

# ○ LINKING SOCIAL PROTECTION WITH LABOUR MARKET ACTIVATION

## Implementing the Palestinian National Employment Strategy

### ○ Thematic Fiche 04

#### ○ *Background*

The Palestinian Authority is committed to combating poverty and marginalization by improving social assistance targeting and integrating socioeconomic empowerment programmes with this assistance. The likelihood of falling into poverty among Palestinian households is affected by two main factors: first, household members' level of economic activity and individual and total labour intensity of the household (employed, unemployed and inactive) and second, household members' level of education. Other individual factors such as gender and place of residence also impact the likelihood of poverty. Low education reduces employment opportunities. Conversely, living in a poor household can often propagate poverty, perpetuate deprivation, and limit opportunities for decent work and employment choice. As such, employment and decent work provisions offer the greatest chance of empowering individuals to achieve self-sufficiency over the long term. The risks of pervasive unemployment have been heightened by the outbreak of COVID-19, resulting in lockdown and movement restrictions.

DURING 2020,  
***gross domestic product***

**SHRANK**  
**BY 11.5%**

the largest decline since the second *Intifada*.<sup>1</sup>

<sup>1</sup> Palestinian Central Bureau of Statistics (PCBS), National Accounts, 2021. The last time a GDP contraction of such a dimension was recorded was in 2002.

## ○ *Main gaps*

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A recent International Monetary Fund study found

Active and passive



**a positive correlation between spending on active labour market programmes**

(ALMPs) as a percentage of GDP and the employment rate in the business sector in the 1990s. It is estimated that more than 130 ALMPs have been implemented in the West Bank and Gaza.<sup>2</sup>



**labour market programmes should better target jobseekers' needs**

and do better at identifying those workers and jobseekers most at risk of poverty and chronic unemployment early in unemployment spells.

A recurring theme around ALMP planning exercises is



**limited coordination between implementing parties and the private sector.**

Such coordination is indispensable in establishing the precise direction of ALMPs in order to meet labour market needs. ALMPs are thereby often ineffective due to an inadequate match between jobseekers' skills and labour market needs on the one hand, and the untimely provision of these programmes and services on the other. Fragmented as they are, ALMPs do not integrally address the needs of unemployed and new labour market entrants.

## ○ *Geography, Gender & Social Inclusion*

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Significant changes to the Palestinian demographic structure are imminent with the population expected to double by 2050 according to UN Population Fund demographic projections.

A major part of this population growth is expected to take place in Gaza. To merely maintain current employment rates in Gaza, 72,000 new jobs are required by 2030. This makes the creation of new jobs in Gaza, which remains under blockade, a serious concern.

Programmes that seek to crack chronic unemployment as a driver of poverty must also take a close look at gender dynamics and norms that form a barrier to female labour market participation.

In 2020, the labour force participation rate stood at 40.9% – mainly due to low female participation which stood at 16.1% compared to 65.1% for men.

These differences can be ascribed to sociocultural norms and gender roles, but education is also a determining factor, with women with more education being significantly more likely to be unemployed, given the lack of decent and high value added jobs available to them. Among men, however, education does not seem to play a critical role. Many women also drop out of the workforce when they get married and have children, due to lack of childcare support and to employers' non-compliance with the labour law.

## ○ *Areas for Development*

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### There is a need for an effective system for transfers between social services,

including unemployment schemes when they become available, and employment services provided through ALMPs.



### An inter-ministerial effort

must be made to address challenges faced by youth and women in particular, and identify and target unemployed male and female youth aged 15-29 to support their transition to the labour market.



### A programme to train and employ vulnerable individuals

from poor households receiving social assistance should also be developed and funded. Those involuntarily unemployed, including those impacted by the COVID-19 crisis, should be targeted by emergency employment programmes implemented in partnership with the private sector, civil society and the Palestinian Employment Fund (PEF) in both the West Bank and Gaza.

## ○ *Risks & Challenges*

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The main risk is that the status quo prevails and the pathway from social assistance to decent work continues to be impassable, despite the growing demographic challenge. The insecurity posed by the military occupation and the Gaza blockade in particular continues to be the main driver of weak economic outcomes, joblessness and poverty.

## ○ *Desired Outcomes*

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- 1. Complementarity is created between employment and social protection programmes to meet the needs of social assistance programme beneficiaries, including women, youth, persons with disability, youth who are not in employment, education or training (NEET), and workers who experience involuntary unemployment.**

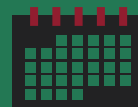
Work within this goal will include components of basic functional literacy, life skills training, and a set of programmes combining training and work for employment.



Developing an early identification and targeting system to tackle multiple barriers that prevent youth and women from entering the labour market, particularly among households benefiting from social assistance as well as NEET male and female youth aged 15-29 years;



Designing and implementing employment services and programmes for these groups; and



Providing a guaranteed number of working days – through public employment and labour-intensive community development programmes – to unemployed youth and women in areas and communities disproportionately impacted by Israeli policies.

**Indicators**

- ▶ Number of NEET youth aged 15-29 years integrated into the labour market, by gender and age group.
- ▶ Number of beneficiaries from the cash transfer programme to whom employment services are provided, by gender, age group, and type of disability (if any), and poverty gap among them.
- ▶ Number of beneficiaries from employment services who receive social assistance and worked their way out of poverty by gender, age group, and type of disability (if any).
- ▶ Number of beneficiaries from emergency employment programmes.

○ *Priority Investment Needed*

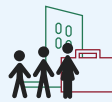
**\$500,000**



for a collaboration system **between ministries**

that identifies and targets NEET male and female youth.

**\$3 MILLION**



for the development and financing of a programme to employ **unemployed youth and women**

from households enrolled in social assistance programmes, to support their transition to decent work.

**\$30 MILLION**



for the development and implementation of **an emergency employment programme,**

designed and implemented in partnership with the private sector, civil society, and PEF to provide at least 20 productive working days for involuntarily unemployed, including as a result of the COVID-19 pandemic, in the West Bank and Gaza.

