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Palestine Economic Policy Research Institute

**Policies to Improve Capacity of Technical
Education and Vocational Training to
Meet SME's Needs**

**Mohammed Khalifa
Abdul Wahhab Abdul Aziz**

2010

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- ♦ Evaluating economic and social policies and their impact at different levels for correction and review of existing policies.
- ♦ Providing a forum for free, open and democratic public debate among all stakeholders on the socio-economic policy-making process.
- ♦ Disseminating up-to-date socio-economic information and research results.
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Foreword

All countries worldwide attach high importance to technical education and vocational training (TEVT) for its role in improving the productivity of workers and diminishing unemployment rates. Notwithstanding the PNA efforts to develop vocational training in the Palestinian Territories, many difficulties hinder the development of this sector, paralyzing its ability to meet the requirements of economic sectors, particularly SMEs.

This study is part of a research program carried out by MAS on SMEs, funded by the International Development Research Center-Canada (IDRC). The study aims at fighting poverty through focusing on developing strategies that would hopefully improve the conditions for SMEs in the oPTs and also result in recommendations for improving its working environment and performance. The study also aims at defining the realities of education and vocational training conditions in the oPTs through exploring its flaws and shortcomings, so as to provide practical suggestions to the relevant authorities that would promote the advancement of the training needs of SMEs.

The study concludes that the level of official attention paid to vocational training is still limited. Also, the low rate of student desire to enroll in vocational training is the result of the continued incorrect community perception about vocational training and its link to low academic levels of students. On the other hand, results show low rates of unemployment among vocational training graduates and their concentration in small enterprises that employ less than four workers.

The study recommends the necessity of implementing a national strategy for TEVT, particularly to establish a comprehensive legal and institutional framework. Also, it clearly sets out the necessity of joining efforts and defining and designating responsibilities, whereby adequate budgets should be allocated for promoting the vocational training sector to fulfill its needs. Also it is very important that TEVT centers respond to the temporary training demands of SMEs by developing curriculums and encouraging mergers among TEVT institutions, in a way that takes into consideration the geographic distribution of these institutions.

On the occasion of publishing this study, I would like to thank the team of researchers for their truly genuine efforts in preparing this study. As well, I

would like to extend my gratitude to all parties and institutions for providing our research team with all the information and help they needed. Also I would thank the participants of the study workshop, for their valuable comments. And finally I would like to thank our partners at the International Development Research Center-Canada (IDRC) for their generous and continuous support of the institute's activities, including this study.

Samir Abdullah
Director General

Executive Summary

1. The present study aims at identifying present and future training needs of small and medium enterprises, and the ability of vocational education and training in the occupied Palestinian territory (OPT) to meet those needs. This is done through concentrating on the supply and demand aspects of vocational training. Furthermore, the study seeks to propose practical policy measures to bridge the gap between vocational training needs of Small and medium enterprises, and the ability of vocational educational and training institutions to meet those needs.
2. To achieve its goals, the study used four modes of analysis in its methodology:
 - ✧ Review the theoretical framework.
 - ✧ Review the state of vocational education and training in the Palestinian territory, and the reality of Small and medium enterprises.
 - ✧ Conduct personal interviews with parties representing Small and medium enterprises and other parties representing vocational education and training.
 - ✧ A review of other countries experiences.
3. Theoretical framework indicates that vocational training plays an important role in decreasing the unemployment level, improving productivity and contributes to raising the skill of workers.
4. The research team studied the vocational training experience of Jordan, Egypt, Algeria, the European Union, Germany and Australia. These states were chosen because each of them took effective measures to develop vocational education and training.
5. Vocational education and training in the OPT was not accorded enough attention by the Palestinian Government. A serious attempt at developing this sector was made in 1996 by formulating a strategy for vocational and technical education and training which was never implemented. Another attempt was made by the Ministry of Education and the Ministry of Labor in March 2009 to reactivate this strategy and to overcome the obstacles and challenges faced by this sector.
6. Small and medium enterprises constitute the majority of enterprises operating in the Palestinian economy. 97% of those enterprises employ less than 9 workers, and 99% of them employ less than 20 workers.

Those enterprises, on the whole, employ around 82% of all Palestinians employed.

7. Among the most important conclusions arrived at by this study, are the following:
 - ✧ Low level (2.3%) of student enrolment in vocational education and training.
 - ✧ Low level of unemployment among graduates of vocational education and training compared to graduates of academic education.
 - ✧ Low level of average daily wage of graduates of vocational education and training compared to wages of university graduates.
 - ✧ High percentage of employers among graduates of vocational education and training compared to general education and university graduates.
 - ✧ The service sector absorbs the biggest number of graduates of vocational education and training.
 - ✧ Inadequate government and private sectors involvement in vocational education and training. Whereas the UNRWA and other institutions concentrate more on vocational education and training.
 - ✧ The main reason students take up vocational education and training is their inability to pursue an academic education, in addition to the person's conviction of the importance of this kind of education.
 - ✧ The vocational education and training system in the OPT is dispersed in regard to the type of institution, their objectives and the bodies responsible for it.
 - ✧ Training institutions are identical in their training programs to great extent. The difference between them is confined to the length of the training period. Furthermore, relations between training institutions are of a competitive nature, other than being complimentary.
 - ✧ Nearly two thirds of workers who enroll in vocational training work in enterprises employing 4 workers and less, which indicates the close connection between vocational training and employment by small enterprises.
 - ✧ The paper presents training needs for various sectors and industries; most of such training needs are centered on modernization use of technology.

8. Among the most important recommendations presented by the study are the following, listed in accordance with their priority:

First: The government bears the main responsibility in fostering and organizing vocational educational and training system. The proposals in this connection are as follows:

- ✧ Strive to enact a law that organizes vocational education and training. The law should stipulate the establishment of an independent body or organization entrusted with all tasks and responsibilities related to vocational training;
- ✧ Allocating sufficient budget funds for developing vocational education and training, including maintenance of vocational training institutions, modernization of necessary tools and equipment, and preparation of qualified trainers in the different required training areas;
- ✧ Managing the current training centers more effectively, increasing the number of training centers, and taking into account the need for specialization in providing training programs in line with the needs of Small and medium enterprises, in addition to taking into account the geographical distribution of such centers;
- ✧ To stop giving licenses to new institutions offering the same type of training. And encourage the merger between various training institutions.
- ✧ Modernization of the training curricula, and preparing new and adequate curricula for present and future needs. And addition of entrepreneurial skills course in the vocational training centers as a compulsory prerequisite to enable trainees and encourage them to open their private businesses.
- ✧ Strive to implement the Palestinian national strategy for development of vocational and technical education and training in Palestine;
- ✧ Offer the necessary incentives to encourage the private sector to invest in vocational education and training, and that activities of related ministries be of a supervisor and non- executive nature;
- ✧ The government should strive to establish a real partnership with the private sector to contribute to the development of vocational training, to participate in setting the curricula, define training programs and in order to absorb the trainees in local establishments;
- ✧ Establish a data base for graduates of vocational education and training; and

- ✧ Activate vocational guidance in schools, in order to determine the ability and inclinations of students, and direct them to appropriate specializations, be it vocational, academic or technical

Second: Regarding the role of the private sector in developing vocational education and training, the paper suggests the following:

- ✧ Unify efforts by the various establishments representing the private sector, and strive to have a complementary role, not competitive one. It is also necessary to have one entity that represents the private sector before the government;
- ✧ Apply the program of apprenticeship, due to its different benefits, whereby the student is provided by the theoretical aspect of the problem; it also encourages establishments to participate in designing curricula suitable for their needs. In addition it relieves the training institutes of the costs of buying instruments and equipment. Furthermore, a bigger number of trainees in different specializations could be absorbed, and trainees can get acquainted with the problems of the labor market, a fact that increases their experience;
- ✧ The private sector should accept the idea of real partnership with training institutions to participate in developing vocational education and training;
- ✧ Establish specialized training centers that serve a certain sector or industry, especially training programs that are not available in the public sector;
- ✧ Finance scientific studies and research which deals with the question of vocational education and training;

Third: Create regular specialized courses for trainers in line with technological development in production techniques, in line with market needs;

Fourth: Enlarge training programs directed at females and encourage females to join these programs;

Fifth: Establish a minimum wage policy covering (among others) the educational and vocational training graduates, to encourage them to engage in this sector.

Sixth: Raise the level of coordination between the body supervising vocational education and training, and the training centers themselves;

Seventh: Universities and research centers, as well as civil society institutions should participate in developing training curricula; as well as encourage the universities to open mixed programs of academic and vocational systems, especially in engineering specialization.

Eight: Put an end to the inferiority complex placed on vocational education and training graduates, by spreading consciousness through the media, workshops, seminars and conferences that concentrate on the subject.

Ninth: Stimulate students to join vocational education and training through a number of measures, such as student field visits to factories and establishments, and offer prizes to students who achieve best results.

Tenth: There is a need for additional studies in this sector, the most important of which is to estimate the training needs quantitatively.