YOUTH ECONOMIC EMPOWERMENT IN PALESTINE
Facts - Youth Employment in Palestine

- The Palestinian Society is a young society with 55% of population under 16.
- Participation rate of 41.1% in Labor force < Half of Population - Low – 23.7% of this group is unemployed.
- In 2009/2010 poverty reached 57.2% (45.7% West Bank and 79.4% in Gaza).
- The employment gap is currently 136,000 young people, and is growing by 7.2% annually. Continuous growth.
- The employment elasticity in Palestine is 0.63. 1% growth in employment require an economic growth of 1.47%.
The rate of women participation in labor force is 12% compared with 68% for men.

The Palestinian Economy is a service economy. In 2010 services employed 28.8% of labor force.

Employers report a large gap between their needs and putouts of educational institutions:
- Weakness of applied skills
- Weakness of interpersonal, softskills, communication
- Weakness of specialized use of IT and management systems
- Weakness of English language
- Weakness of critical thinking and innovation
Facts - Youth Employment in Palestine

- The Employment of skilled labor in Private sector is 50% and in Public sector 48.3%.
- The total trade deficit of the oPt stands at USD 3.8 billion, constituting around 78 percent of the GDP (UNCTAD).
The DEEP

- The Economic Empowerment Programme for Productive households – Focus on Youth and women.
- Started in 2006 – 2010 First phase – Pilot
- 2011 – 2014 second phase
- Up to date 7000 new enterprises were created – providing 12,000 new employment opportunities
- Intervention strategy was a mix of seed-capital and micro-financing and business development using Islamic products
Programme Strategy

The Second Phase
Built on lessons learnt

Organize the project into a Waqf Institution

+ An Institution - Discovering markets on the local regional and international levels

+ Provide the expertise and technology to penetrate new markets and attract knowledge

+ Work with 240,000 households in an integrated none-exclusive in the next 10 years

First Phase
Launched with 30 Million USD

24% for Capacity building
76% for Direct interventions

Meaning:
23 Million USD invested with the Young entrepreneurs (Not for the Youth)

86% of projects exist after 12 months of operation.

Wealth generated for Palestinians is 34 million USD in first and second years

Meaning
The value of investment was returned + 11 Million USD
Second Phase: Sustainable
1) Establish a sustainable and continuous institution
2) Building capacity of poor households to partner in investments
3) Financing lines and contributions in the waqf Equity + Private sector investors on the local and international levels.

First Phase: Pilot with project level exit strategy
1) Capacity development for implementing agencies
2) Build capacity of beneficiaries – Social safety nets.
3) Financing activities for economic activities – experimentation with new investment tools with the Poor
Business Development Approach

Psychosocial

Targeting → Analysis → Training → Initial Business Plan

Follow up and business coaching → Procurement → Business Plan Finalization → Field Work
Employment 5%

Industry 10%

Commerce 12%

Services 26%

Agriculture 32%

Production 15%
Guiding Principles

- Provide sufficient support for Graduation of Household – Close poverty Gap
- Start the design process based on the aggregate wealth of household capitals
- Depend on the household resourcefulness during implementation – obtaining inputs and determining design
- Changing the knowledge, attitudes, practices, and expectations of youth, households, implementing partners, and also the government to shift from relief mentality to sustainable empowerment and development.
- Building and developing the capacity of national arms involved in empowerment – their services and overall approach to employment and poverty reduction.
- Build models that are scalable and replicable on the national level.
- Utilize the existing social protection services to serve benefiting households and provide jointly a social protection network (health, education, psychosocial, housing, charity and training)
The twining between the DEEP and AI Fakhoora - Dynamic Futures

Scholarship, Career Guidance and placement, and student participation through advocacy

The DEEP – Micro finance and seed capital to support enterprises for productive households
## Components of Dynamic Futures

### AlFakhoora Scholarship
- Coverage of tuition and other costs
- Establishment of Al Fakhoora Students Society
- Student Performance Monitoring System

### Student Professional Development
- Supplementary professional development programs
- Career guidance and counselling
- Soft skills training

### Labor Market Dynamics
- Building the required systems to narrow the gap between labor market and skilled labor
- Help universities and vocational centers to develop curriculum and quality of education to match market demand

### Advocacy for Right to Education
- AlFakh0ora Students Society to lead advocacy component
- Advocacy training
- Advocacy campaigns
Programme Work – Labor Survey

- Activate and build the capacity of career advisory and placement services at local universities and vocational training centers
- Scale up the programs for building the capacity of graduates to prepare them for job market
- Guide and ease the job hunting processes through information sharing facilities
- Develop the Labor market signaling system – be used to guide curriculum and course development in Universities.
- Retraining and qualifying of unemployed graduates to cater to needed specializations and rare professions
Gradual Growth of Program

**Inception phase**
- Establish scholarship selection, management and monitoring processes
- Test run scholarship process

**Development Phase**
- Develop market information and career guidance system
- Design personal and professional development systems
- Build strong networks locally, regionally and globally
- Establish visibility and branding system
- Establish Fakhoora Scholars Society

**Institutionalisation phase**
- Manage scholarship and fine tune processes
- Implement and improve professional development systems
- Capacity development for implementation partners
- Capacity development for Fakhoora Scholars Society

**Growth and Spin-off phase**
- Design sound exit strategy
- Develop networks for enhanced sustainability