The Palestinian Central Bureau of Statistics (PCBS) in partnership with the International Labour Organization (ILO) announce the results of school-to-work transition survey 2015

Palestinian Central Bureau of Statistics (PCBS) in cooperation and partnership with the International Labour Organization (ILO) organized a workshop to announce the results of school-to-work transition survey 2015 today Wednesday, 05.10.2016 at the PCBS headquarters in Ramallah, the workshop was attended by several representatives of ministries public and private and international institutions, research centers and interested parties, media and journalists.

During the opening of the workshop a speech from H.E Ms. Ola Awad, President of the PCBS, Mr. Mounir Kleibo, the ILO Representative in Jerusalem.

The transition from education to work is a challenge for young people in Palestine, With an unemployment rate exceeding 30% over the past decade it shows that young people are the most affected by the lack of opportunities. Immigration has become of interest to young people to find jobs, which has impacts on the family they leave behind.

To better describe youth employment challenges in order to assist policy makers in designing adequate tools to support young people's transition, the ILO has designed the survey of school-to-work transition survey (SWTS); which is a special household survey targeting youth aged between 15-29 years. The survey was carried out for the first time in 2013 and for the second time in 2015, therefore, the survey serves as main tool for monitoring and evaluating the impact of policies and programs for youth employment. Similarly, this report is primarily addressed to policy makers and social partners who are interested in the implementation of policies and programs involving youth in Palestine.

Indicators resulting from the survey aims to provide a more detailed picture of the current situation of young people in the labor market, usually, through traditional surveys, including the labor force survey. Despite the fact that the problem of unemployment among young people is the main source of concern at the national level, it is also important to consider the quality of work available for young people, including fair payment and job security. This survey results should help to answer the questions related to the quality of work available.

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 transited, 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 transited from a period of inactivity to their transited 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 transited 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.