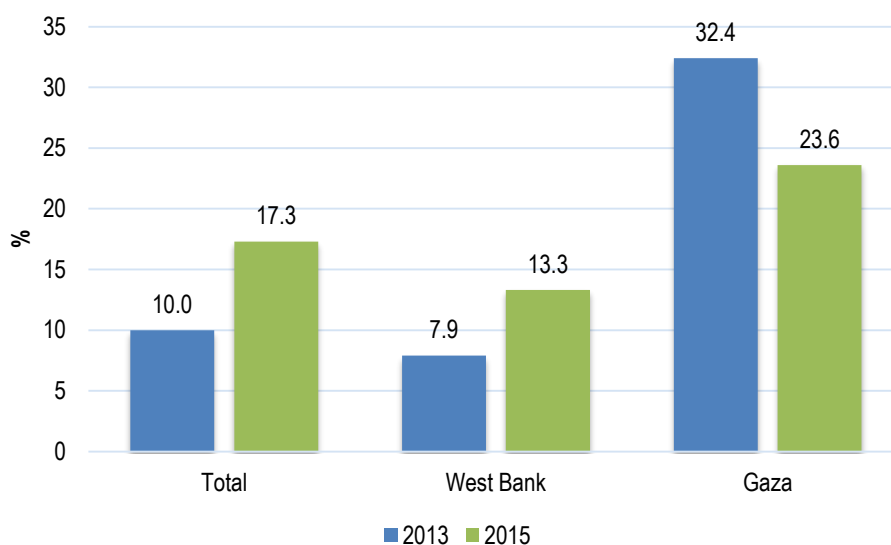
Figure 3.1 Youth men and women by marital status



Source: PCBS, SWTS-Palestine, 2015.

According to 2015 survey an estimated 17.3 per cent of the youth population had moved from their original place of residence. This was an important increase relative to 2013, when the proportion who had moved was 10 per cent. However, the trend was not consistent between the West Bank and Gaza. Figure 3.2 shows the proportion of youth who had moved increased in the West Bank but declined in Gaza. The main reason for youth to move their place of residence is that their family has chosen to move, where youth accompany their families (59.8 per cent; table 3.2). Once disaggregated by sex, the reasons for moving varied between young men and women, but not across time. Young men moved primarily to accompany their family, especially those living in Gaza (88.2 per cent). The majority of young women in the West Bank who moved did so to get married (64.1 per cent), as they moved to their husband's place of residence. The corresponding figure in Gaza was 39.2 per cent. The findings of the 2013 survey were very similar.

Figure 3.2 Proportion of youth who moved from their original residence, 2013 and 2015



Source: PCBS, SWTS-Palestine, 2013, 2015.

Table 3.2 Reasons for moving by sex and area of residence

Area of residence	Reason	Total		Male		Female	
		Number	%	Number	%	Number	%
West Bank	To accompany family	55 473	48.4	28 032	83.8	27 441	33.9
	For education/training	2 428	2.1	1 859	5.6	569	0.7
	To work/for employment-related reasons	2 287	2.0	2 287	6.8	0.0	0.0
	Marriage	52 715	46.0	776	2.3	51 938	64.1
	Other	1 623	1.4	506	1.5	1 118	1.4
	Total	114 526	100	33 460	100	81 066	100
Gaza	To accompany family	89 366	69.9	47 254	88.2	42 112	56.7
	For education/training	–	–	–	–	–	–
	To work/for employment-related reasons	1 858	1.4	1 858	3.5	0.0	0.0
	Marriage	29 243	22.9	169	0.3	29 075	39.2
	Other	7 367	5.7	4 317	8.1	3 050	4.1
	Total	127 835	100	53 597	100	74,237	100
Total	To accompany family	144 839	59.8	75 286	86.5	69 553	44.8
	For education/training	2 428	1.0	1 859	2.1	569	0.4
	To work/for employment-related reasons	4 145	1.7	4 145	4.7	0.0	0.0
	Marriage	81 958	33.8	945	1.1	81 013	52.2
	Other	8 990	3.7	4 822	5.5	4 168	2.7
	Total	242 360	100	87 057	100	155 303	100

Source: PCBS, SWTS-Palestine, 2015.

3.2 Educational attainment

3.2.1 Completed education level

At the time of the 2015 survey as many as 21.9 per cent of young people who were not in school had not completed the basic level of education and a third (29.6 per cent) had left the education system after attaining only the basic level. This means that more than half of Palestinian youth who were not in school had not completed secondary education (figure 3.3). In contrast, young people who had completed tertiary education accounted for 22.3 per cent of out-of-school youth. Young women were twice as likely as young men to have attained tertiary education (30.6 per cent and 15.8 per cent, respectively). Young men were also significantly more likely than young women to have at most basic education (60.6 per cent and 39.8 per cent, respectively).

Figure 3.3 Completed level of education of youth by sex, 2013 and 2015



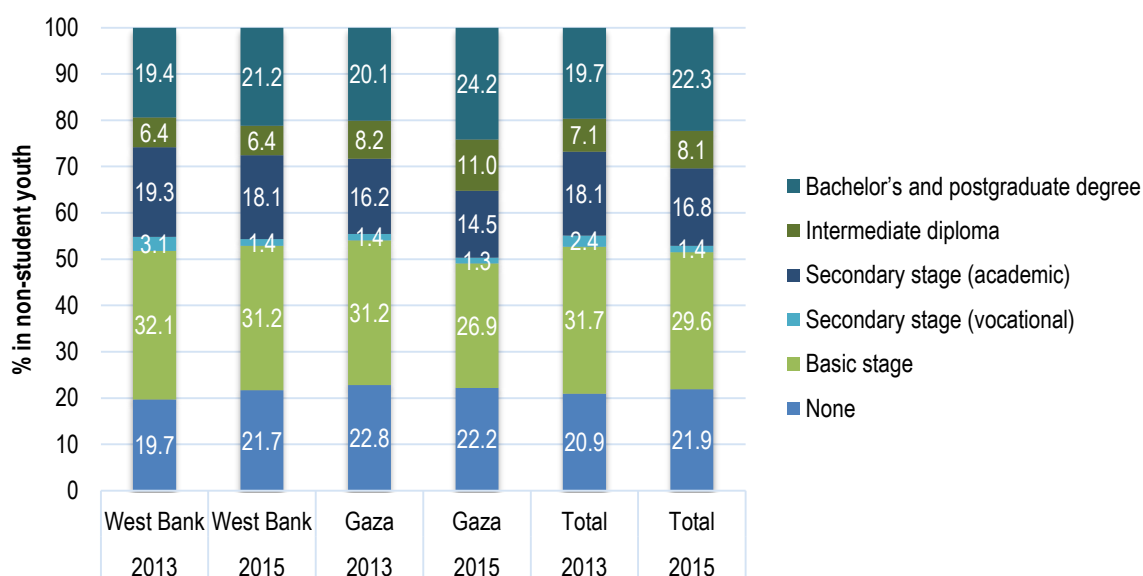
Note: Current students are not included.

Source: PCBS, SWTS-Palestine, 2013, 2015.

The distribution of completed level of education among young men in the 2015 sample showed only minor differences from the 2013 results. In contrast, the educational attainment of young women changed at the highest end of the distribution. The proportion of females who had completed a bachelor's or postgraduate degree increased from 24.1 per cent to 30.6 per cent. Females were twice as likely as males to have a university degree. Orientation towards vocational education, which was virtually non-existent among young women in 2013, increased slightly, to a still very limited 1.3 per cent in 2015. The share of young men who had completed vocational education, on the other hand, decreased significantly, from 4.0 per cent in 2013 to 1.5 per cent in 2015.

There were only minor regional differences in completed educational level between the West Bank and Gaza, as illustrated in figure 3.4. The share of holders of a bachelor's or postgraduate degree increased by 4.1 percentage points between 2013 and 2015 in Gaza, but by only 1.8 percentage points in the West Bank.

Figure 3.4 Completed level of education of youth by area of residence, 2013 and 2015



Note: Current students are not included.

Source: PCBS, SWTS-Palestine, 2013, 2015.

The higher education sector in the OPT is in large part private. This implies that economic difficulties will reduce access to higher education for youth. Table 3.3 shows that young people from well-off families were more represented among those who have completed higher levels of education. Among young people holding a postgraduate degree, 47.3 per cent belonged to a well-off household, while only 2.2 per cent belonged to a very poor one. Youth belonging to poor households are also finding it increasingly difficult to remain in education. The share of youth from poor households in all youth who had completed a secondary degree or above decreased between 2013 and 2015. This situation hints at the formation of a poverty trap, since education in the OPT is known as one of the most important capital investments for poor households and is considered a way to get out of poverty.

Table 3.3 Completed level of education of youth by household income level

Highest completed level of education		Well off	Fairly well off	Average	Poor	Very poor	Total
None	Number	14 086	8 700	106 195	37 076	6 117	172 174
	%	8.2	5.1	61.7	21.5	3.6	100
Basic	Number	28 010	15 267	153 056	30 456	6 175	232 964
	%	12.0	6.6	6.7	13.1	2.7	100
Secondary (vocational)	Number	1 576	1 710	5 917	1 047	574	10 824
	%	14.6	15.8	54.7	9.7	5.3	100
Secondary (academic)	Number	24 136	11 911	81 383	10 356	4 152	131 937
	%	18.3	9.0	61.7	7.9	3.2	100
Intermediate diploma	Number	8 344	7 443	37 900	7 329	2 513	63 530
	%	13.1	11.7	59.7	11.5	4.0	100
Bachelor's degree	Number	40 086	21 047	92 108	16 382	499	170 122
	%	23.6	12.4	54.1	9.6	0.3	100
Postgraduate	Number	2 414	814	1 768	0	111	5 106
	%	47.3	15.9	34.6	0.0	2.2	100
Total	Number	118 651	66 892	478 326	102 646	20 141	786 656
	%	15.1	8.5	60.8	13.0	2.6	100

Note: Current students are not included.

Source: PCBS, SWTS-Palestine, 2015.

Table 3.4 focuses on early school leavers. It shows the distribution of the highest level of education completed by early leavers before leaving school. The share of young people leaving education before completion was already worryingly high in 2013, at 28.2 per cent. The 2015 SWTS found the share to be even higher, at 30.2 per cent. For young men it had increased from 33.1 per cent in 2013 to 38.3 per cent in 2015. As many as 87.6 per cent of early school leavers had completed, at most, only the basic level of education.

Table 3.4 Share of early school leavers and their completed education level by sex and area of residence

		Total	Male	Female	West Bank	Gaza
Share of early school leavers	Number	424 089	274 709	149 380	275 991	148 098
	%	30.2	38.3	21.8	32.1	27.4
<i>By level of educational attainment:</i>						
None	Number	161 508	116 377	45 131	101 358	60 150
	%	38.1	42.4	30.2	36.7	40.6
Basic	Number	209 947	130 993	78 954	139 408	70 539
	%	49.5	47.7	52.9	50.5	47.6
Secondary (vocational)	Number	2 575	1 106	1 469	1 852	723
	%	0.6	0.4	1.0	0.7	0.5
Secondary (academic)	Number	47 618	24 504	23 114	31 823	15 796
	%	11.2	8.9	15.5	11.5	10.7
Intermediate diploma	Number	1 729	1 729	0.0	838	891
	%	0.4	0.6	0.0	0.3	0.6
Bachelor's degree	Number	712.23	0.00	712.23	712.23	0.00
	%	0.2	0.0	0.5	0.3	0.0
Total	%	100	100	100	100	100.

Source: PCBS, SWTS-Palestine, 2015.

Table 3.5 Reasons for early school leaving

Reason	Total		Male		Female	
	Number	%	Number	%	Number	%
Failed examinations	84 827	20.0	59 064	21.5	25 763	17.3
Not interested in education/training	154 988	36.6	124 960	45.5	30 028	20.1
Wanted to start working	42 747	10.1	41 520	15.1	1 227	0.8
To get married	69 754	16.5	651	0.2	69 103	46.3
Parents did not want me to start schooling	5 680	1.3	602	0.2	5 078	3.4
Economic reasons	39 647	9.4	28 993	10.6	10 654	7.1
No school nearby	3 477	0.8	1 184	0.4	2 293	1.5
Other	22 969	5.4	17 734	6.5	5 234	3.5
Total	424 089	100	274 709	100	149 380	100

Source: PCBS, SWTS-Palestine, 2015.

The SWTS offers the opportunity to investigate the reasons why young people leave education early. Given that the poverty rate in the OPT exceeded 25 per cent in 2011 (according to the PCBS expenditure and consumption survey), we can expect economic reasons to play a significant role in deciding the educational paths of young Palestinians. However, when early school leavers have been asked directly for the reason behind their choice to leave school, they have placed other factors first (table 3.5). It is alarming to see that almost half (45.5 per cent) of young men said they had left the education system because they were not interested in education or training. The corresponding figure for young women

was 20.1 per cent. These findings point to a feeling of disenchantment among youth regarding the returns on an investment in education. Perhaps unsurprisingly, the most common reason for leaving school early among young women was to get married (46.3 per cent). Significant shares of both young men and women dropped out of school because of failed examinations (21.5 per cent and 17.3 per cent, respectively).

3.2.2 Current students

The survey asked current students what would be their most desired occupation after school. The majority of respondents, irrespective of their sex, said they would like to find a job in a professional occupation (63.5 per cent of males and 80.0 per cent of females; table 3.6). Although the majority of male students preferred professional jobs, they had more diverse desires than females, with more expressing a preference for technical or low-skilled occupations (12.7 per cent for craft work, 6.8 per cent for service jobs and 6.9 per cent for technicians and associate professionals). This is likely to reflect young men's greater freedom to choose an occupation that interests them. Young women's preferences were more focused on the professional occupational category; the only category other than professionals that was mentioned by more than 5 per cent of respondents was that of technicians and associate professionals (5.2 per cent).

Table 3.6 Current students by desired future occupation and place of work

Desired place of work and occupation	Total		Male		Female	
	Number	%	Number	%	Number	%
Occupation						
Legislators, senior officials and managers	21 207	3.5	12 868	4.7	8 339	2.5
Professionals	446 175	72.6	174 785	63.5	271 390	80.0
Technicians and associate professionals	36 446	5.9	18 973	6.9	17 474	5.2
Clerks	13 589	2.2	3 887	1.4	9 702	2.9
Service workers, shop and market sales workers	32 496	5.3	18 830	6.8	13 666	4.0
Skilled agricultural and fishery workers	252	0.0	252	0.1	0	0.0
Craft and related trade workers	37 548	6.1	34 842	12.7	2 706	0.8
Plant and machine operators and assemblers	18 355	3.0	4 356	1.6	13 999	4.1
Elementary occupations	2 996	0.5	2 130	0.8	866	0.3
Armed forces	5 375	0.9	4 269	1.6	1 107	0.3
Total	614 440	100	275 192	100.0	339 249	100
Place of work						
Myself (own business/farm)	75 307	12.2	44 528	16.2	30 779	9.0
Work for the government/public sector	224 410	36.5	88 007	32.0	136 403	40.0
Work for a private company	219 883	35.7	111 791	40.7	108 091	31.7
Work for an international organization	66 558	10.8	18 459	6.7	48 099	14.1
Work for non-profit organization	1 831	0.3	451	0.2	1 380	0.4
Work for family business/farm	961	0.2	961	0.4	0	0.0
Work for the foreign government	9 898	1.6	5 995	2.2	3 903	1.1
Do not wish to work	4 115	0.7	3 515	1.3	600	0.2
Abroad	12 326	2.0	949	0.3	11 377	3.3
Total	615 289	100	274 657	100.0	340 632	100

Source: PCBS, SWTS-Palestine, 2015.

Regarding the desired place of work, the largest share (in relative terms) of young men said they would like to work in private sector companies (40.2 per cent), while 32.4 per cent

of respondents preferred the public sector (table 3.6). Young female respondents showed the reversed pattern of preferences: 40.0 per cent would like to be employed in the public sector, while 31.7 per cent would rather have a private sector job. While 16.2 per cent of males would like to work in their own business, only 9.0 per cent of women indicated this preference. Differences in preferences between males and females are due to the decent nature of public sector jobs for female workers, in terms of maternity leave, stability and work hours.

Interestingly, these preferences have evolved over time. The total share of young people who indicated they would like to find a public sector job declined from 50.8 per cent in 2013 to 36.5 per cent in 2015. The financial crisis in the Palestinian Authority – implying the government will find it difficult to pay salaries – is likely to have discouraged many current students from desiring public sector jobs.

The next steps that current students expect to take after education give an indication of young people’s expectations from the labour market. The majority of current students (63.2 per cent of males and 57.8 per cent of females) said they planned to look for a job (table 3.7). It is interesting to note that, at this stage of their experience, young female students were still mostly focused on entering the labour market. Only 2.9 per cent of young women said they were planning to stay at home after completing their studies. An analysis of the female labour market after graduation, discussed later in this report, demonstrates that these expectations are highly unlikely to be realized. The second most popular choice of current students (35.1 per cent) was to continue to a higher level of education. In the West Bank, 67.9 per cent of current students planned to look for a job, while the share was lower in Gaza, at 49.3 per cent. The lack of employment prospects in Gaza may have been a factor discouraging students from planning to look for a job.

Table 3.7 Current students by next step after completion of current educational level

Future plans	Total		Male		Female		West Bank		Gaza	
	Number	%	Number	%	Number	%	Number	%	Number	%
Find a job	370 948	60.2	174 030	63.2	196 917	57.8	245 529	67.9	125 418	49.3
Open own business	12 988	2.1	10 317	3.8	2 672	0.8	9 502	2.6	3 486	1.4
Stay at home	10 367	1.7	578	0.2	9 789	2.9	8 998	2.5	1 369	0.5
Continue the education	215 976	35.1	88 125	32.0	127 851	37.5	93 794	25.9	122 183	48.1
Other	5 709	0.9	2 306	0.8	3 403	1.0	3 865	1.1	1 843	0.7
Total	615 988	100	275 356	100	340 632	100	361 688	100	254 300	100

Source: PCBS, SWTS-Palestine, 2015.

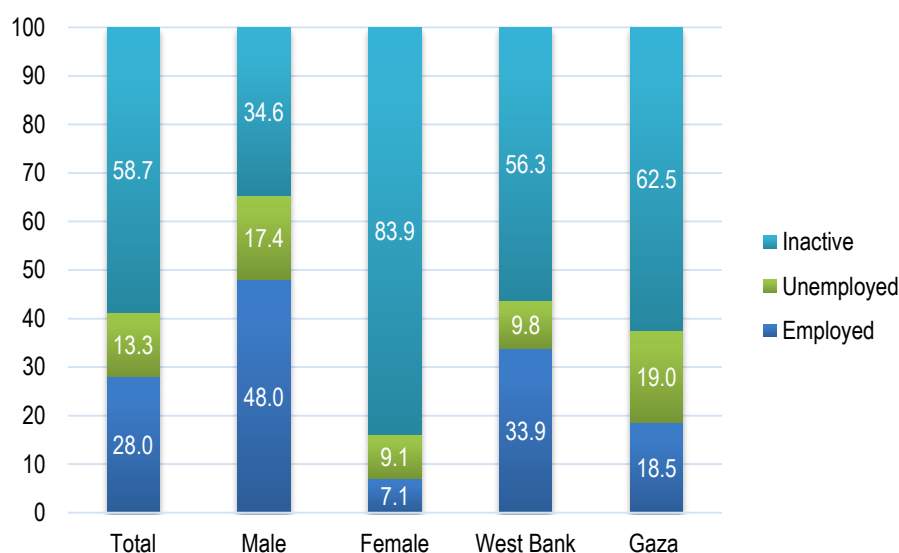
In general, the educational attainment of youth was found to be higher than that of their parents. While the total share of young people with no more than a basic level of education was 51.5 per cent at the time of the survey, 59.6 per cent of fathers and 66.4 of mothers had completed no more than basic schooling. The share of youth who were tertiary graduates was 22.3 per cent, but only 15.2 per cent of fathers and 7.5 per cent of mothers had completed tertiary education. However, the survey findings also show rather prominently the presence of an intergenerational low-education trap. As many as 70.6 per cent of young people with no education had a father with no education and 66.6 per cent had a mother with no education. As the educational attainment of parents increases, the chances that their children will complete an even higher level of education also increases (see Annex II, tables A.1 and A.2).

3.3 Activity status of surveyed youth

The international standards concerning employment and unemployment statistics are based on the labour force framework (see Annex I). According to this framework, the working-age population is divided into three categories (employed, unemployed and economically inactive) depending on their labour market activities during a specified short reference period.

Figure 3.5 illustrates the distribution of the youth working-age population by main economic activity. The first observation that can be made is that 13.3 per cent of young people were unemployed. The share increases to 17.4 per cent in the case of men. The share of unemployed in Gaza, 19.0 per cent, was double that in the West Bank (9.8 per cent). The lack of job opportunities in Gaza is further revealed by the relatively lower share of employed youth, at 18.5 per cent, compared with 33.9 per cent in the West Bank. The second result that emerges strongly from figure 3.5 is the very high share of inactive young women. Female inactivity is as high as 83.9 per cent, compared with 56.3 per cent for male inactivity. Finally, the gender-based gap in the employment-to-population ratio is very large. Young men are almost seven times more likely than young women to be employed (48.0 per cent and 7.1 per cent, respectively). These findings are in line with those of the 2013 SWTS.

Figure 3.5 Economic activity status of youth



Source: PCBS, SWTS-Palestine, 2015.

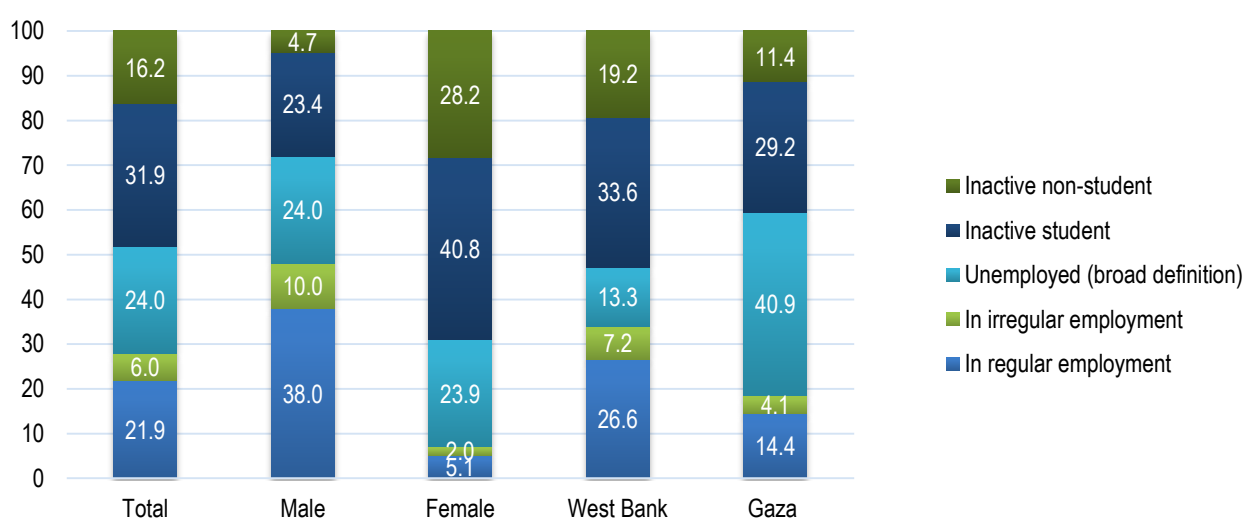
The ILO proposes a detailed distribution of the youth working-age population. The proposed distribution comprises five categories: (i) inactive students, defined as persons currently not working and not available to work in the reference period due to enrolment in an education or training programme; (ii) inactive non-students, defined as persons currently not working, not available to work in the reference period and not in an education or training programme; (iii) regular employment, defined as wage employment with a contract duration greater than 12 months (also includes employers); (iv) irregular employment, defined as wage employment for a limited duration (which will end in less than 12 months) plus own-account workers and family workers; (v) unemployment (broad definition), defined as persons currently without work and available to work in the week prior to the reference period.

The difference between the broad definition of unemployment (also known as “broad unemployment”) and the strict definition is in the relaxation of the “seeking work” criterion. According to international standards, the seeking work criterion may be relaxed “in

situations where the conventional means of seeking work are of limited relevance, where the labour market is largely unorganized or of limited scope, where labour absorption is, at the time, inadequate or where the labour force is largely self-employed”. Given the restricted economic conditions in the OPT, and particularly in Gaza, a young person without work was more likely to wait for word-of-mouth, informal connections that might lead to occasional work than to engage in an active job search. The result of relaxing the active job search criterion in the unemployment definition therefore had a significant impact on results.

Figure 3.6 shows the detailed distribution of youth by activity status. When the broad definition of unemployment is used, the share of unemployed in the population almost doubles, from 13.0 per cent to 24.0 per cent. Similarly, female youth unemployment and youth unemployment in Gaza more than double, to 23.9 per cent and 40.9 per cent, respectively, when the broad definition is applied. The increase is especially significant in Gaza, which is not surprising. The lack of employment opportunities leads young people to give up actively seeking jobs, since the search is likely to be a futile exercise.

Figure 3.6 Detailed economic activity status of youth



Source: PCBS, SWTS-Palestine, 2015.

The disaggregation presented in figure 3.6 also provides interesting details about the inactive youth. First, inactivity remains a largely female status. The respective shares were 28.1 per cent among young males and 69.0 per cent, more than twice as much, among young females. Second, the composition of inactivity changed significantly with sex. Male inactivity was almost entirely due to being in education or training. Out of the male youth population, 23.4 per cent were inactive students, but only 4.7 per cent were inactive non-students. The distribution for young women was very different. While the majority of young women were inactive students (40.8 per cent), a very large share (28.2 per cent) were inactive but not engaged in education or training.

For the youth who were working, a larger proportion had attained regular employment (21.9 per cent of the youth population) than irregular employment (6.0 per cent). Irregular employment includes wage and salaried workers who hold a contract for a limited period (less than 12 months), self-employed youth with no employees (own-account workers) and contributing family members. At most, irregular employment impacted 10.0 per cent of the male youth population. The share of young women in regular employment was almost eight times smaller than the share of young men.

In comparison to the 2013 SWTS, changes in the detailed distribution of status in employment were very limited. The most apparent change between 2013 and 2015 was observed in Gaza, where the share of inactive non-students had decreased from 17.1 per cent

to 11.4 per cent. Some of these young people had moved into the labour market as unemployed youth, since broad unemployment had increased from 34.6 per cent in 2013 to 40.9 per cent in 2015.

Table 3.8 summarizes the youth labour market situation in 2015. The key labour market indicators included in the table confirm the above results. As mentioned above, the female youth population was characterized by a very low labour force participation rate (16.1 per cent). Those women who were in the labour market faced a high unemployment rate (56.2 per cent). To put these results into perspective, the ILO estimates that the global female youth labour force participation rate (aged 15–24) in 2015 was 38.9 per cent (ILO, 2015). The male youth labour force participation rate, at 65.4 per cent, was higher than the global average (55.2 per cent).

Table 3.8 Key labour market indicators for youth (%)

Indicator	Total	Male	Female	West Bank	Gaza
Labour force participation rate	41.3	65.4	16.1	43.7	37.5
Unemployment rate (strict definition)	32.3	26.7	56.2	22.5	50.6
Unemployment rate (broad definition)	46.2	33.4	77.2	28.2	68.8
NEET % in youth population	32.8	21.6	44.6	29.6	38.0

Source: PCBS, SWTS-Palestine, 2015.

The overall unemployment rate (strict definition) decreased from 37.0 per cent in 2013 to 32.3 per cent in 2015. However, when this indicator is disaggregated by sex, a different picture emerges. The unemployment rate among young women (strict definition) had actually increased from 54.8 per cent in 2013 to 56.2 per cent in 2015. In Gaza, the overall youth unemployment rate calculated using the strict definition had decreased from 55.8 per cent in 2013 to 50.6 per cent in 2015, while the broad unemployment rate had actually slightly increased, from 68.0 per cent in 2013 to 68.8 per cent in 2015. This means that there were more unemployed youth in Gaza in 2015, but they were not actively searching for jobs.

The lack of opportunities for young women was further reflected in the high share of those who were neither in employment nor in education or training (NEETs). The share of NEETs among young women was 44.6 per cent, or more than double the share of young men in this category (21.6 per cent). Annex II, table A.5 illustrates the breakdown by sex of the total NEET population in the OPT. Young women represented 66.4 per cent of the population falling into the NEET category. The overall share of NEETs in the total youth population in Gaza was especially high, at 38.0 per cent. The unemployed rate in Gaza, 50.6 per cent, had decreased since 2013 (when it hit 55.8 per cent), but remained among the highest in the world – a strong signal of the very poor performance of the labour market in the territory.

Table 3.9 shows the distribution of educational attainment by current activity status. As shown in figure 3.4 above, the majority of young people in the OPT had completed only basic education at most. Therefore, it is not surprising to see that the majority of inactive and employed youth (51.5 per cent and 54.7 per cent, respectively) and almost half of the unemployed (44.9 per cent) had only completed basic education or less. It is important to note that almost one-third (31.3 per cent) of the unemployed comprised individuals holding a bachelor's degree.

Table 3.9 Completed level of education by current activity status

Educational level	Inactive		Employed		Unemployed	
	Number	%	Number	%	Number	%
None	62 360	20.5	76 670	23.5	33 034	21.2
Basic stage	94 528	31.0	101 604	31.2	36 832	23.7
Secondary (vocational)	6 521	2.1	3 381	1.0	921	0.6
Secondary (academic)	65 503	21.5	48 221	14.8	18 213	11.7
Intermediate diploma	15 003	4.9	30 842	9.5	17 685	11.4
Bachelor's degree	60 952	20.0	60 503	18.6	48 666	31.3
Postgraduate	91	0.0	4 656	1.4	359	0.2
Total	304 958	100	325 876	100	155 711	100

Note: Current students are not included.

Source: PCBS, SWTS-Palestine, 2015.

3.4 Primary life goals

The SWTS asks young people what their primary goal in life is. The largest share of respondents indicated that their primary goal is to have a good family life (45.7 per cent). The other most popular answers were to be successful in work (30.6 per cent) and to make a contribution to society (9.9 per cent). The order of preference remains the same when the respondents are grouped by activity status (table 3.10).

Table 3.10 Primary life goals of youth by economic activity status

Primary goals	Employed		Unemployed		Inactive		Total	
	Number	%	Number	%	Number	%	Number	%
Being successful in work	142 559	36.4	59 141	31.6	231 622	28.1	433 322	30.9
Making contribution to society	18 532	4.7	19 069	10.2	98 090	11.9	135 690	9.7
Having lots of money	45 882	11.7	25 333	13.5	36 080	4.4	107 295	7.7
Having a good family life	165 040	42.1	71 142	38.0	399 375	48.5	635 667	45.3
Other	20 017	5.1	12 436	6.7	58 217	7.1	90 671	6.5
Total	392 030	100	187 120	100	823 384	100	1 402 644	100

Source: PCBS, SWTS-Palestine, 2015.

Table 3.11 illustrates that, to some degree, life goals vary with educational attainment. Having a good family life is the most frequent answer across almost all levels of education, the only exception being young people with a postgraduate degree. Being successful at work, however, is more important for youth who have completed a higher education level. It was the primary goal for 53.0 per cent of youth who had completed postgraduate studies, but of only 16.9 per cent of youth without education. Conversely, relatively larger shares of young people with no or only basic education (62.6 per cent and 61.0 per cent, respectively) identified having a good family life as their primary goal, versus lower shares of youth holding a bachelor's degree (41.4 per cent) or a postgraduate degree (27.7 per cent).

Table 3.11 Primary life goals by completed educational level

Educational level		Being successful in work	Making contribution to society	Having lots of money	Having a good family life	Other	Total
None	Number	29 144	5 356	24 104	107 717	5 853	172 174
	%	16.9	3.1	14.0	62.6	3.4	100
Basic stage	Number	45 316	7 778	30 070	142 010	7 790	232 964
	%	19.5	3.3	12.9	61.0	3.3	100
Secondary (vocational)	Number	3 095	0	2 589	4 674	465	10 824
	%	28.6	0.0	23.9	43.2	4.3	100
Secondary (academic)	Number	20 237	7 746	9 360	85 764	8 831	131 937
	%	15.3	5.9	7.1	65.0	6.7	100
Intermediate diploma	Number	23 610	6 455	1 994	28 658	2 812	63 530
	%	37.2	10.2	3.1	45.1	4.4	100
Bachelor's degree	Number	53 647	24 115	6 509	70 379	15 472	170 122
	%	31.5	14.2	3.8	41.4	9.1	100
Post graduate	Number	2 701	535	0	1 413	457	5 106
	%	52.9	10.5	0.0	27.7	9.0	100
Total	Number	177 750	51 985	74 626	440 614	41 681	786 656
	%	22.6	6.6	9.5	56.0	5.3	100

Note: Current students are not included.

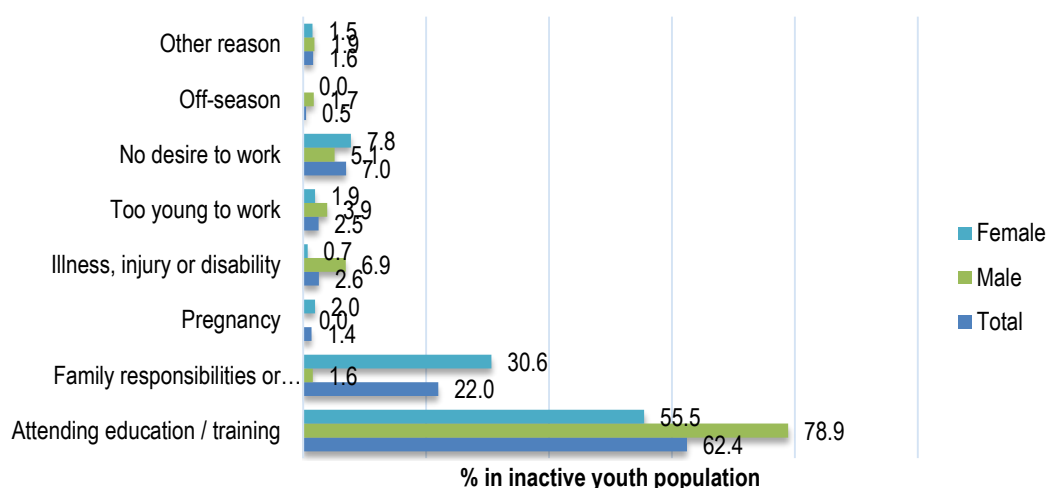
Source: PCBS, SWTS-Palestine, 2015.

4. Characteristics of inactive and unemployed youth

4.1 Youth outside of the labour market (inactive)

Inactive youth represented 58.7 per cent of the population aged between 15 and 29 years. When disaggregated by sex, this indicator reveals that inactivity was mostly a female status, since as many as 83.9 per cent of young women were inactive versus 34.6 per cent of young men (see figure 3.5). Figure 4.1 explores the reasons for inactivity. The most important reason was enrolment in education or training (62.4 per cent of inactive youth). As the chart shows (and as already indicated by figure 3.6) young men who were inactive were significantly more likely than young women to be so because of their studies (78.9 per cent and 55.5 per cent, respectively). There is then a reason for inactivity that is almost exclusive to females, namely to take care of family responsibilities and housework, which was responsible for 30.6 per cent of female youth inactivity in the OPT.

Figure 4.1 Inactive youth by reasons for inactivity



Source: PCBS, SWTS-Palestine, 2015.

The overall distribution of inactive youth by completed educational level was close to that for the whole youth population; 51.5 per cent of inactive youth had completed no more than the basic level of education. However, with gender disaggregation, it emerges that inactive females were better educated than their male counterparts. For instance, 62.8 per cent of inactive young men had at most basic education, versus 49.3 per cent of young women (table 4.1). Almost a quarter (23.3 per cent) of inactive females had an academic secondary education degree, and 20.3 per cent had a bachelor’s or postgraduate degree. The figures for young males were 12.5 per cent and 18.6 per cent, respectively.

Table 4.1 Inactive non-students by completed educational level

Educational level	Total		Male		Female		West Bank		Gaza	
	Number	%	Number	%	Number	%	Number	%	Number	%
None	62 360	20.5	15 549	29.8	46 811	18.5	41 711	22.8	20 649	16.9
Basic stage	94 528	31.0	16 696	32.0	77 832	30.8	57 759	31.6	36 770	30.2
Secondary stage (vocational)	6 521	2.1	2 197	4.2	4 325	1.7	3 288	1.8	3 234	2.7
Secondary stage (academic)	65 503	21.5	6 502	12.5	59 001	23.3	40 169	21.9	25 334	20.8
Intermediate diploma	15 003	4.9	1 515	2.9	13 487	5.3	8 363	4.6	6 640	5.5
Bachelor and postgraduate	61 043	20.0	9 700	18.6	51 343	20.3	31 795	17.4	29 249	24.0
Total	304 958	100	52 160	100	252 799	100	183 083	100	121 875	100

Source: PCBS, SWTS-Palestine, 2015.

Discouraged workers are defined as those who are available to work but are not seeking work because they feel that undertaking a job search would be a futile effort. Specific reasons for discouragement include not knowing where to look for work, being unable to find work matching one’s skills, having previously looked for work and not found any, feeling too young to find a job, and there being no jobs available in the area. The survey found that 3.9 per cent of young people, corresponding to 6.7 per cent of the inactive, were in this category, of which 79.2 per cent were in Gaza. Table 4.2 explores the reasons for discouragement. The most important reason for 34.8 per cent of discouraged youth was that there were no available jobs in the area or governorate of residence. This is expected to have been an

important reason for females, since they may be less likely to look for employment outside of their governorate. Surprisingly, though, the findings show that more young men than young women gave this as the reason behind their discouragement (40.8 per cent and 31.2 per cent, respectively). The most significant challenges for women seem to be different to those for men. For instance, young women were almost three times as likely as men to be discouraged because they did not know how or where to seek work, and because they were unable to find a job that matches their qualifications.

Table 4.2 Discouraged youth by reasons

Reason	Total		Male		Female		West Bank		Gaza	
	Number	%	Number	%	Number	%	Number	%	Number	%
Do not know how or where to seek work	8 474	15.3	1 701	8.0	6 773	19.9	2 386	20.8	6 088	13.9
Unable to find work for his/her skills	7 519	13.6	1 405	6.6	6 114	18.0	3 161	27.5	4 358	10.0
Had looked for job(s) before but had not found any	16 113	29.2	7 695	36.3	8 418	24.7	2 253	19.6	13 859	31.7
Too young to find a job	3 875	7.0	1 751	8.3	2 123	6.2	1 185	10.3	2 689	6.2
No jobs available in the area/governorate	19 245	34.8	8 642	40.8	10 603	31.2	2 497	21.8	16 748	38.3
Total	55 226	100	21 194	100	34 032	100	11 483	100	43 742	100

Source: PCBS, SWTS-Palestine, 2015.

4.2 Unemployed youth

Unemployment as defined according to international standards requires a person to meet three criteria for inclusion: that they (a) did not work in the reference period, (b) were available to take up a job had one been offered in the week prior to the reference period, and (c) actively sought work within the past 30 days (for example, by registering at an employment centre or answering a job advertisement). It can be measured using the broad and strict definitions of unemployment, as explained in section 3.3. Regardless of which measure was used, the unemployment rate of youth was a major issue for the OPT, especially for young women and for all youth residing in Gaza.

Unemployment among Palestinian youth is not only a problem because of its high incidence, but also because it tends to be of long duration. As illustrated in table 4.3, more than half (54.8 per cent) of unemployed youth had been in this status for one year or longer. Although the unemployment rate was higher for females than for males, young women seem to be slightly better off when it comes to unemployment duration. While 47.1 per cent of jobless young women had been in unemployment for less than a year, the corresponding figure for young men was 44.3 per cent. The regional breakdown shows that unemployment of long duration accounted for 64.6 per cent of joblessness in Gaza, and for 43.3 per cent in the West Bank. Persistent and high youth unemployment can have adverse long-term consequences, such as a higher risk of future unemployment, a prolonged period of unstable employment and potentially depressed income growth (ILO, 2010). An additional factor comes into play, in that the longer the unemployment spell, the more likely it is that prospective employers will have a negative perception of the young jobseeker, whom they start to see as unemployable.

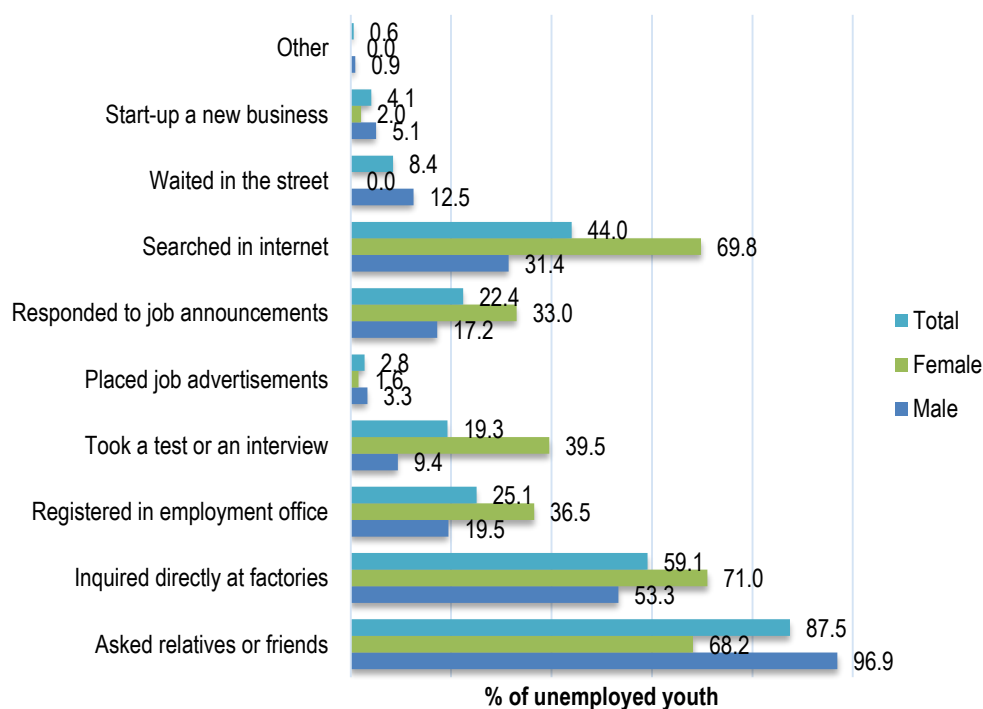
Table 4.3 Unemployed youth by duration of unemployment (%)

Duration	Total	Male	Female	West Bank	Gaza
Less than 3 months	28.4	25.9	33.4	34.8	22.9
3 months to less than 6 months	6.3	7.7	3.6	8.7	4.3
6 months to less than 1 year	10.5	10.7	10.1	13.2	8.2
1 year to less than 2 years	22.5	21.3	25.0	18.1	26.3
2 years or more	32.3	34.5	28.0	25.2	38.3

Source: PCBS, SWTS-Palestine, 2015.

Figure 4.2 shows a summary of the job-search methods used by young unemployed in the OPT. The most common method was to ask relatives and friends (used by 87.5 per cent of unemployed youth). Interestingly, this is the most commonly used job search method by employed youth as well (Annex II, table A.6). However, this method was more widely used by unemployed young men than young women (96.9 per cent and 68.2 per cent, respectively). Unemployed young women may be more cautious before asking family members for available jobs, because they may face their opposition to the engagement of girls in the labour market. Young women therefore tend to use other methods, such as inquiring about jobs directly at factories (71.0 per cent of females and 53.3 per cent of males) or searching on the internet (69.8 per cent of females and 31.4 per cent of males). Compared with other countries, enrolment in public employment services is rather high – a quarter (25.1 per cent) of unemployed youth in the OPT registered at an employment centre – showing the effectiveness of public investment in attracting young jobseekers to use the services. However, the high unemployment rates show that the effectiveness of employment services is severely limited by the low availability of jobs. High unemployment may also be a sign that public employment services may not be fully effective in successfully linking up with employers, or with suitable employers, especially for young women.

Figure 4.2 Unemployed youth by method of job search



Source: PCBS, SWTS-Palestine, 2015.

Unemployed youth most commonly expressed a preference for finding a job in a professional occupation. This is consistent with the general pattern observed when analysing the preferences of current students. Almost one-third (29.9 per cent) of unemployed youth were seeking a professional occupation (table 4.4). However, as this report will later show, only a small share of employed youth were in fact engaged in professional occupations. Not surprisingly, occupational preferences vary hugely once the indicator is disaggregated by sex. It is, in fact, mostly young females who seek professional jobs (62.2 per cent of unemployed females). For unemployed males, the preferred occupations were more dispersed: elementary occupations (26.1 per cent), service workers (21.2 per cent) and craft and related trade (20.5 per cent). Only 13.7 per cent of unemployed male youth indicated a preference for a professional job.

These findings are in line with the strong gender-based challenges that have emerged in the analysis of the OPT youth labour market. The expectations and desires of the young unemployed (and of students) already reflect the occupational segregation that exists on the labour market. Young women face restricted options in terms of occupations that are considered appropriate for them. Young men can pick from a larger range of occupations. Yet, even though the preferences of the young unemployed do seem to be shaped around realistic expectations, the statistics for employed youth reveal that such expectations may still turn out to be too optimistic.

Table 4.4 Occupations sought by unemployed youth

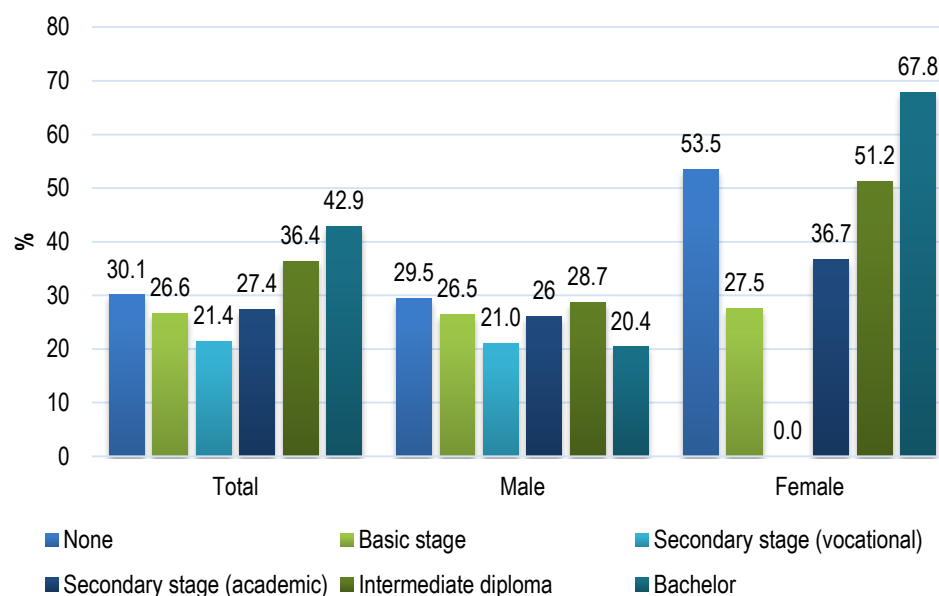
Occupation sought	Total		Male		Female	
	Number	%	Number	%	Number	%
Legislators, senior officials and managers	2 302	1.2	1 612	1.3	690	1.1
Professionals	56 033	29.9	17 126	13.7	38 907	62.6
Technicians and associate professionals	15 867	8.5	7 331	5.9	8 535	13.7
Clerks	3 440	1.8	140	0.1	3 300	5.3
Service workers, shop and market sales workers	35 513	19.0	26 532	21.2	8 981	14.5
Skilled agricultural and fishery workers	630	0.3	630	0.5	0	0.0
Craft and related trade workers	25 572	13.7	25 572	20.5	0	0.0
Plant and machine operators and assemblers	13 383	7.2	13 383	10.7	0	0.0
Elementary occupations	33 645	18.0	32 580	26.1	1 065	1.7
Armed forces	91	0.1	91	0.1	0	0.0
N/A	645	0.3	0	0.0	645	1.0
Total	187 120	100	124 997	100	62 123	100

Source: PCBS, SWTS-Palestine, 2015.

Figure 4.3 shows the youth unemployment rates by level of educational attainment. The unemployment rate was lowest for secondary vocational graduates, and progressively increased up to the bachelor's degree level. However, the pattern is different when looking at the breakdown of the indicator by sex. Young men with a bachelor's degree experienced the lowest relative unemployment rate (20.4 per cent). Secondary-level degrees are associated with higher unemployment rates (21.0 per cent among vocational education graduates and 26.0 per cent among academic education graduates). Among young females, it was the more highly educated active individuals who faced the highest probability of being unemployed. The unemployment rates were 36.7 per cent for secondary academic degree holders and 67.8 per cent for bachelor's degree holders. An analysis of unemployment rates by household income level shows mixed results. The majority (54.1 per cent) of young

unemployed defined their household income level as close to the national average (Annex II, table A.3).

Figure 4.3 Youth unemployment rate by level of educational attainment



Source: PCBS, SWTS-Palestine, 2015.

Although there were no important changes in the overall youth unemployment rate between the two rounds of SWTS in 2013 and 2015, some important differences emerged in the rates for specific educational levels and by sex. First, the male unemployment rate decreased for those with higher levels of education. For example, the unemployment rate among male intermediate diploma holders decreased from 41.9 per cent in 2013 to 28.7 per cent in 2015. The unemployment rate among male bachelor’s degree holders also decreased, from 31.1 per cent in 2013 to 20.4 per cent in 2015. Second, for females the opposite trend was observed. For young women with an intermediate diploma the unemployment rate increased from 40.5 per cent in 2013 to 51.2 per cent in 2015, and for bachelor’s degree holders it increased from 64.3 per cent to 67.8 per cent. There are two explanations for these opposing trends. The first takes a labour supply perspective: there was an increase in the share of bachelor’s degree holders in the female youth population from 24.1 per cent in 2013 to 30.6 per cent in 2015 (figure 3.3). The second is from the labour demand side: young women are more vulnerable to labour market insecurity in times of crisis.

The SWTS asks young respondents to indicate the main obstacle they face in finding a job. Table 4.5 illustrates the findings. Not surprisingly, the majority of respondents (62.6 per cent) indicated that a lack of available jobs was the main obstacle. The lack of available jobs means that young people have an especially hard time gaining the experience they need to be competitive on the labour market. Recall that 51.5 per cent of the youth population in the OPT has at most a basic level of education. With this educational profile, experience becomes even more important for improving the chances of finding a better job. Lack of experience was the obstacle second most frequently mentioned by young unemployed (14.4 per cent of young women and 5.8 per cent of young men). Another challenge considered critical by young unemployed (7.8 per cent of unemployed youth) was that job requirements are too high. This finding was in line with the results of a qualifications mismatch analysis, which is discussed in section 5.4 of this report, which reveals high levels of undereducation in the youth labour market in the OPT.

Table 4.5 Unemployed youth's opinions on main obstacles to finding a job

Main obstacle	Total		Male		Female	
	Number	%	Number	%	Number	%
Requirements for job were high	14 583	7.8	10 102	8.1	4 480	7.2
Not enough work experience	16 132	8.6	7 205	5.8	8 928	14.4
Not enough jobs available	117 074	62.6	77 097	61.7	39 977	64.4
Considered too young	3 650	2.0	3 566	2.9	84	0.1
Being male/female	202	0.1	51	0.0	151	0.2
Discriminatory prejudices	1 817	1.0	1 817	1.5	0	0.0
Low wages in available jobs	12 199	6.5	9 859	7.9	2 339	3.8
Poor working conditions in available jobs	8 603	4.6	6 611	5.3	1 992	3.2
Did not know how or where to seek work	6 588	3.5	5 145	4.1	1 443	2.3
Other	6 273	3.4	3 545	2.8	2 728	4.4
Total	187 120	100	124 997	100	62 123	100

Source: PCBS, SWTS-Palestine, 2015.

A low proportion of unemployed youth (9.9 per cent) had refused previous job offers. Table 4.6 summarizes the reasons for refusal. For men, the main reason was the low wages offered (32.0 per cent of refusals), followed by the long hours of work (15.7 per cent). For an even larger share of women (54.1 per cent), the main reason for turning down a job offer was the low wages offered. This is not surprising given that the female population in OPT is more likely than the male population to complete secondary or tertiary education. Given also the higher incidence of inactivity among young women, especially those with no education, it is likely that the average female jobseeker has a higher level of education than the average male jobseeker, and therefore possibly a higher reservation wage.

Table 4.6 Unemployed youth who had refused a job offer by reasons

Reason for job refusal	Total		Male		Female	
	Number	%	Number	%	Number	%
Wages offered were too low	7 448	39.5	3 967	32.0	3 481	54.1
Work was not interesting	1 013	5.4	0	0.0	1 013	15.7
Location was not convenient	1 954	10.4	1 750	14.1	204	3.2
Work would not match qualifications	140	0.7	64	0.5	75	1.2
Work requires too many hours	2 967	15.7	2 731	22.0	236	3.7
Family did not approve	895	4.7	231	1.9	664	10.3
Waiting for a better job	1 010	5.4	358	2.9	652	10.1
Other	3 431	18.2	3 316	26.7	115	1.8
Total	18 858	100	12 417	100	6 440	100

Source: PCBS, SWTS-Palestine, 2015.

The high proportion of job refusals due to low wage offers motivated us to look at the minimum wage expectations of unemployed youth. Interestingly, the mean minimum monthly wage expectations of unemployed youth were just around the minimum wage set by the Palestinian Authority (1,450 Israeli shekels (ILS)). However, the mean wage expectations for unemployed young women were lower than the minimum wage. These results reflect one side of the low decency level of offered jobs to youth. Furthermore, mean wage expectations had decreased for most youth in comparison with SWTS 2013. For example, the mean wage expectation among unemployed youth with an intermediate diploma had decreased by 15.8 per cent.

Table 4.7 Mean monthly wage expectations of unemployed youth by level of educational attainment (in ILS)

Educational level	Total	Male	Female
None	1 355	1 383	996
Basic stage	1 406	1 415	1 261
Secondary stage (vocational)	1 920*	1 955*	NA
Secondary stage (academic)	1 533	1 582	1 265
Intermediate diploma	1 058	1 053	1 065
Bachelor and post-graduate	1 578	1 708	1 536

* Small number of observations.

Note: Currency is Israeli shekel (ILS).

Source: PCBS, SWTS-Palestine, 2015.

5. Characteristics of employed youth

5.1 Employment status, occupation and sector

As has already been mentioned, in the OPT young men make up a greater share of employed youth than young women. While 48.0 per cent of young men were working at the time of the survey, only 7.1 per cent of young women were doing so. The female youth employment-to-population ratio was among the world's lowest. The majority of employed youth (82.4 per cent of young men and 76.6 per cent of young women) were wage or salaried workers or employees (table 5.1). Vulnerable employment (comprising the own-account workers and unpaid family workers subcategories) accounted for a relatively small share employment, at 16.7 per cent of young workers (16.2 per cent of male workers and 20.6 per cent of female workers). Only 8.6 per cent of employed youth were self-employed: 6.9 per cent were own-account workers and 1.7 per cent were employers.

Table 5.1 Employed youth by status in employment

Employment status	Total		Male		Female	
	Number	%	Number	%	Number	%
Wage or salaried worker	320 028	81.6	282 921	82.4	37 108	76.6
Employer	6 607	1.7	5 224	1.5	1 382	2.9
Own-account worker	26 987	6.9	21 230	6.2	5 756	11.9
Unpaid family worker	38 408	9.8	34 196	10.0	4 212	8.7
Total	392 030	100	343 571	100	48 458	100

Source: PCBS, SWTS-Palestine, 2015.

If disaggregated by level of educational attainment, the male distribution of status in employment remains largely aligned with the average. The only exception is vocational secondary degree holders, who were more likely than other young men to work on their own account (30.5 per cent were self-employed without employees). The female distribution of status in employment, on the other hand, shows more variation across levels of completed education. The least educated young women were significantly more likely than the average young employed individual to work as unpaid family workers or as own-account workers. For example, among young women without any completed education, 41.4 per cent were unpaid family workers and 17.1 per cent were own-account workers. In addition, more than a quarter (26.0 per cent) of female postgraduate degree holders were own-account workers.

Table 5.2 Status in employment of youth by level of educational attainment, sex and area of residence

Educational level	Male				Female				Total
	Wage or salaried worker	Employer	Own-account worker	Unpaid family worker	Wage or salaried worker	Employer	Own-account worker	Unpaid family worker	
None	82.0	2.4	7.7	8.0	41.6	0.0	17.1	41.4	100
Basic stage	89.0	0.4	3.2	7.5	62.9	9.2	0.6	27.3	100
Secondary stage (vocational)	69.5	0.0	30.5	0.0	-	-	-	-	-
Secondary stage (academic)	79.8	2.6	9.6	8.0	83.6	0.0	12.6	3.9	100
Intermediate diploma	84.8	0.8	7.9	6.6	86.6	0.0	13.4	0.0	100
Bachelor's degree	87.6	2.1	7.2	3.2	87.0	4.9	8.1	0.0	100
Postgraduate	100	0.0	0.0	0.0	74.0	0.0	26.0	0.0	100
Educational level	West Bank				Gaza				Total
	Wage or salaried worker	Employer	Own-account worker	Unpaid family worker	Wage or salaried worker	Employer	Own-account worker	Unpaid family worker	
None	81.0	0.7	9.3	9.0	81.8	6.2	4.4	7.6	100
Basic stage	86.8	1.2	2.4	9.6	88.5	0.0	5.6	5.9	100
Secondary stage (vocational)	69.5	0.0	30.5	0.0	-	-	-	-	-
Secondary stage (academic)	81.4	2.7	8.0	7.9	74.4	0.0	20.3	5.3	100
Intermediate diploma	84.3	0.4	14.9	0.5	86.8	0.8	1.6	10.9	100
Bachelor's degree	82.6	3.8	10.2	3.3	99.7	0.0	0.3	0.0	100
Postgraduate	100.0	0.0	0.0	0.0	46.2	0.0	53.8	0.0	100

Note: Current students are not included.

Source: PCBS, SWTS-Palestine, 2015.

While 29.9 per cent of unemployed youth, and 62.6 per cent of unemployed young women, sought professional jobs, this category provided employment for only 10.8 per cent of total youth employment (table 5.3). Employed youth were mostly working in service jobs (23.4 per cent), elementary occupations (22.8 per cent) and craft and related trades (22.7 per cent). There were clear differences in the occupational distributions of employed young men and women. Young women were mostly concentrated in professional occupations (28.3 per cent), technicians or associate professionals (20.7 per cent) and sales and service work (19.1 per cent). Young men, on the other hand, were mostly found working as craft workers (24.9 per cent), sales and service workers (24.0 per cent) and in elementary occupations (24.6 per cent). These distributions are in line with the educational profiles of the male and female youth populations in the OPT.

Table 5.3 Employed youth by occupation

Occupation	Total		Male		Female		West Bank		Gaza	
	Number	%	Number	%	Number	%	Number	%	Number	%
Legislators, senior officials and managers	2 777	0.7	1 822	0.5	955	2.0	2 139	0.7	638	0.6
Professionals	39 750	10.1	26 041	7.6	13 709	28.3	25 904	8.9	13 846	13.8
Technicians and associate professionals	26 265	6.7	16 227	4.7	10 038	20.7	20 015	6.9	6 249	6.2
Clerks	4 464	1.1	2 695	0.8	1 769	3.7	3 260	1.1	1 204	1.2
Service workers, shop and market sales workers	91 544	23.4	82 310	24.0	9 234	19.1	67 282	23.1	24 262	24.2
Skilled agricultural and fishery workers	13 766	3.5	11 586	3.4	2 180	4.5	10 544	3.6	3 222	3.2
Craft and related trade workers	89 053	22.7	85 512	24.9	3 541	7.3	70 449	24.1	18 604	18.6
Plant and machine operators and assemblers	30 913	7.9	28 549	8.3	2 364	4.9	20 802	7.1	10 111	10.1
Elementary occupations	89 168	22.8	84 500	24.6	4 668	9.6	68 100	23.3	21 068	21.0
Armed forces	4 330	1.1	4 330	1.3	0	0.0	3 279	1.1	1 050	1.0
Total	392 030	100	343 571	100	48 458	100	291 775	100	100 255	100

Source: PCBS, SWTS-Palestine, 2015.

Table 5.4 Distribution of employed youth by sector at the 1-digit level

ISIC Revision 4	Total		Male		Female		West Bank		Gaza	
	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture, forestry and fishing	30 529	7.8	26 638	7.8	3 891	8.0	19 722	6.8	10 807	10.8
Mining	941	0.2	941	0.3	0	0.0	941	0.3	0	0.0
Manufacture	68 298	17.4	60 600	17.6	7 698	15.9	53 428	18.3	14 870	14.8
Construction	72 902	18.6	72 902	21.2	0	0.0	66 387	22.8	6 515	6.5
Wholesale and retail trade	81 696	20.8	77 233	22.5	4 464	9.2	60 400	20.7	21 297	21.2
Transport	10 594	2.7	10 594	3.1	0	0.0	3 025	1.0	7 570	7.6
Accommodation	22 747	5.8	21 690	6.3	1 056	2.2	17 390	6.0	5 357	5.3
Information and Communication	7 259	1.9	5 944	1.7	1 315	2.7	6 049	2.1	1 210	1.2
Financial activities	4 649	1.2	2 943	0.9	1 706	3.5	3 783	1.3	867	0.9
Real estate	990	0.3	990	0.3	0	0.0	990	0.3	0	0.0
Professional Scientific Activities	10 299	2.6	6 776	2.0	3 524	7.3	8 467	2.9	1 832	1.8
Administrative and Support Activities	5 063	1.3	2 388	0.7	2 675	5.5	4 203	1.4	860	0.9
Public Administration	18 274	4.7	15 651	4.6	2 623	5.4	12 329	4.2	5 945	5.9
Education	11 938	3.1	4 912	1.4	7 027	14.5	5 903	2.0	6 036	6.0
Health and social work	14 426	3.7	10 311	3.0	4 114	8.5	9 946	3.4	4 479	4.5
Arts and entertainment	7 536	1.9	7 322	2.1	214	0.4	5 799	2.0	1 737	1.7
Other services	20 017	5.1	14 095	4.1	5 922	12.2	10 619	3.6	9 398	9.4
Private HHs	702	0.2	0	0.0	702	1.5	702	0.2	0	0.0
Extra-territorial activities	3 169	0.8	1 642	0.5	1 528	3.2	1 693	0.6	1 476	1.5
Total	392 030	100	343 571	100	48 458	100	291 775	100	100 255	100

Source: PCBS, SWTS-Palestine, 2015.

In terms of the sectoral distribution of employment, young female workers were concentrated in manufacturing (15.9 per cent), education (14.5 per cent) and health and social work (8.5 per cent), with another 12.2 per cent in other services (table 5.4). Young men worked in manufacturing (17.6 per cent) and construction (21.2 per cent), but the largest

share worked in the wholesale and retail sector (22.5 per cent). Only 7.8 per cent of male employment and 8.0 per cent of female employment was in agriculture. Employment shares in the construction and manufacturing sectors were stronger in the West Bank than in Gaza, while Gaza had a slightly higher share of youth (21.2 per cent) working in wholesale and retail.

5.1.1 Wage and salaried workers

Table 5.5 provides details of the types of contract held by young wage and salaried employed workers (employees). Almost 80 per cent (75.5 per cent) of young employees were working without a written agreement (79.2 per cent of males and 47.4 per cent of females). Whether written or oral, the duration of agreement was usually unlimited (for 92.1 per cent of young men and 85.3 per cent of young women). The durations of contractual agreements were on average shorter for males. As many as 71.2 per cent of young male wage and salaried workers with a contract of limited duration had an arrangement of less than 12 months' duration, versus 63.1 per cent of females. The survey investigated the main reasons why the contracts given to young wage and salaried workers were of limited duration. In most cases (24.4 per cent) the reason was employment in occasional or daily work (table 5.6). Other reasons included being employed by a public employment programme (23.2 per cent) and being hired for a specific service or task (16.9 per cent).

Table 5.5 Young wage and salaried workers by type of contract and duration of contract

Type of contract	Total		Male		Female	
	Number	%	Number	%	Number	%
Written agreement	78 297	24.5	58 762	20.8	19 535	52.6
Oral agreement	241 731	75.5	224 159	79.2	17 573	47.4
Unlimited duration	292 260	91.3	260 625	92.1	31 635	85.3
Limited duration	27 768	8.7	22 295	7.9	5 473	14.8
- less than 12 months	19 327	69.6	15 875	71.2	3 452	63.1
- 12–36 months	7 178	25.9	5 157	23.1	2 021	36.9
- more than 36 months	1 263	4.6	1 263	5.7	0	0.0
Total young wage and salaried workers	392 030		343 571		48 458	

Source: PCBS, SWTS-Palestine, 2015.

Table 5.6 Young wage and salaried workers on limited duration contract by reason

Reason	Total		Male		Female	
	Number	%	Number	%	Number	%
On the job training, internship	254	0.9	254	1.1	0	0.0
Probation period	1 807	6.5	125	0.6	1 682	30.7
Seasonal work	4 614	16.6	4 281	19.2	333	6.1
Occasional/daily work	6 761	24.4	6 047	27.1	714	13.1
Work as a replacement/substitute	1 722	6.2	1 066	4.8	656	12.0
Public employment programme	6 431	23.2	5 037	22.6	1 394	25.5
Specific service or task	4 694	16.9	4 001	18.0	693	12.7
Other	1 484	5.4	1 484	6.7	0	0.0
Total	27 768	100	22 295	100	5 473	100

Source: PCBS, SWTS-Palestine, 2015.

Benefits other than salary are considered important as indicators of employment quality. Among the possible entitlements available in the OPT were health insurance coverage, paid sick leave and transport allowances. The type of benefit that was available to

the largest share of young employees – although low in relative terms (covering less than half of young workers) – was overtime pay (41.1 per cent of men and 32.9 per cent of women). Table 5.7 further explores young wage workers’ access to benefits. Overall, the benefits that are key elements of decent work were largely inaccessible to the young employed in the OPT. For example, only 23.9 per cent of employees had annual paid leave, 29.2 per cent had paid sick leave, 11.4 per cent had a pension or old age insurance and 22.3 per cent had medical insurance coverage. For most of these benefits, access was observed to be lower in SWTS 2015 than in SWTS 2013.

Table 5.7 Young wage and salaried workers by access to benefits (%)

Benefits	Total	Male	Female
Transport or transport allowance	28.6	27.3	38.9
Meals or meal allowance	29.3	30.0	23.6
Annual paid leave (holiday time)	23.9	21.7	40.7
Paid sick leave	29.2	27.1	45.4
Pension/old age insurance	11.4	10.4	19.0
Severance/end of service payment	16.6	14.9	29.6
Overtime pay	40.1	41.1	32.9
Medical insurance coverage	22.3	20.8	33.2
Bonus/reward for good performance	19.4	18.1	29.5
Social security contribution	3.6	3.4	5.3
Educational or training course	15.6	12.8	37.1
Occupational safety	20.7	21.5	14.2
Childcare facilities	3.1	0.0	26.9
Maternity/paternity leave	4.6	0.5	35.2

Source: PCBS, SWTS-Palestine, 2015.

The average monthly wages of young employees were observed to increase with level of educational attainment, except for male intermediate diploma holders. An employee holding an intermediate diploma may receive an average pay comparable with that of someone with no education (table 5.8). On the other hand, a secondary academic degree and a tertiary degree were associated with significantly higher earnings. The wage gap between male and female employees was wide at all educational levels, including among bachelor’s degree holders. The gap increased with educational attainment up to the level of secondary academic education, where women’s average earnings are equal to little more than one-half of those of men. The gap then dropped at the level of tertiary education holders, with men earning ‘only’ 14.5 per cent more than women. Again, there was an exception at the level of intermediate diploma. Young women holding an intermediate diploma could expect to earn on average more than young men with the same level of education.

Table 5.8 Mean monthly wage of young wage employees by level of educational attainment (in ILS)

Educational attainment	Total	Male	Female
None	1 710	1 713	1 378*
Basic	1 745	1 778	1 175
Secondary (vocational)	2 701*	2 701*	–
Secondary (academic)	2 104	2 240	1 188
Intermediate diploma	1 704	1 691	1 744
Bachelor’s or postgraduate degree	2 168	2 204	1 925
Total	1 805	1 825	1 650

* = small number of observations

Note: Currency is Israeli shekel (ILS). Current students are not included.

Source: PCBS, SWTS-Palestine, 2015.

In general, large shares of young employees were paid below the minimum wage set by the Palestinian Authority.³ Table 5.9 shows the half (50.1 per cent) of young employees earned less than the minimum wage. The issue was most extreme among young female employees with only basic or secondary education (75.9 per cent and 77.0 per cent, respectively, earned below the minimum wage). Yet for all education levels, the share of young male employees with below minimum wage earnings was slightly higher than the female share at 51.5 per cent and 40.8 per cent, respectively.

Table 5.9 Share of young wage workers whose wages were below the minimum wage by level of educational attainment (%)

Educational attainment	Total	Male	Female
None	64.1	64.2	54.3
Basic	58.9	57.9	75.9
Secondary (vocational)	3.4	3.4	–
Secondary (academic)	52.8	48.9	77.0
Intermediate diploma	51.5	60.6	30.8
Bachelor's or postgraduate degree	21.2	19.3	26.5
Total	50.1	51.5	40.8

Note: Current students are not included.

Source: PCBS, SWTS-Palestine, 2015.

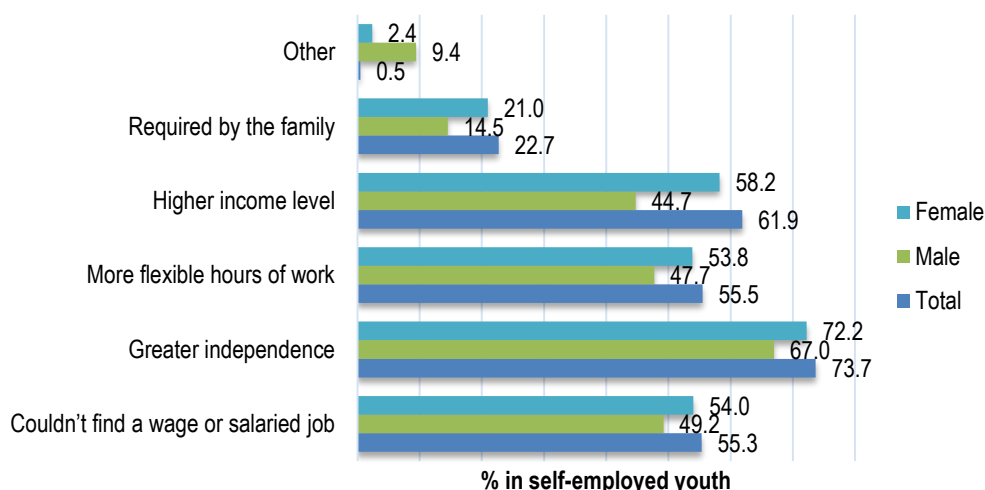
5.1.2 Self-employed youth

Self-employment accounted for only 8.6 per cent of total youth employment. Self-employed youth included employers (1.7 per cent of employed youth) and own-account workers (6.9 per cent of employed youth). The findings on reasons why young people engage in self-employment indicated there was mostly a positive attitude towards self-employment. For instance, 73.7 per cent of self-employed young men and 67 per cent of young women indicated that greater independence was the main reason taking them into self-employment (figure 5.1). Similarly, 61.9 per cent of young men and 44.7 per cent of young women chose self-employment because it may offer a higher income, and 55.5 per cent of young self-employed men and 47.7 per cent of young women wanted to have more flexible working hours.

Self-employed youth reported various significant challenges to their work. Insufficient financial resources was the most significant challenge for 32.5 per cent of self-employed youth (35.8 per cent in the West Bank and 20.1 per cent in Gaza), while competition in the market was the most significant challenge for 26.7 per cent of self-employed youth (31.0 per cent in the West Bank and 10.7 per cent in Gaza; table 5.10). As expected, political uncertainty was also a significant challenge, mentioned by 23.3 per cent of self-employed youth. However, this challenge was more specific to Gaza (47.5 per cent of self-employed youth) than to the West Bank (16.7 per cent). The continuing blockade of Gaza also influenced the list of challenges, in that 13.4 per cent of self-employed youth in that area mentioned shortage of raw materials as the most significant challenge.

³ The minimum wage is 1,450 ILS.

Figure 5.1 Self-employed youth by reason for self-employment



Note: Multiple-response question.
Source: PCBS, SWTS-Palestine, 2015.

Table 5.10 Self-employed youth by most significant challenge

Challenge	Total		West Bank		Gaza	
	Number	%	Number	%	Number	%
Insufficient financial resources	10 901	32.5	9 468	35.8	1 433	20.1
Insufficient quality	718	2.1	718	2.7	0	0.0
Insufficient personal skills	227	0.7	205	0.8	22	0.3
Legal regulations	153	0.5	0	0.0	153	2.1
Shortage of raw materials	956	2.9	0	0.0	956	13.4
Political uncertainty	7 811	23.3	4 421	16.7	3 390	47.5
Access to technology	27	0.1	0	0.0	27	0.4
Product development	96	0.3	0	0.0	96	1.3
Competition in the market	8 962	26.7	8 199	31.0	763	10.7
Other	3 744	11.1	3 447	13.0	296	4.2
Total	33 593	100	26 458	100	7 135	100

Source: PCBS, SWTS-Palestine, 2015.

Table 5.11 examines the challenge of insufficient access to financial resources in more detail. As many as 80.7 per cent of self-employed youth had relied on their own savings or on money from family and friends to finance their businesses. In contrast, only 7.3 per cent of self-employed youth had relied on loans from a microfinance institution (4.2 per cent), banks (2.8 per cent) or a government institution (0.3 per cent). Furthermore, the survey found no female self-employed who had used a loan from a bank or microfinance institution or from the government. This might be because women are less likely to own any collateral asset that could be used to obtain a formal loan. More than half (68.7 per cent) of young female self-employed had relied on family support to finance their businesses.

Table 5.11 Financial resources for self-employed youth

Financial resources	Total		Male		Female	
	Number	%	Number	%	Number	%
No money needed	3 330	9.9	2 051	7.8	1 279	17.9
Own savings	11 832	35.2	10 879	41.1	953	13.4
Money from family or friends	15 281	45.5	10 374	39.2	4 907	68.7
Loan from a microfinance institution (including cooperative)	1 422	4.2	1 422	5.4	0	0.0
Loan from a bank	928	2.8	928	3.5	0	0.0
Loan from a government institution	101	0.3	101	0.4	0	0.0
Remittances from abroad	208	0.6	208	0.8	0	0.0
Other	490	1.5	490	1.9	0	0.0
Total	33 593	100	26 455	100	7 139	100

Source: PCBS, SWTS-Palestine, 2015.

5.1.3 Unpaid family workers

Young unpaid family workers accounted for 9.8 per cent of youth employment. While there are seven times more young men in unpaid family work than young women, there is not much difference when viewed as shares in their respective employment numbers (10.0 per cent of male employment and 8.7 per cent of female employment). When asked for the reason why they engaged in this type of employment, the most common reason given by young respondents was that it was a family requirement (45.5 per cent). Almost one-third (31.4 per cent) took up unpaid family work due to difficulties in finding a wage job, while 17.2 per cent made this choice in order to learn the family business.

Table 5.12 Young unpaid family workers by reason

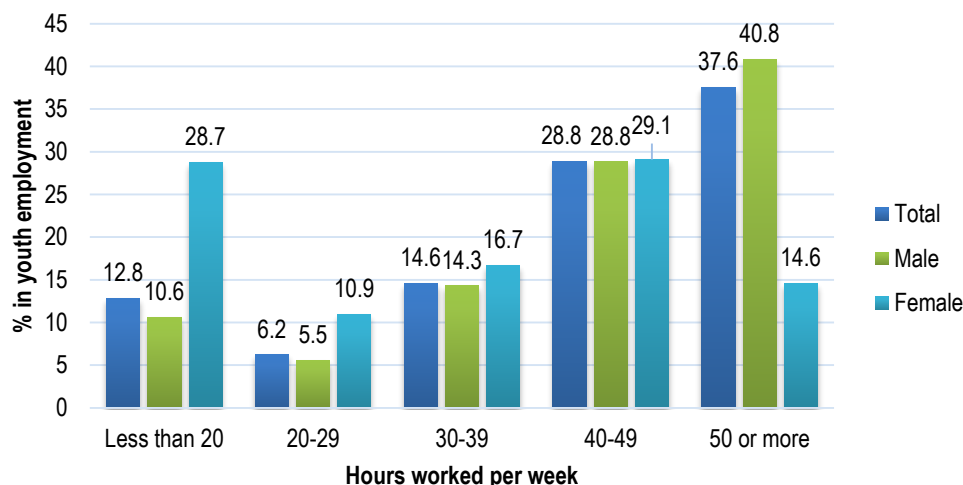
Reason for family work	Total		Male		Female	
	Number	%	Number	%	Number	%
Could not find a wage or salaried job	12 055	31.4	11 527	33.7	528	12.5
Required by the family	17 466	45.5	15 063	44.1	2 403	57.1
Learning the family business	6 597	17.2	6 184	18.1	413	9.8
Other	2 290	6.0	1 422	4.2	868	20.6
Total	38 408	100	34 196	100	4 212	100

Source: PCBS, SWTS-Palestine, 2015.

5.2 Working hours

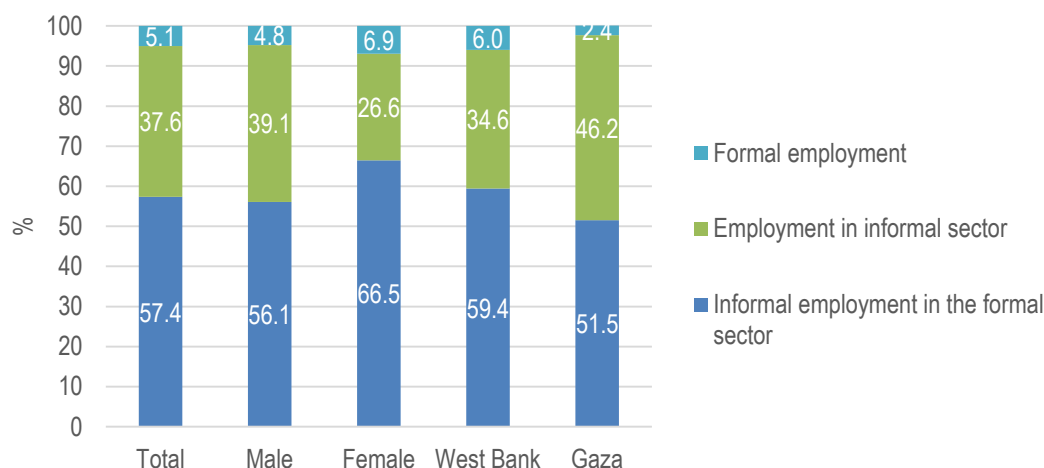
An analysis of the weekly working hours of employed youth in the OPT reveals rather different patterns for men and women (figure 5.2). A significant share of men (40.8 per cent) worked what is considered to be “excessive” hours (i.e. 50 hours a week or more), while only 10.6 per cent worked less than 20 hours a week. Among female young workers the distribution was reversed. Excessive hours were rather uncommon among young women (14.6 per cent), while almost one-third (28.7 per cent) worked less than 20 hours a week.

Figure 5.2 Employed youth by average hours worked per week



Source: PCBS, SWTS-Palestine, 2015.

Figure 5.3 Informal employment among youth by subcategories



Source: PCBS, SWTS-Palestine, 2015.

5.3 Informal employment

The large majority of employed youth (94.9 per cent) worked in informal employment. Informal employment means either an informal employment arrangement in the formal sector or an employment arrangement in an informal establishment.⁴ The first case was more

⁴ Informal employment is measured according to the guidelines recommended by the 17th International Conference of Labour Statisticians. The calculation applied here includes the following sub-categories of workers: (a) paid employees in “informal jobs”, i.e. jobs without entitlement to social security, paid annual leave and paid sick leave; (b) paid employees in an unregistered enterprise with size classification below five employees; (c) own-account workers in an unregistered enterprise with size classification below five employees; (d) employers in an unregistered enterprise with size classification below five employees; and (e) contributing family workers. Sub-categories (b) to (d) are used in the calculation of “employment in the informal sector”, sub-category (a) applies to “informal job in the formal sector” and sub-category (e) can fall within either grouping, depending on the registration status of the enterprise that engages the contributing family worker.

common, and applied to 56.1 per cent of young employed men and 66.5 per cent of young employed women (figure 5.3). Informal employment among youth was higher in Gaza compared to West Bank, affecting 97.6 and 94.0 per cent of young workers, respectively. Rates were similarly high in 2013 at 94.1 per cent overall.

5.4 Qualifications mismatch

One means of measuring the mismatch between the job that a person does and their level of educational qualifications is to apply the normative measure of occupational skills categories from the International Standard Classification of Occupations (ISCO). ISCO-08 includes a categorization of major occupational groups (first-digit ISCO levels) by level of education in accordance with the International Standard Classification of Education (ISCED), which is reproduced in table 5.13.

Table 5.13 ISCO major groups and skill levels

ISCO major group	Broad occupation group	Skill level
1: Legislators, senior officials and managers	High-skilled non-manual	Tertiary (ISCED 5–6)
2: Professionals		
3: Technicians and associate professionals		
4: Clerical support workers	Low-skilled non-manual	
5: Service and sales workers		
6: Skilled agricultural and fishery workers		Secondary (ISCED 3–4)
7: Craft and related trades workers	Skilled manual	
8: Plant and machine operators and assemblers		
9: Elementary occupations	Unskilled	Primary (ISCED 1–2)

Source: ILO (2013a), p. 29.

Workers in a particular group who have the assigned level of education are considered well-matched. Those who have a higher level of education are considered to be overeducated and those with a lower level of education are considered undereducated. For instance, a university graduate working as a clerk (a low-skilled non-manual occupation) is overeducated, while a secondary school graduate working as an engineer (a high-skilled non-manual occupation) is undereducated.

The survey findings showed that the majority of employed youth had qualifications that did not match their jobs. This was the case for 63.2 per cent of employed youth. Almost half of employed youth, 49.7 per cent, are undereducated, while 13.6 per cent were overeducated (table 5.14). Some occupations were characterized by especially large shares of undereducated youth. As many as 75.2 per cent of craft and related trade workers were undereducated, as were 66.5 per cent of skilled agriculture and fishery workers, 61.0 per cent of legislators, senior officials and managers and 59.7 per cent of plant and machine operators. Among youth working in elementary occupations, 35.2 per cent can be considered to have been undereducated for their jobs, as they had no education at all, whereas the classification assumes that all young people should have attained at least a basic level of education.

Table 5.14 Shares of overeducated and undereducated young workers by major occupational category (ISCO-08) (%)

ISCO major group	Overeducated	Undereducated	Matching qualifications
Legislators, senior officials and managers	0.0	61.0	39.0
Professionals	0.0	16.3	83.7
Technicians and associate professionals	26.8	24.6	48.6
Clerks	36.9	44.1	19.0
Service workers, shop and market sales workers	8.1	56.6	35.4
Skilled agricultural and fishery workers	17.1	66.5	16.4
Craft and related trade workers	5.9	75.2	18.9
Plant and machine operators and assemblers	15.9	59.7	24.4
Elementary occupations	27.7	35.2	37.1
Total	13.6	49.7	36.8

Source: PCBS, SWTS-Palestine, 2015.

Overeducation affected relatively lower shares of employed youth, yet more than one-third (36.9 per cent) of young people in clerical occupations were overeducated for their job, as were 26.8 per cent of young technicians. In elementary occupations, 28.3 per cent of young workers were overeducated, having completed more than primary education. Both undereducation and overeducation undermine the well-being of workers, and represent a suboptimal use of productive resources and of the investment in education that families and countries make.

Table 5.15 offers a test of whether the ISCO-based measure of qualifications mismatch corresponds to the perceptions of young workers regarding the relevance of their education. Interestingly, what emerges as a rather widespread qualification mismatch issue is not always perceived as such by young workers in the OPT. Only 3.8 per cent of employed youth perceived themselves as underqualified, while 36.5 per cent believed they were overqualified. The majority of interviewed young employed (53.8 per cent) stated that they had the relevant qualifications for the jobs they do.

Table 5.15 Employed youth perception of education relevance

Relevance of education	Total		Male		Female		West Bank		Gaza	
	Number	%	Number	%	Number	%	Number	%	Number	%
Underqualified	14 756	3.8	13 527	3.9	1 228	2.5	11 907	4.1	2 849	2.8
Overqualified	143 094	36.5	128 851	37.5	14 243	29.4	111 635	38.3	31 459	31.4
Relevant	210 735	53.8	178 980	52.1	31 755	65.5	148 391	50.9	62 344	62.2
Still studying	23 445	6.0	22 212	6.5	1 232	2.5	19 842	6.8	3 603	3.6
Total	392 030	100	343 571	100	48 458	100	291 775	100	100 255	100

Source: PCBS, SWTS-Palestine, 2015.

5.5 Job satisfaction and security

The indicators enumerated in this report have shown how young people face tremendous challenges in trying to secure decent employment in the OPT. Despite this situation, Annex II, table A.8 shows that 74.5 per cent of employed youth were satisfied with their current jobs. This high satisfaction rate reflects the low availability of jobs in the market, leading young people to accept their current employment conditions because of the lack of alternatives.

To test the degree of job satisfaction further, youth were asked if they wanted to change their current job. If they responded positively, they were asked to identify their main reason for wanting to change their job. The results are shown in tables 5.16 and 5.17. A large share of employed youth (42.3 per cent) said they would like to change their job. In comparison with the SWTS 2013 results, this finding represents an increase of 4.3 percentage points. A more significant increase in what we may interpret as effective dissatisfaction with their current employment condition emerged from surveyed young women. The share of young women who would like to change their jobs increased from 24.4 per cent in 2013 to 41.8 per cent in 2015.

Table 5.16 Share of employed youth who would like to change job

Round of survey	Total		Male		Female		West Bank		Gaza	
	Number	%	Number	%	Number	%	Number	%	Number	%
SWTS 2015	165 637	42.3	145 372	42.3	20 265	41.8	113 591	38.9	52 046	51.9
SWTS 2013	123 111	38	111 560	40.4	11 552	24.4	84 323	35.1	38 788	46.6

Source: PCBS, SWTS-Palestine, 2013, 2015.

Analysis of the reasons why young workers wanted to change jobs provided an indication of what they expect from their work. For example, the most common reason for male youth to want to change their job is to receive higher pay (38.6 per cent). A further 14.3 per cent would like to change to find better working conditions. Another 14.3 per cent find themselves without a choice but to change jobs at some point, since their current job is temporary.

Table 5.17 Employed youth who want to change job by reason

Reason for wanting to change job	Total		Male		Female	
	Number	%	Number	%	Number	%
Present job is temporary	27 241	16.5	20 775	14.3	6 466	31.9
Fear of losing the present job	15 579	9.4	13 534	9.3	2 046	10.1
To work more hours paid at your current rate	4 285	2.6	3 465	2.4	820	4.0
To have a higher pay per hour	63 890	38.6	58 509	40.3	5 381	26.6
To work less hours with a reduction in pay	1 363	0.8	1 277	0.9	86	0.4
To use better qualifications/skills	23 623	14.3	20 037	13.8	3 586	17.7
To have more convenient working time	2 960	1.8	2 865	2.0	95	0.5
To improve working conditions	23 641	14.3	21 857	15.0	1 784	8.8
Other	3 053	1.8	3 053	2.1	0	0.0
Total	165 637	100	145 372	100	20 265	100

Source: PCBS, SWTS-Palestine, 2015.

6. Stages of transition

6.1 Concepts and definitions⁵

The preceding sections have analysed youth with respect to their current activity status. Another means of classifying youth is to group them according to where they stand in relation to their transition into the labour market. The labour market transition of young people concerns not only the length of time from their exit from education (either upon graduation or early exit without completion) to their first entry into any job, but also relates to qualitative factors, such as whether the job is stable (measured by contract type).

The SWTS is designed to apply a stricter definition of “stable employment” than is typically used. By starting from the premise that a person has not “transited” until they are settled in a job that meets very basic criteria of stability, as defined by the duration of the employment contract, the SWTS analytical framework introduces a new qualitative element to the standard definition of labour market transition. However, as seen in previous sections, not all young people in the OPT attain stable employment and, if the “end goal” does not fit the reality of the situation, then perhaps the statistics are not framed widely enough. For this reason, the ILO added job satisfaction as a component and built it into the concept of labour market transition.

More specifically, labour market transition is defined as the passage of a young person (aged 15–29) from the end of schooling (or entry to first economic activity) to the first stable or satisfactory job.⁶ The definition acknowledges the transitory state of current students and also the subjectivity of job satisfaction. The transition is thus considered to be complete only when a young person has attained a stable job based on a written contract of duration greater than 12 months or an oral agreement with a likelihood of retention or has attained a satisfactory temporary job judged on the young respondent’s willingness to stay there. Since all current students are counted among those “in transition”, unlike in the calculations for the 2013 survey (which distributed students according to their labour market status), we are unfortunately not able to compare directly with the transition results presented in Sadeq and Elder (2014). Rather, to enable comparisons to be made across the two surveys, this section also applies the revised framework to the 2013 survey data.

The stages of transition are defined as follows:

Transited – A young person who has “transited” is one who is currently employed and not in school, who is in:

- a. a stable job
 - i. based on a written contract of at least 12 months’ duration, or
 - ii. based on an oral agreement and likely to keep the job over the next 12 months; or
- b. a satisfactory temporary job
 - i. based on a written contract of less than 12 months’ duration and does not want to change the job, or

⁵ This section was drafted by the ILO.

⁶ Based on its experience in analysing data from 2012–2013 SWTS data sets, the ILO made slight revisions to the methodology for calculating the stages of transition. The justification for these revisions, based on lessons learned in the analyses, is summarized in ILO (2015), Chapter 4.

- ii. based on an oral agreement, but is not certain to keep the job over the next 12 months and does not want to change the job; or
- iii. satisfactory self-employment (in self-employed status and does not want to change the job).

In transition – A young person still “in transition” is one who is currently:

- a. an active student (employed or unemployed); or
- b. unemployed (non-student, broad definition); or
- c. employed in a temporary and non-satisfactory job
 - iv. based on a written contract of less than 12 months’ duration and wants to change the job, or
 - v. based on an oral agreement, but is not certain to keep the job over the next 12 months and wants to change the job; or
- d. in non-satisfactory self-employment (in self-employed status and wants to change the job); or
- e. inactive and not in education or training, with the aim of looking for work later.

Transition not yet started – A young person whose status is “transition has not yet started” is one who is currently:

- a. still in school and inactive (inactive student); or
- b. inactive and not in education or training (inactive non-student), with no intention of looking for work.

Two elements of this classification are noteworthy. First, the stages of transition span across the boundaries of economic activity as defined in the standard labour force framework.⁷ The “transited” category includes a subset of youth classified as employed; the remaining employed fall within the category of “in transition”, which includes those who fall under the strict definition of unemployed and portions of the inactive (namely, those without work, available for work but not actively seeking work⁸ and inactive non-students who have stated an intention to join the labour force at a later stage). The “transition-not-yet-started” category is the residual of the inactive population.

Second, the stages of transition are not intended to be a normative framework. Because of the inclusion of youth in satisfactory self-employment and satisfactory temporary employment, one cannot say that all young people in the transited category have transited to a “good” job. In fact, many young people in self-employment – the own-account workers and unpaid family workers – are engaged in the informal economy and, by definition, make up the bulk of the country’s share of irregularly employed. Yet they have expressed a degree of satisfaction with their job, and they are likely to have finished their transition in the sense that they will remain in the self-employed classification for the remainder of their working lives.

The classification into stages of transition offers a flow concept. A person is in transition until they have reached a stable position in the labour market, meaning they have

⁷ The international guidelines for statistics on the economically active population, set out by the 13th International Conference of Labour Statisticians (ICLS) in 1982, provide the framework for measuring who is counted as employed and as unemployed according to the economic production boundaries set out by the System of National Accounts.

⁸ This is the portion added to the “strictly” unemployed category to make up the unemployed (broad definition).

a job they are likely to maintain, regardless of whether it is good or bad. For a normative framework, it is better to look at the job-quality indicators presented in the previous sections.

6.2 Stages of transition

Based on the revised definition of transition, 41.4 per cent of the youth population had not yet started the transition, 42.3 per cent were currently in transition and 16.3 per cent had completed the transition to a satisfactory and/or stable job. Compared with SWTS 2013, the share of youth who had completed transition had decreased by 6 percentage points, from 22.6 per cent in 2013. The share of in-transition youth, on the other hand, had increased by 10 percentage points, from 31.3 per cent in 2013. The transition process seems to have become more sticky and longer.

Geographic location is associated with large differences in the rate of completion of transition (table 6.1). In the West Bank, 20.5 per cent of youth had completed transition to stable or satisfactory employment, compared with only 9.6 per cent in Gaza. The challenge in Gaza is not to start the transition, but rather to complete it, as 54.2 per cent of youth were in the in-transition stage (compared with 34.8 per cent in the West Bank).

Table 6.1 Distribution of transition stages of youth by area of residence

Transition stage	Total		West Bank		Gaza	
	Number	%	Number	%	Number	%
Transited	228 956	16.3	176 925	20.5	176 925	9.6
In transition	592 824	42.3	299 352	34.8	299 352	54.2
Transition not yet started	580 753	41.4	384 787	44.7	384 787	36.2
Total	1 402 533	100	686 005	100	541 359	100

Source: PCBS, SWTS-Palestine, 2015.

Table 6.2 shows the distribution of transition stages by sex, age group and area of residence. The SWTS found a significant gender-based gap in the probability of starting and completing the transition. While 27.8 per cent of young men had completed their transitions, only 4.3 per cent of young women had done so. The majority of young women (58.5 per cent) had not yet started transition, while the corresponding figure for young men was 25.0 per cent. Finally, 47.2 per cent of young men were currently in transition, versus only 37.1 per cent of women.

It is not surprising that the shares of transited youth were higher in the older age groups. The youngest age group (15–19) was especially represented among those who had not yet started transition, since many in this age group remained in school. Youth from poor and very poor households were most likely to remain in transition (compared with other income levels, where largest shares were in the category of transition not yet started).

Table 6.2 Transition stages of youth by selected characteristics

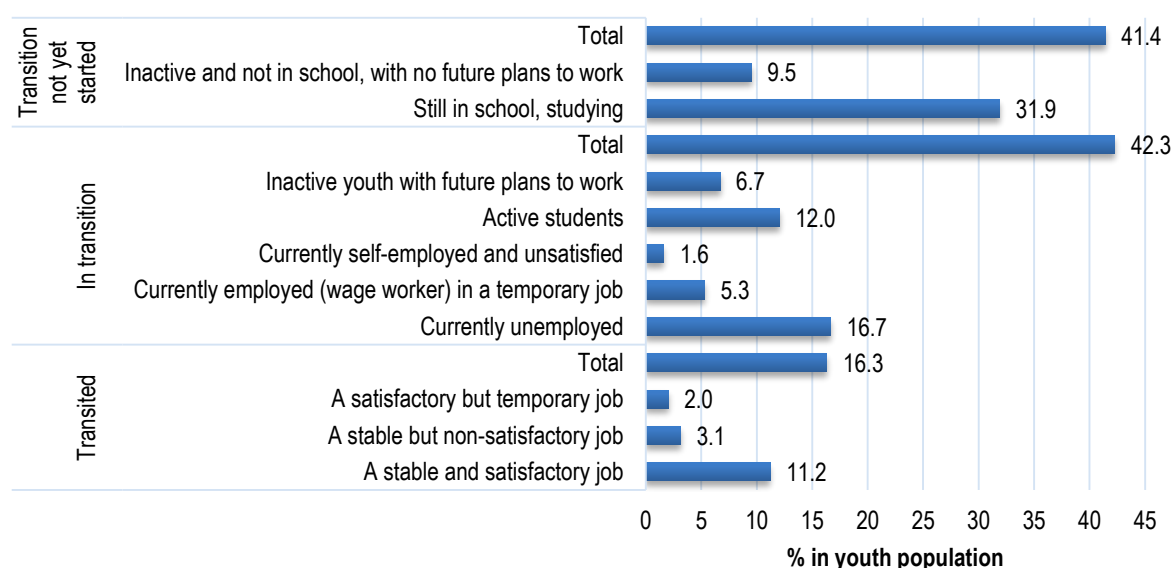
Characteristic	Transited		In transition		Transition not yet started		Total		
	Number	%	Number	%	Number	%	Number	%	
Sex	Male	199 254	27.8	338 084	47.2	179 190	25.0	716 527	100
	Female	29 703	4.3	254 740	37.1	401 563	58.5	686 006	100
Age group	15–19	29 758	5.7	158 121	30.1	337 602	64.2	525 481	100
	20–24	82 381	17.1	236 266	49.0	163 951	34.0	482 598	100
	25–29	116 818	29.6	198 437	50.3	79 200	20.1	394 454	100
Household income level¹	Well off	41 524	17.6	87 271	37.0	106 776	45.3	235 571	100
	Fairly well off	22 463	17.1	47 887	36.5	60 885	46.4	131 236	100
	Around the national average	150 120	17.8	335 952	39.8	356 978	42.3	843 049	100
	Fairly poor	11 767	7.3	100 746	62.8	47 923	29.9	160 436	100
	Poor	3 083	9.6	20 968	65.0	8 191	25.4	32 242	100
Total		228 956	16.3	592 824	42.3	580 753	41.4	1 402 533	100

¹ Household income levels are based on respondents' self-assessments.

Source: PCBS, SWTS-Palestine, 2015.

Figure 6.1 shows the distribution of youth by subcategories of transition stages. The largest share of youth in relative terms was in education (31.9 per cent), accounting for three-quarters of youth who had not yet started their transition. Among the youth in transition, more than one-third were unemployed. As has already been mentioned, the transited group accounted for only 16.3 per cent of the youth population, but most of those transited youth (11.2 per cent out of the 16.3 per cent) had transited to stable and satisfactory employment. The share of transited in the total youth population in the West Bank was more than double that in Gaza (20.6 per cent and 9.6 per cent respectively, Annex II, table A.9).

Figure 6.1 Distribution of transition stages by subcategory of transition

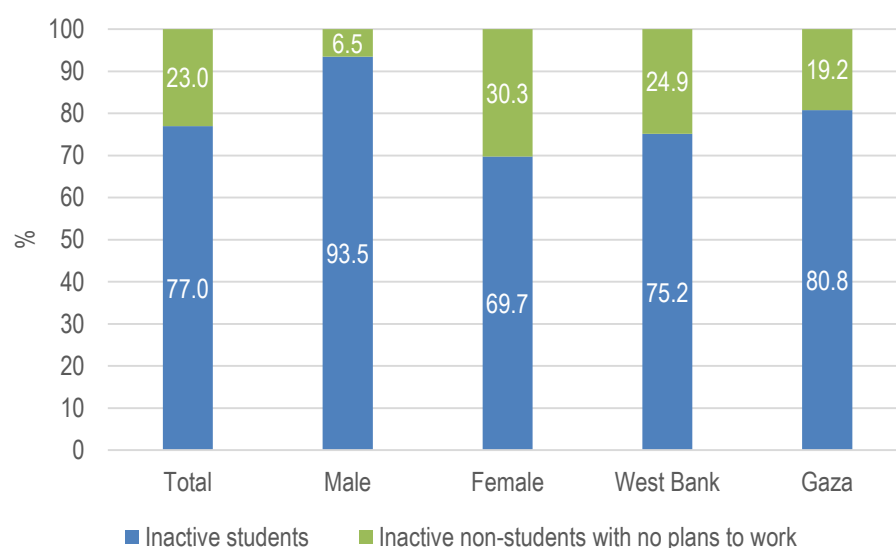


Source: PCBS, SWTS-Palestine, 2015.

6.2.1 Youth who have not start the transition

The category of young people who have not started their transition consists of (i) inactive students and (ii) inactive non-students with no plans to work in the future. In the OPT, young men who had not started their transition were overwhelmingly found in the first subcategory (93.5 per cent). As expected, young women were significantly more likely to be found in the second subcategory. Almost one-third (30.3 per cent) of young women who had not started their transition were inactive non-students with no plans to work in the future. The composition of youth who had not started their transitions was largely similar in Gaza and the West Bank. Young people in Gaza were slightly more likely to be in the inactive student subcategory (80.8 per cent, compared with 75.2 per cent in the West Bank).

Figure 6.2 Distribution of youth in category “transition not yet started” by subcategory



Source: PCBS, SWTS-Palestine, 2015.

6.2.2 Youth in transition

This section provides a more detailed view of the disaggregation of the in-transition category discussed above. As mentioned, in-transition youth are most often found in unemployment. Table 6.3 illustrates the disaggregation of the in-transition group by subcategory and by selected individual characteristics of youth. For virtually all characteristics analysed, in-transition youth were most likely to be found in unemployment. This is valid regardless of the area of residence, sex and household income level. The only exception is well-off youth, who were relatively more likely to be in transition because they were inactive non-students but planned to work in the future. The individual characteristics of young people that were associated with the highest probability of being unemployed were: belonging to a fairly poor household (51.4 per cent of unemployed among in-transition youth); living in Gaza (49.2 per cent); and being female (44.0 per cent). As expected, young women face higher probability than men to be in transition due to unemployment (the share of unemployed for young men in transition is 36.0 per cent).

Table 6.3 Distribution of youth in transition by subcategory and selected characteristics (%)

Characteristic		Currently unemployed	Currently employed (wage worker) in a temporary job	Currently self-employed and unsatisfied	Inactive non-student with future plans to work	Active students	Total
Area of residence	West Bank	29.8	17.7	4.9	24.2	23.4	100
	Gaza	49.2	7.2	2.7	32.7	8.1	100
Sex	Male	36.0	20.2	5.5	31.9	6.4	100
	Female	44.0	2.4	1.6	23.8	28.3	100
Household's income level	Well off	33.6	8.7	2.5	36.2	18.9	100
	Fairly well off	36.7	9.6	2.8	27.5	23.5	100
	Around the national average	37.7	14.9	3.9	27.5	16.0	100
	Fairly poor	51.4	9.4	6.0	25.0	8.3	100
	Poor	38.9	12.4	0.0	29.6	19.2	100
Total (2015)		39.4	12.5	3.8	28.4	15.8	100
Total (2013)		44.8	10.4	3.0	25.0	16.7	100

¹ Household income levels are based on respondents' self-assessments.

Source: PCBS, SWTS-Palestine, 2015.

6.2.3 Transited youth

The majority of young people who had completed their transition had transited to a stable job (68.6 per cent; table 6.4). The remaining transited youth were in satisfactory self-employment (19.1 per cent) or in a satisfactory temporary job (12.3 per cent). An analysis of individual characteristics reveals important differences in the distribution of transited youth, especially when household income and educational attainment are taken into account. Transited youth from well-off families had a far higher probability of being found in stable employment than young people from lower-income backgrounds. The share of transited youth from well-off households who had transited to stable employment was 75.8 per cent, while the corresponding figure among fairly poor youth was 41.7 per cent. Educational attainment is another element that was positively associated with a higher share of stable employment. As many as 87.0 per cent of transited, tertiary-educated youth were in stable employment, versus 55.6 per cent of secondary academic graduates.

Figure 6.3 shows the stages of transition of those who had started the transition process by the variables of sex, area of residence, household income level and educational attainment. This comparison was made to determine which of these factors play a role in the completion of transition by those who have already started the process. First, the results confirm the strong gender dimension in the transition process. Among the population who had started their transition, a higher share of young men than young women had completed the transition to work (37.1 per cent and 10.4 per cent, respectively). Second, there was a higher incidence of completed transitions in rural areas than in urban areas and camps, although here the differences were less striking (35.1 per cent in rural areas and 26.5 per cent in urban areas and camps). Third, youth from above-average income households gained an advantage when it comes to completing the transition. The share of youth from well-off households who completed the transition was 32.2 per cent, compared with 12.8 per cent of youth from very poor households.

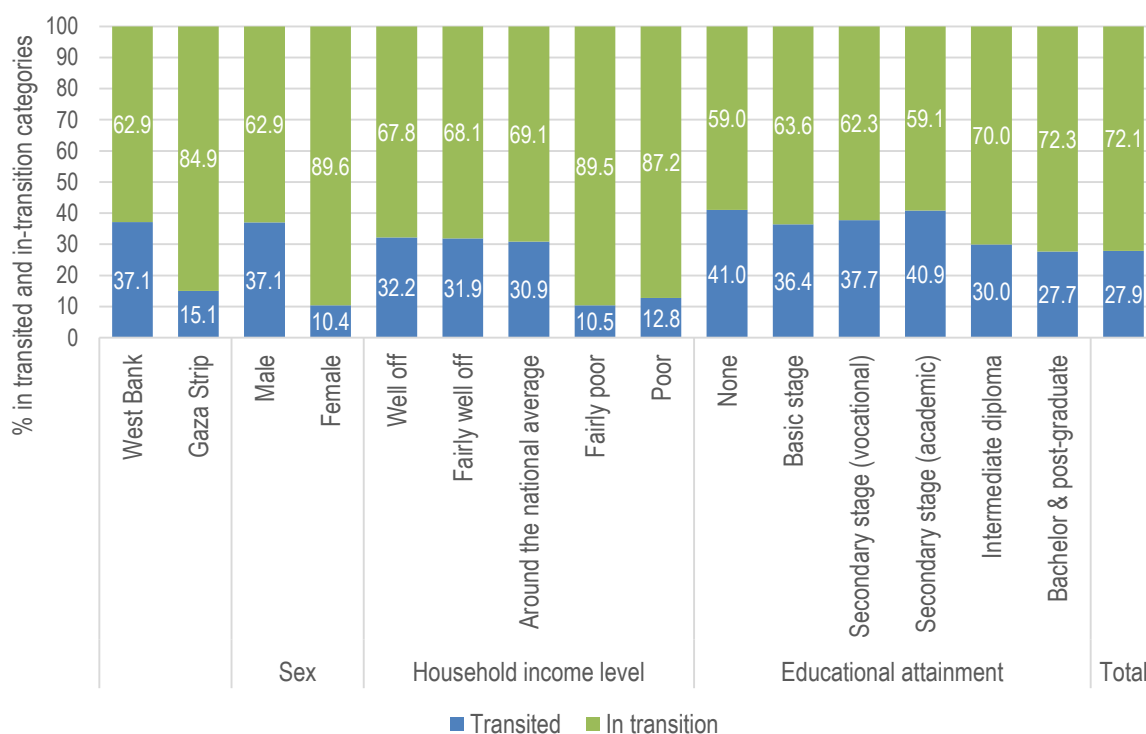
Table 6.4 Distribution of transited youth by subcategory and selected characteristics (%)

Characteristic		Stable job	Satisfactory self-employment	Satisfactory temporary job	Total
Area of residence	West Bank	68.4	17.3	14.3	100
	Gaza	69.3	25.3	5.5	100
Sex	Male	68.2	19.7	12.1	100
	Female	71.4	14.7	13.9	100
	Well off	75.8	14.2	10.0	100
Household income level*	Fairly well off	61.6	13.9	24.5	100
	Around the national average	69.7	19.6	10.7	100
	Fairly poor	41.7	45.3	13.0	100
	Poor	71.0	0.0	29.0	100
Educational attainment	None	61.6	26.7	11.8	100
	Basic	69.2	18.5	12.3	100
	Secondary (vocational)	59.8	9.7	30.5	100
	Secondary (academic)	55.6	26.9	17.5	100
	Intermediate diploma	67.4	19.1	13.4	100
	Bachelor and post-graduate	87.0	6.0	7.0	100
Total (2015)		68.6	19.1	12.3	100
Total (2013)		67.8	18.8	13.4	100

¹ Household income levels are based on respondents' self-assessments.

Source: PCBS, SWTS-Palestine, 2015.

Figure 6.3 Distribution of transition groups (transited and in-transition) by selected characteristics



Note: Household income levels are based on respondents' self-assessments.

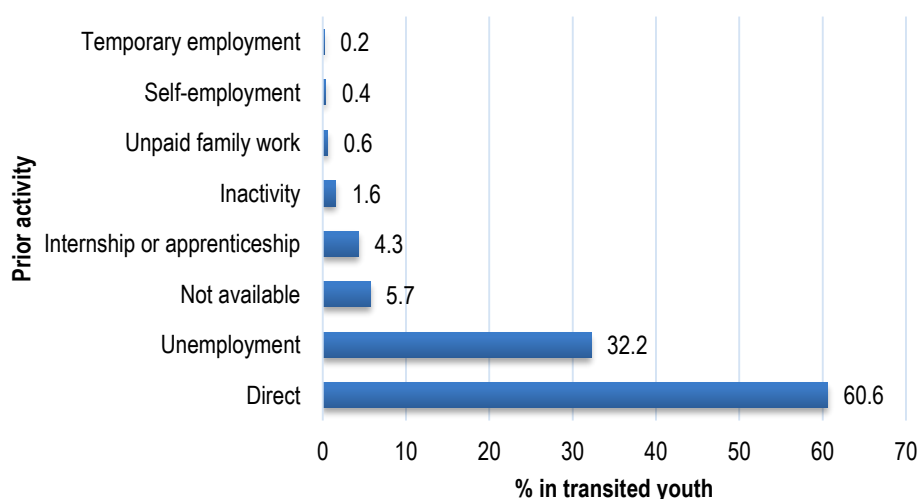
Source: PCBS, SWTS-Palestine, 2015.

Finally, looking at transition stages by level of completed education, the results suggest that the probability of completing the transition tends to decrease with higher levels of educational attainment. More than seven in ten youth who had completed tertiary education remained in transition, while the figure for youth with only basic education was less than six in ten. This is not surprising given the high rates of unemployment observed among the higher educated (see figure 4.3).

6.3 Transition paths and lengths of transition

One of the main benefits of SWTS is that it makes it possible to track the economic activities of youth through time. Using the historical path, it is possible to identify which labour market category a young person was in prior to transiting to stable or satisfactory employment, as well as prior to their first job. Figure 6.4 shows the paths of transition to a *first* stable/satisfactory job. It emerges that the share of youth who had moved directly to their first transited job was high, at 60.6 per cent, while 32.2 per cent of transited youth had found their first job after a spell of unemployment. Very few young people had transited from periods of inactivity or other employment experiences. This finding is especially relevant to young women; it shows that the scores of females who leave or never enter the labour market are unlikely to complete a successful transition. On a more positive note, the finding that 4.3 per cent of transited youth had attained their first stable job after an internship or apprenticeship is a promising sign, and will hopefully prompt continued investment in scaling up such programmes.

Figure 6.4 Flows to first stable and/or satisfactory employment



Source: PCBS, SWTS-Palestine, 2015.

Table 6.5 provides information on the lengths of school-to-work transitions. Lengths are calculated as the lengths of time between a young person taking their first step into the labour market or graduating and starting (i) their first job, (ii) their first “transited” job and (iii) their current “transited” job. The various categories may or may not overlap: for example, a young person could have had only one job experience, and that job was deemed stable and/or satisfactory. In this case, their first job would also be their first transited job, and also their current transited job. In other cases, the young person may have held several jobs, one or more of which fit the requirements of a transited job, before settling finally into their current stable and/or satisfactory job. In this case, the first job would neither correspond to the first *transited* job nor to the *current transited* job. Figure 6.4 shows that 60.6 per cent of transited youth attained stable or satisfactory employment as their first experience in the labour market. Therefore, it is expected that the transition lengths should not vary widely

between the categories of first job and first transited job, at least for those young people who experienced a direct transition.

Table 6.5 Average lengths of labour market transitions from school graduation (months)

Transition stage	Total	Male	Female
To first job (any job, including direct transitions)	9.9	9.0	13.7
To first transited job (including direct)	13.4	12.1	20.1
To first transited job (excluding direct)	16.5	14.8	25.0
To current transited job (including direct)	17.5	16.1	27.2
To current transited job (excluding direct)	27.2	26.1	32.6

Source: PCBS, SWTS-Palestine, 2015.

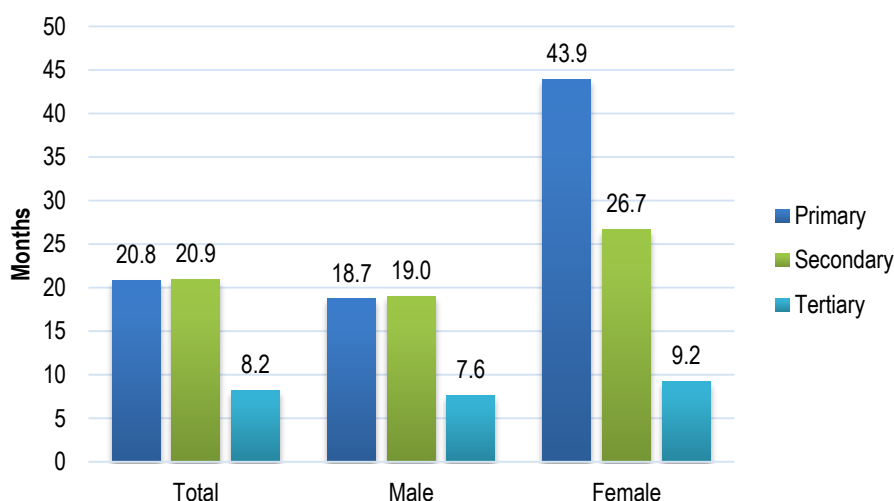
The results show that it took a young person, on average, 13.4 months, or slightly more than one year, from the time of graduation to attainment of a first job that was deemed to be either stable or satisfactory. Excluding from the analysis youth who moved directly to their first transited job (as their first labour market experience after graduation) results in a moderate increase in the average length of transition, to 16.5 months. In both cases, transition lengths experienced by young women were more than 1.5 times longer than those experienced by young men.

Some youth continue their pathway in the labour market after attaining their first transited job. Despite the fact that most stable employment in OPT is of unlimited contract duration, the SWTS revealed that almost half of young people would like to change their job, often due to low wages or inadequate working conditions. In addition, political instability and stagnating economic growth pose tremendous challenges in the labour market (see section 2.1), meaning that holding a contract of unlimited duration may not mean unlimited job security. For all these reasons, it is interesting to analyse the average length of transition from the end of education to the *current* transited job. In OPT, it took a young person an average of 17.5 months (1.4 years) to complete the transition from school to their current transited job (16.1 months for young men and 27.2 months for young women). Excluding those who moved directly to the current transited job increases the length by another 10 months, to 27.2 months.

Finally, figure 6.5 shows again the advantage that education brings to the school-to-work transitions of youth in the OPT. The transition length to a first stable/satisfactory job was nearly tripled for those youth who had completed school at either the secondary or primary level compared with those who had completed tertiary level (21 months and eight months, respectively). The more disturbing figures here are once again those for young women; on average, young women with only a primary education took as much 44 months (four years) to complete their transition from school to stable employment (compared with 19 months for the least educated young males). The very lengthy transition of young females with low levels of education can be partly explained by their much earlier age of school leaving and tendency to look after the household. How these young women manage to return to the labour market would make for an interesting piece of further research.⁹

⁹ See Elder and Kring (2016) for an analysis of the “inactivity trap” often faced by young women, based on analysis of the SWTS datasets.

Figure 6.5 Average length of labour market transition from school graduation to first stable and/or satisfactory job by level of completed education



Source: PCBS, SWTS-Palestine, 2015.

7. Policy framework and recommendations

7.1 Relevant policy framework

The results of the first SWTS (2013) led to a renewed general debate on youth employment issues. Current policies were called into question, and the shortcomings of the educational system that lead to skills mismatches with the labour market requirements were appraised. As a result, several youth-specific plans and projects have been adopted by local and international stakeholders.

7.1.1 The Palestinian education system

The Palestinian Ministry of Education and Higher Education had previously adopted a national education sector plan, “Education for all”, for the period 2011–13. The goals of the plan included increased access to education, higher quality of education, improved management, and greater relevance of higher education outputs to the labour market’s needs. However, the impact of the plan is not yet visible in practice, as the SWTS still found that 21.6 per cent of youth had no education. Qualifications mismatch is still a serious problem for Palestinian youth employment; for the majority of employed youth, the qualifications they have achieved do not match those required for the job they do. The plan also aims to increase access to technical and vocational education and training (TVET).

As part of the national “Education for all” plan, the Palestinian Ministry of Education and Higher Education has started a comprehensive review of school curricula in order to fill the gaps in educational output. Moreover, the Ministry is currently reviewing academic programmes in all universities and aims to reduce any overlapping between universities with similar programmes. However, universities in the OPT are typically private. The Ministry therefore has only a supervisory role, so has little opportunity to intervene. Meanwhile, over the past few years the universities have built up serious financial deficits, and are accepting more students in order to secure additional revenue.

7.1.2 Technical and vocational education and training

The Palestinian National Development Plan 2014–16 aims to improve the employability of youth and women. The plan aims to develop the TVET sector in order to match the labour market's needs. An additional objective of the plan is to empower youth and women to get involved in the development of small and medium-sized enterprises (SMEs).

As a result of the Education Sector Plan 2011–13 and the Palestinian National Development Plan 2014–16, the Palestinian Higher Council for TVET was established in February 2016, through cooperation between the Palestinian Ministry of Labour and the Ministry of Education and Higher Education. The council's role is to establish and develop TVET institutions. The council is aiming for between 20,000 and 40,000 students to be enrolled in TVET in the next few years, and that graduates will receive bachelor's degrees in technical professions. This the first concrete step towards the TVET sector development that has been mentioned in the different national development plans.

7.1.3 Skills, employability and entrepreneurship

The Palestinian Fund for Employment and Social Protection (PFESP) was established in 2003 under the supervision of the Ministry of Labour. Under a 2014 decree of the Palestinian Council of Ministers, the PFESP was given further impetus as the umbrella organization for all job creation activities and as such has recently been strengthened by increasing its number of professional staff, carrying out capacity-building programmes and revising and improving its organizational structure (ILO, 2016). The PFESP provides job placement schemes, business advisory services, entrepreneurship support and aims to support unemployed persons through wage subsidies and concessional credit facilities.

In the promotion of an entrepreneurial culture given the constraints on job creation, "Start-Up Palestine" was recently launched by the PFESP to provide start-up funding for entrepreneurial ideas, especially for women and youth. Several programmes, such as INJAZ (part of Junior Achievement Worldwide) and the ILO's Know About Business youth entrepreneurship initiative, are being implemented in secondary education. Moreover, various microfinance institutions are providing nonfinancial business development services, including training, coaching and incubation. To date, the Know About Business programme has reached 7,000 students in vocational training centres under the Ministry of Labour and secondary vocational schools under the Ministry of Education and Higher Education. It will soon be rolled out to technical colleges in both the West Bank and Gaza.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) is implementing through its representative office in Ramallah a regional EU-funded project entitled "Networks of Mediterranean Youth" (Net-Med). Through the project, UNESCO is currently developing a skills forecasting model that will help identify the mismatches between the skills supplies and demands in the Palestinian labour market. The model is expected to be able to forecast up to five years ahead, which will help the youth in identifying what academic or vocational qualifications they should pursue according to the expected demand of labour market. The first prototype of the model is expected to be ready by June 2016. The model is designated to benefit young women and men equally, as it will identify the skills gaps in the labour market for all jobs (according to ISCO-08 classification) and will provide gender-disaggregated data.

The Net-Med project is working on the development of the National Strategy for Youth 2017–2022 in partnership with the Palestinian Higher Council for Youth and Sports. A national advisory team of concerned international and governmental agencies has been formed, in addition to a number of youth organizations primary working in the fields of youth employment, youth policies and advocacy and youth in media.

7.1.4 Decent work

Decent work has been mentioned as an objective in the various national development plans of the Palestinian Authority. Achieving decency of work is a real challenge under the economic fluctuations caused by the Israeli occupation and closure policy. In 2013, the ILO in the OPT developed a tripartite Palestinian Decent Work Programme (DWP) for 2013–16. The DWP was constituted by the Palestinian Ministry of Labour and the United Nations Development Assistance Framework for the State of Palestine (UNDAF), as well as the ILO. The programme aims to: (i) promote labour rights and improve labour market governance; (ii) enhance employment and livelihood opportunities for Palestinian women and men; and (iii) facilitate the development of an integrated social security system and the extension of social protection to all those in need in the OPT.

The first ever Law on Social Security for private sector workers and their family members was adopted by the Palestinian cabinet on 16 February 2016 and signed by President Mahmoud Abbas on 7 March 2016 (ILO, 2016). The social security system to be established on the basis of the new law aims to combat poverty and social exclusion. It builds on the Civil Servant Pension Scheme (Law on Public Retirement No. 7 of 2005), the Labour Law (No. 7 of 2000), the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102), and international best practices.

7.2 Policy implications

Youth in the OPT have the highest unemployment rate in the Middle East and North Africa region. The failure to find decent work when young has implications for their occupational patterns over their life course. Thus, youth employment is a precondition for an improved overall labour market in the OPT, and therefore for sustainable development and poverty reduction.

The authors of this report are aware that the survey results were influenced by the fact that the Palestinian people, including young people, remain in a state of occupation that has constrained progress in human and economic development. The economic situation has also been exacerbated by a continued divide between the West Bank and Gaza, stagnating growth, persistent fiscal crises and high unemployment, as well as increased poverty and food insecurity. Nevertheless, based on the SWTS results and taking into consideration the larger challenges facing the OPT, the following areas can be considered in the development of further youth employment policies and programmes.

- 1. Design a new macroeconomic policy framework** based on a review of the Paris Protocol (the agreement designed to regulate the economic relations between the OPT and Israel and the rest of the world). The review should emphasize freedom of trade and investment for the OPT. The framework should include incentives for investment in technology-based sectors, which can provide youth employment. Beyond improving the alignment of the education system with the demands of the labour market, demand-side solutions are needed to generate additional jobs for young professionals. This requires coordinated policy efforts to support aggregate demand through pro-employment macroeconomic policies and to foster growth engines through an appropriate balance of export-driven growth and expansion of domestic markets.
- 2. Ensure access to education for all and prevent early school leaving.** More than 25 per cent of youth in the OPT left school before completion, citing failure in exams and a lack of interest in education as the main reasons for leaving school. The educational results indicate that the personal, social and economic benefits of education are still not universally recognized. There are several reasons for this situation, including the characteristics and performance of the education system, the high rates of unemployment among youth and the

low levels of job creation, which give the perception that, even with an education, finding a job would be very hard. Therefore, youth and families perceive that it is not worthwhile investing in long-term education. This situation calls for a programme to increase awareness of the importance of education. The programme should also provide assistance to the most disadvantaged youth. The survey results did not point to economic factors as a main reason for dropping out of school. However, the survey findings did show that educational attainment is characterized by strong path-dependency at the lowest level of the educational attainment spectrum. Young people with no education at all are very likely to have parents who also had no education at all. Therefore, special focus in the programme should be given to assisting young people who, given their family background, are likely to belong to low-income groups and to remain in a low-education, low-income trap.

- 3. Reduce gender-based gaps in labour market outcomes.** With eight out of ten young women remaining outside the labour force and the remainder facing more than 50 per cent unemployment rates (and worsening in recent years), it is clear that creating employment opportunities for Palestinian young women has been treated as an afterthought in labour policies. Promoting gender equality in the labour market and working towards women's economic empowerment are key aspects of the National Development Plan and the National Committee for Women's Employment (NCWE) was established by the Ministry of Labour with a view to promoting social justice through advancing gender equality in the world of work. Yet legislative efforts to promote equal opportunities for women are not sufficient unless they go hand in hand with pragmatic measures. Innovation in policy design and implementation is called for to broaden the array of occupations considered acceptable to young women, going beyond the usual public sector work. The Palestinian National Authority could, for example, consider promoting and supporting all-female enterprises, such as an all-female staffed branch of a bank. Gender segregation in enterprises might sound extreme but might be exactly what is called for to address the challenge of female unemployment in the territory and to help break down cultural barriers.

- 4. Develop and expand TVET.** The need to provide alternatives to traditional academic education for the youth in OPT has become an urgent issue. Vocational education is not well perceived in Palestinian society. Young people prefer academic studies that lead to bachelor's or postgraduate degrees. Once they obtain tertiary degrees, young people, especially young women, look for occupations that match their qualifications, such as managers, legislators or professionals. As a result, young men and women often find themselves unemployed or in jobs, usually clerical, for which they are overqualified. This situation coexists with a very high incidence of undereducation in the OPT, and with 51.5 per cent of the youth population having completed only basic education at most. A programme to encourage students toward TVET, in parallel to increasing parents' awareness about TVET, is necessary. More importantly, strengthening the vocational system itself needs to be a priority. The best way to improve its reputation is to show families and young people that it works, meaning that it equips young people to find jobs. Technical and vocational education must be inclusive for young women, and not just for young men. The establishment and development of TVET institutions has to be envisaged in the next couple of years. In order to be inclusive for youth who wish to continue their education to bachelor's degree level, TVET institutions need to be integrated into the academic education system so that students can move to tertiary education after their vocational degree.

- 5. Improve cooperation between the education system and employers.** The survey results reveal that the education system does not provide graduates with the skills required in the labour market. The only way to improve the relevance of educational curricula is to improve integration between the education system on the one hand and the employers on the other. This ultimately applies to all levels of education, but especially to secondary and tertiary, and to academic and vocational education alike. A variety of cooperation mechanisms can be considered to strengthen the engagement of employers in preparing the future labour force. Internship programmes are an example of such a mechanism. If properly structured around a set of objectives, and treated as a learning opportunity and not as an opportunity to provide inexpensive labour, internships can be stepping stones towards decent work opportunities for youth. As employers often require workers to have experience before they can be hired, short-term internship programmes can help youth to access the labour market. More complex cooperation mechanisms include the establishment of tripartite sectoral institutions that oversee ongoing processes, such as reviews of skills needs, updating of curricula and awarding of degrees.
- 6. Improve working conditions by ensuring equal rights for young workers.** Trade unions must play their role in protecting young workers' rights to medical insurance coverage, paid leaves and overtime pay. The government can also help to ensure that employers abide by labour standards through enforced labour inspection. The survey found that the majority of young employees were employed on the basis of an oral agreement only. The use of written employment contracts needs to be fostered in order to support the execution of young workers' rights. Reactivating workers' organizations would be an important step towards improving working conditions and applying rights at work, since labour market institutions are pillars of decent work.
- 7. Expand formal institutions for finding work, including public employment offices.** With a view to better linking educational outcomes and labour market needs, at the end of 2012 the Ministry of Labour had signed memoranda of understanding with ten universities to establish employment services centres (ILO, 2013b, p. 46). In 2014, the PFESP was further strengthened which seems to be paying off, given the results of the SWTS showing that one-third of unemployed youth are registered at employment centres. However, there is always room for improvement in the improvement of services to meet the demand for services among the young unemployed and to develop outreach strategies for young people who have given up their job search.
- 8. Encourage youth entrepreneurship.** With only 6.9 per cent of young workers in own-account work and long job queues for those seeking paid employment, an obvious policy response is to try to attract more young people to entrepreneurship. In this regard, entrepreneurship courses could be introduced within school curricula, and enterprise development programmes can be expanded, but still more might need to be done to make entrepreneurship an attractive career option for young people. Promotional campaigns that focus on success stories of young entrepreneurs might help to raise awareness about and the attractiveness of self-employment. The survey has shown that while self-employed youth make up only a small share of youth employment, they have a very positive attitude towards entrepreneurship. They seem to have chosen self-employment, rather than being forced into it by necessity. They identified the biggest barrier they face as being a lack of access to financing options. Their utilization of formal financing mechanisms is very low, and indeed non-existent among young women. Banks and microfinance providers should therefore develop products that are suitable for young people. If designed to meet both the commercial needs of the financial institutions and the realistic needs of young people, socially responsible financial products can lead to excellent, win-win results.

- 9. Bipartite and tripartite cooperation on youth employment can yield better employment outcomes.** Bipartite and tripartite cooperation on youth employment can yield better employment outcomes. Establishing an enabling environment for the successful implementation of employment and labour market interventions for young people requires bipartite and tripartite cooperation. This is confirmed by the results of evaluations of youth employment programmes. The National Authority, employers' organizations and trade unions of the OPT all have a role to play, by fulfilling their own specific mandates and through concerted and joint efforts for the promotion of decent work for youth in the country.
- 10. Form a working coordination group for youth-related organizations.** Many programmes and projects are planned for youth employment and skills development. Lack of coordination between the different acting international, governmental and non-governmental organizations will lead to wasted efforts. Forming a sector working group composed of the ILO, UNESCO, UNDAF, the Ministry of Education and Higher Education, the Ministry of Labour, the Higher Council for TVET, the Higher Council for Youth and Sports, the Higher Education Council (including the major universities) and other acting local or international organizations help to ensure proper coordination of activities, preventing the possibility of outcomes overlapping.

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Annex I. Definitions of labour market statistics

1. The following units are defined according to the standards of the International Conference of Labour Statisticians:
 - a. The **employed** include all persons of 15 years of age or more who during a week of reference:
 - worked for wage or profit (in cash or in kind) for at least one hour;
 - were temporarily absent from work (e.g. because of illness, leave, studies, a break of the activity of the firm), but had a formal attachment to their job;
 - performed some work without pay for family gain.
 - b. The **unemployed** (strictly defined) include all persons of 15 years of age or more who meet the following three conditions during the week of reference:
 - they did not work (according to the abovementioned definition);
 - they were actively searching for a job or took concrete action to start their own business;
 - they were available to start work within the two weeks following the reference week.
 - c. Persons not included in the employed category or in the unemployed category are classified as **not in the labour force** (also known as **inactive**).
2. The International Classification of Status in Employment (ICSE) categorizes the employed population on the basis of their explicit or implicit contract of employment, as follows:
 - a. **Employees** (also wage and salaried workers) are all those workers who hold the type of jobs defined as “paid employment jobs”, where the incumbents hold explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work.
 - b. **Employers** are those workers who, working on their own account or with one or a few partners, hold the type of jobs defined as “self-employment jobs” (i.e. jobs where the remuneration is directly dependent upon the profits derived from the goods and services produced) and, in this capacity, have engaged, on a continuous basis, one or more persons to work for them as employee(s).
 - c. **Own-account workers** are those who, working on their own account or with one or more partners, hold the type of jobs defined as “self-employment jobs” and have not engaged, on a continuous basis, any employees to work for them.
 - d. **Contributing (unpaid) family workers** are those who hold “self-employment jobs” as own-account workers in a market-oriented establishment operated by a related person living in the same household.
3. The employed are also classified by their main **occupation**, in accordance with the International Standard Classification of Occupations (ISCO-08).

4. A **household** is a family or other community of persons living together and jointly spending their income to satisfy the basic necessities of life. The concept of a household includes members present in the place where the household resides, as well as individuals who are temporarily absent and living elsewhere, including abroad, for business, education or other, as long as their residence in the foreign country does not exceed one year. A person living alone can also qualify as a household (“single household”) if s/he does not already belong to another unit. The single household can reside in a separate or shared apartment, considered as an independent unit, as long as the household’s income is not shared with other residents.
5. **The reporting period**, to which the questions for the economic activity are related, is the week before the week of interview (52 reporting weeks throughout the year).
6. The following units are also defined within the SWTS analysis but are outside the scope of those defined within the international framework of labour market statistics mentioned in item 1 above:
 - a. **Broad unemployment** – a person without work and available to work (relaxing the jobseeking criteria of item 1b above).
 - b. **Labour underutilization rate** – the sum of shares of youth in irregular employment, unemployed (broad definition) and youth neither in the labour force nor in education/training (inactive non-students) as a percentage of the youth population.
 - c. **Regular employment** – the sum of employees with a contract (oral or written) of 12 months or more in duration and employers; the indicators are therefore a mix of information on status in employment and contract situations.
 - d. **Satisfactory employment** – based on self-assessment of the jobholder; implies a job that respondents consider to “fit” to their desired employment path at that moment in time.
 - e. **Stable employment** – employees with a contract (oral or written) of 12 months or more in duration.
 - f. **Temporary employment** – employees with a contract (oral or written) of less than 12 months in duration.

Annex II. Additional statistical tables

Table A.1 Educational attainment of youth and youth's parents

	Youth		Father		Mother	
	Number	%	Number	%	Number	%
Less than primary (including no schooling)	172 174	21.9	162 216	11.6	205 184	14.6
Primary	232 963	29.6	673 190	48.0	725 937	51.8
Vocational (secondary)	10 824	1.4	–	–	–	–
Secondary	131 937	16.8	241 372	17.2	279 955	20.0
Post-secondary vocational	63 530	8.1	106 212	7.6	814 64	5.8
Tertiary	175 228	22.3	213 502	15.2	105 162	7.5
N/A	–	–	6 153	0.4	4 941	0.4
Total	786 656	100	1 402 644	100	1 402 644	100

Source: PCBS, SWTS-Palestine, 2015.

Table A.2 Comparison between youth's completed education level and their parents' education level

Level of completed education	Comparison with father			Comparison with mother		
	Parent has higher level education	Parent has lower level education	Same level as parent	Parent has higher level education	Parent has lower level education	Same level as parent
Less than primary	29.4	0.0	70.6	33.4	0.0	66.6
Primary	54.8	19.5	25.7	61.8	22.3	15.9
Vocational (secondary)	0.0	70.0	30.0	0.0	76.0	24.0
Secondary	13.9	69.6	16.5	20.5	72.6	6.9
Post-secondary vocational	11.1	75.1	13.9	6.5	85.1	8.4
Bachelor and postgraduate	28.3	71.7	0.0	12.9	87.1	0.0
Total	32.2	40.6	27.2	32.4	46.2	21.3

Source: PCBS, SWTS-Palestine, 2015.

Table A.3 Preferred field of study of current young students

Field of study	Total		Male		Female	
	Number	%	Number	%	Number	%
Teacher training and education	47 293	9.8	13 133	6.2	34 160	12.6
Humanities	13 969	2.9	1 502	0.7	12 466	4.6
Social and behavioural sciences	17 405	3.6	5 326	2.5	12 079	4.5
Journalism and information	11 917	2.5	6 296	3.0	5 621	2.1
Business and administration	69 844	14.5	39 401	18.7	30 443	11.2
Law	12 484	2.6	5 737	2.7	6 748	2.5
Life sciences	7 770	1.6	2 161	1.0	5 609	2.1
Mathematics and statistics	5 771	1.2	1 040	0.5	4 731	1.7
Computer science	18 729	3.9	11 373	5.4	7 356	2.7
Engineering	24 959	5.2	15 993	7.6	8 966	3.3
Architectural and construction	65	0.0	65	0.0	0	0.0
Health	27 090	5.6	11 835	5.6	15 255	5.6
Personal services	2 091	0.4	1 284	0.6	807	0.3
Other specialization	14 556	3.0	4 560	2.2	9 996	3.7

High school	3 494	0.7	3 494	1.7	0	0.0
Secondary/literary	149 835	31.1	62 677	29.7	87 159	32.1
Secondary/scientific	40 167	8.3	18 851	8.9	21 316	7.9
Secondary/trading	4 695	1.0	1 009	0.5	3 686	1.4
Secondary/industrial	1 870	0.4	1 524	0.7	346	0.1
Secondary/agricultural	308	0.1	0	0.0	308	0.1
Secondary/unknown	8 028	1.7	3 519	1.7	4 509	1.7
Total	482 341	100	210 781	100	271 559	100

Source: PCBS, SWTS-Palestine, 2015.

Table A.4 Unemployed youth by household's income level

Household's income level	Total		Female		Male	
	Number	%	Number	%	Number	%
Well off	22 240	11.9	10 147	16.3	12 093	9.7
Fairly well off	14 816	7.9	6 711	10.8	8 105	6.5
Around the national average	101 233	54.1	33 585	54.1	67 648	54.1
Fairly poor	41 946	22.4	10 154	16.4	31 792	25.4
Poor	6 885	3.7	1 525	2.5	5 359	4.3
Total	187 120	100	62 123	100	124 997	100

Note: Level of household income is based on the self-assessment of young respondents.

Source: PCBS, SWTS-Palestine, 2015.

Table A.5 Distribution of NEET youth

	Total		Male		Female	
	Number	%	Number	%	Number	%
NEET rate		32.8		21.6		44.6
NEET distribution	460 669	100	154 994	33.6	305 675	66.4
<i>Of which:</i>						
Unemployed non-students	155 711	33.8	102 834	66.3	52 877	17.3
Inactive non-students	304 958	66.2	52 160	33.7	252 799	82.7
Total	460 669	100	154 994	100	305 675	100

Source: PCBS, SWTS-Palestine, 2015.

Table A.6 Job search methods of employed and unemployed youth

Method	Employed		Unemployed	
	Number	%	Number	%
Registered at an employment centre	10 559	2.7	46 365	25.1
Placed/answered job advertisements	1 271	0.3	5 089	2.8
Inquired directly at factories, farms or other workplaces	44 965	11.5	109 359	59.1
Took a test or an interview	0	0.0	35 684	19.3
Asked friends or relatives	284 423	72.6	161 834	87.5
Waited on the street to be recruited for casual work	1 731	0.4	15 587	8.4
Looked for land or machinery to start own business or farming	23 502	6.0	7 542	4.1
Other method	25 578	6.5	123 960	67.0
Total	392 030	100	185 005	100

Note: For employed youth, the question identifies the method used to attain their current job.

Source: PCBS, SWTS-Palestine, 2015.

Table A.7 Employment youth by aggregate sector of employment

ISIC Revision 4	Total		Male		Female	
	Number	%	Number	%	Number	%
Agriculture	30 529	7.8	26 638	7.8	3 891	8.0
Industry	142 141	36.3	134 443	39.1	7 698	15.9
Services	219 359	56.0	182 490	53.1	36 869	76.1
Total	392 030	100	343 571	100	48 458	100

Source: PCBS, SWTS-Palestine, 2015.

Table A.8 Job satisfaction rates (%)

Characteristics	Total	Male	Female
Level of completed education	Less than primary (including no schooling)	74.1	32.7
	Primary	74.1	85
	Vocational (secondary)	91.1	–
	Secondary	83.9	94.9
	Post-secondary vocational	59.5	85.8
Area of residence	Tertiary	74.7	75.9
	Rural	76.1	92.5
	Urban	75.4	80.1
Financial situation	Well off	85.6	84.7
	Fairly well off	88.2	100
	Around the average	75.4	85.6
	Fairly poor	48.4	66.2
Type of employment	Poor	51.8	32.2
	Regular	76.1	84.9
	Irregular	73.4	77.7
	Formal	93.4	100
Qualification mismatch	Informal	74.6	81.6
	Overeducated	70.7	71
	Undereducated	76.1	88.2
Total	Matching	73.2	79.6
		74.5	75.5

Source: PCBS, SWTS-Palestine, 2015.

Table A.9 Detailed transition stage distribution by area of residence

Stage of transition	Total		West Bank		Gaza		
	Number	%	Number	%	Number	%	
Transited	A stable and satisfactory job	157 072	11.2	121 034	14.1	36 038	6.7
	A stable but non-satisfactory job	43 700	3.1	30 562	3.6	13 138	2.4
	A satisfactory but temporary job	28 184	2.0	25 328	2.9	2 856	0.5
	Total	228 956	16.3	176 925	20.6	52 032	9.6
In transition	Currently unemployed	233 569	16.7	89 063	10.3	144 507	26.7
	Currently employed (wage worker) in a temporary job	74 235	5.3	53 022	6.2	21 213	3.9
	Currently self-employed and unsatisfied	22 685	1.6	14 725	1.7	7 960	1.5
	Active students	168 550	12.0	72 539	8.4	96 011	17.7
	Inactive youth with future plans to work	93 785	6.7	70 003	8.1	23 782	4.4

	Total	592 824	42.3	299 352	34.8	293 472	54.2
	Still in school, studying	447 438	31.9	289 149	33.6	37 677	29.2
Transition not yet started	Inactive and not in school, with no future plans to work	133 315	9.5	95 638	11.1	541 470	7.0
	Total	580 753	41.4	384 787	44.7	579 147	36.2

Source: PCBS, SWTS-Palestine, 2015.

Table A.10 Transited youth by subcategory and occupation

ISCO 08	All employed youth		Transited youth					
			Stable employment		Satisfactory temporary employment		Satisfactory self-employment	
	Number	%	Number	%	Number	%	Number	%
Managers	157 072	11.2	121 034	14.1	36 038	6.7	157 072	11.2
Professionals	43 700	3.1	30 562	3.6	13 138	2.4	43 700	3.1
Technicians and associate professionals	28 184	2.0	25 328	2.9	2 856	0.5	28 184	2.0
Clerical support workers	228 956	16.3	176 925	20.6	52 032	9.6	228 956	16.3
Service and sales workers	233 569	16.7	89 063	10.3	144 507	26.7	233 569	16.7
Skilled agricultural, forestry and fishery workers	74 235	5.3	53 022	6.2	21 213	3.9	74 235	5.3
Craft and related trades workers	22 685	1.6	14 725	1.7	7 960	1.5	22 685	1.6
Plant and machine operators, and assemblers	168 550	12.0	72 539	8.4	96 011	17.7	168 550	12.0
Elementary occupations	93 785	6.7	70 003	8.1	23 782	4.4	93 785	6.7
Armed forces occupations	592 824	42.3	299 352	34.8	293 472	54.2	592 824	42.3
Total	447 438	31.9	289 149	33.6	37 677	29.2	447 438	31.9

Source: PCBS, SWTS-Palestine, 2015.



This report presents the highlights of the 2015 School-to-work Transition Survey (SWTS) run together with the Palestinian Central Bureau of Statistics within the framework of the ILO Work4Youth Project. Results are compared to those of the first round (2013) and the analysis is updated and expanded to supplement the portrait of the youth labour market situation presented in the first survey report.

The SWTS is a unique survey instrument that generates relevant labour market information on young people aged 15 to 29 years. The survey captures longitudinal information on transitions within the labour market, thus providing evidence of the increasingly tentative and indirect paths to decent and productive employment that today's young men and women face. The SWTS and subsequent reports are made available through the ILO "Work4Youth" (W4Y) Project. This Project is a five-year partnership between the ILO and The MasterCard Foundation that aims to promote decent work opportunities for young men and women through knowledge and action.

The W4Y Publication Series is designed to disseminate data and analyses from the SWTS administered by the ILO in 34 countries covering five regions of the world. The Series covers national reports, with main survey findings and details on current national policy interventions in the area of youth employment, regional synthesis reports that highlight regional patterns in youth labour market transitions and thematic explorations of the datasets.

Work4Youth



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