



# Stimulating technology markets to tackle urban unemployment

*Insights from the Occupied Palestinian Territories*

- DFID Palestinian Market Development Programme, (DAI)
- Gaza SkyGeeks, Mercy Corps Palestine
- DFID Arab Women's Enterprise Fund, (DAI)



# Overview of Presentation



- Introduction to the scope of the problem in Palestine
- Overview presentations from each of projects on their interventions
  - Arsalan Faheem - Palestine Market Development Programme (PMDP)
  - Ryan Sturgill - Mercy Corps SkyGeeks
  - Naomi Sommerville Large - Arab Women's Enterprise Fund (AWEF)
- Conversation on highlights of interventions
- Open discussion with the audience

# The situation in Palestine

Population: 4.9 mn  
- West Bank: 3.0 mn  
- Gaza: 1.9 mn

Under the partition, 3 Zones:  
A Palestinian Full Control  
B Palestinian Admin Control  
C Full Israeli Control

- Israeli settlers in Zone C
- Steady pressure to move Palestinians to Zone A

Problems in Gaza and WB:

- 40% youth unemployment
- 3 wars in Gaza since 2004
- Fragmentation of WB
- Internal and external movement controls



# A Struggling Economy



- Complex theatre for market systems development.
  - Struggling economy shackled by absence of sovereignty
  - Restrictions on movement of goods and labour
- High Population Growth: 4.9M growing at 2.9% p.a. (WB, 2011)
- GDP: \$12.7B (WB, 2011)
  - Growth susceptible to crises and conflict (8%, 2007-11; 3%, 2012-15)
- High donor dependence (>50% of budget)
- Major challenge: anaemic growth, high unemployment at 26%

# A Youth Unemployment Crisis



- 1.3M youth
- Unemployment: OPT (40%), Gaza (56%)
  - ~ 190,000 youth looking for work, ~50K with Bachelors degrees
  - Female rate double that of men (55% vs. 32%)
  - College graduates (Highest): 47% (31% male, 64% female)
- 70% of youth are computer literate

# OPTs context for women:



- Clear disparity of women in the labour force
- High unemployment rates of women, especially among women with 13+ years of education
- Labour force participation rates of women increasing at a much faster rate indicating changing social norms and desire to work (ILO study 2017)



# Background on ICT programming – Why ICT?



- ICT an important focal sector to respond to the situation since mid 2000s.
- GBP 102m ITO/BPO industry, 6% CAGR, record of outsourcing/exports
  - Critical mass: 3,759 FTE across 100+ firms, talent surplus
  - No physical barriers
- Much donor and corporate CSR programming (West Bank)
  - Helped to get to a certain level, but stagnating - Brain drain
- Challenges of Israeli control
  - no 3G, or wireless data

# COMMERCIALLY DRIVEN SOLUTIONS



- PMDP study on Multinational Enterprise Outsourcing in 2014
  - 3000 graduates per year with ICT skill, but less 300< employed
  - MNE outsourcing very small
- Awareness of opportunities for growth – MNE outsourcing, Online freelancing
- PMDP/Mercy Corps/AWEF Jointly funded Online Freelancing study in 2016-17
- New commercially driven approaches



# THANK YOU

