

# ○ STRENGTHENING THE LABOUR MARKET INFORMATION SYSTEM (LMIS)

## Implementing the Palestinian National Employment Strategy

### ○ Thematic Fiche 02

#### ○ *Background*

The Palestinian Labour Market Information System (LMIS) was developed in 2012-13 as a service of the Employment General Directorate within the Ministry of Labour (MoL). Its development was part of a growing recognition that labour sector reforms require a more inclusive and integrated approach to meeting the pressing needs of jobseekers, workers and employers for information.

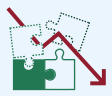
The Palestinian authority is determined to

**ENHANCE  
THE ROLES**  
of *labour market institutions*  
and LMIS

as key components of national economic development planning in the years to come.

The LMIS aims to provide data for an effective training and education system, tracking up-to-date information on the supply- and demand-sides of the labour market and assisting decisionmakers, employers and individuals in identifying current and future skills and occupations needs. It comprises four subsystems: population (demographic and labour data); education (higher education, formal and informal education, TVET, and occupational-retraining data); projects (unmet needs, layoffs, companies, skills, sectors, and professional experience); and labour market (unemployment, jobseekers, vacancies, and filled vacancies). The MoL, the Ministry of Education and Higher Education, the Palestinian Central Bureau of Statistics, the private sector, the chambers of commerce, jobseekers, and graduates, amongst others, are all stakeholders in the LMIS subsystems.

## ○ Main gaps



**The LMIS remains ineffective due to insufficient contributions by stakeholders,**

and a shortage in financial and human resources at the Employment Directorate General needed to upgrade the system. There is also a linkage between lack of information about private sector companies, who are reticent to give the government data for the LMIS for fear of exposing informal aspects of their operations, and the growing informal nature of the labour market and lack of company registration.<sup>1</sup>



**A better understanding of the needs of LMIS users**

and increased incentives and willingness to spend on labour market information could restore confidence in the system and bring to life this useful tool. Without these, evidenced-based policies are not effectively designed and implemented and efforts to revamp access to TVET and job training, for example, will be implemented without proper market-relevant data.

## ○ Geography, Gender & Social Inclusion

In as much as youth, women and residents of Gaza suffer the most from unemployment, data required for a successful and effective LMIS must be carefully identified and collected in order to capture labour market developments and needs, including these marginalized groups. Despite higher educational attainment, many male youth in Gaza and female youth in the West Bank and Gaza face problems transitioning smoothly from education to work, because of lack of adequate data needed for effective labour market policies and programmes. The lack of registration, especially among small-scale entrepreneurs – many of them being women – makes it more challenging to take stock of these groups and build a comprehensive LMIS.

## ○ Areas for Development



**Reliable and timely provision of labour market information and data**

is a prerequisite for the successful development of a comprehensive LMIS. Such systems need to be integrated, sustainable, and user-friendly, and should be linked to other relevant information systems at different line ministries and government bodies, workers' and employers' organizations, and job posting platforms.



**To strengthen data collection capabilities,**

a number of responsibilities, particularly in relation to labour market programme management, should be decentralized and delegated to district employment offices.

To date, active labour market policies (ALMPs) implemented by the MoL, the Palestinian Employment Fund (PEF) and other actors have not focused on the problem of the



**Critically, a system should also be in place to monitor**

effective employment service delivery, including developing an administrative system that enables every employment office to determine the outcomes to be achieved by using the available resources.



**mismatch between jobseekers' expertise and skills and employers' needs.**

## ○ Risks & Challenges

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Without good capacity to generate reliable descriptive information on labour market orientation and needs, employment services and ALMPs will not rightly match market requirements and dynamics. The analysis and information the LMIS provides will fall short of what is needed to direct the programmes. At the same time, the LMIS will not achieve aspired-for labour market performance if the needed steps are not taken to use information from employment programme management, and workers and employers.

## ○ Desired Outcomes

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### **1. A strong and comprehensive labour market information system is developed and is fully operational, contributing to better employment programme design and implementation.**

Public-private collaboration should be strengthened in order to underpin an integrated LMIS that includes interfaces designed for different users (youth, workers, employers, mediators, students, policy-makers and researchers) and allows linkage between jobseekers and employers. The MoL needs adequate human and financial resources to coordinate, manage, use, and develop the LMIS. Targeting mechanisms used by ALMPs should be developed and financed as a part of a larger effort to identify unemployed youth including through the LMIS.

### Indicators

- ▶ An interlinked LMIS, providing updated information to jobseekers, employers, and policy-makers on labour market performance and various employment programmes.
- ▶ Percentage of unemployed registered to benefit from ALMPs reflected in the LMIS by gender, age and locality.

## ○ Priority Investment Needed

\$680,000



for an  
**integrated  
LMIS**

underpinned by  
public-private  
cooperation.

\$250,000



for adequate  
**human and  
financial  
resources**

to coordinate,  
manage, use and  
develop the LMIS.

\$100,000



**to monitor  
and  
evaluate**

employment  
programmes.

