

## The Role of Foreign Aid to Secondary Education on Human Capital Development in Palestine

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### ABSTRACT

The study sheds light on the role of foreign aid to secondary education on the development of human capital from the perspective of teachers and educational experts, based on staff capacity-building programs and the assistance provided to the infrastructure of educational institutions (schools) in the Gaza Strip, Palestine. Teachers' questionnaires and the interviews of educational experts showed the role of foreign aid to secondary education on the development of human capital in the Gaza Strip. Experts (higher level) agreed that foreign aid contributes significantly to human capital development through training and capacity building of employees and improving infrastructure. In contrast, teachers (operational level) found that foreign aid has limited benefits in these areas. Moreover, frequencies and percentages related to demographic characteristics, and standard deviations, indicate that experience, training, and education are the three main mechanisms for acquiring and developing human capital.

**Keywords:** Foreign Aid, Human Capital Development, Secondary Education, Gaza Strip.

**JEL:** A12, A20, A21, F35, I28, J24, O11

### 1. Introduction

Education is a critical pillar of national prosperity and individual socioeconomic status. Accordingly, many governments devote continuous efforts toward boosting the productivity of their educational systems. Palestinian Authority (PA) is classified as a foreign aid-dependent state, and educational funding is heavily affected by the policies and conditions attached to foreign aid. Foreign aid is an essential source for bridging financial gaps in developing countries; however, building a trustful

relationship with potential donors can be challenging due to a lack of government transparency, appropriate accountability, and political instability. Such problems are particularly chronic in Palestine, where most of the population depends on foreign aid. There is no unified political representation, making it more difficult to obtain the funds to implement projects to satisfy development requirements. Obtaining the funds needed to bolster the operational budgets of state institutions can take place via donations or loans from developed countries.

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Several studies have confirmed that the foreign aid granted to the education sectors of developing countries largely focuses on providing essential requirements for maintaining a basic education system, including schools' construction and renewal, sufficient human capital, instructional and learning materials, and capacity-building elements such as on-the-job coaching and off-site training. On the one hand, investments toward improving the education sector should be returned as developed human capital. On the other hand, "human capital" could refer to an individual's set of valuable skills and knowledge.

The establishment of the PA following the signing of the principles of the Oslo Agreement between the Israeli Occupation and the Palestinian Liberation Organization (PLO) in September 1993 was followed by international funding commitments to bolster this political process. However, Palestine has been denied access to natural resources or sustainable revenues, and international policies have precluded the PA's ability to extend itself beyond an aid-dependent and fragile authority. From 1993 to 2018, donations to support the PA's operational budget have only totaled approximately USD 37 billion across all sectors (WAFA, 2018).

Palestine's education sector has extensively relied on foreign aid; however, resources allocated for educational development have been linked to the size, fluctuation, and funding sustainability provided to the PA. As a result, donors' interventions may not serve educational development based on Palestinian development goals but rather negatively affect human capital by potentially weakening graduates' skills, knowledge, and capacity. Palestine's current educational system is hampered by limited resources, including inadequate laboratories and libraries, making it unable to meet students' needs.

This research aims to examine the role of foreign aid on secondary educational development in Palestine with a focus on the role of funding for capacity-building programs for academic staff and infrastructural assistance

for secondary schools. The study focuses on the secondary education level due to its multiple dimensions, including academic, vocational, and technical streams, which provide students with specialized scientific, professional, and cultural skills and knowledge as preparation for higher education. The secondary education stage is a transition period for students. It aims to prepare students to begin their practice and university lives and thereby serves as a bridge between basic and higher education and the labor market.

## 2. Literature Review

The role of foreign aid in supporting education and its effects on human capital has attracted the interest of several researchers and decision-makers. Österberg and Hultman (2018) examined how the three largest foreign aid sectors, namely social infrastructure, economic infrastructure and production, affected the Human Development Index (HDI). Although they identified a significant relationship between the social infrastructure sector and HDI, they found no significant effect of foreign aid on economic infrastructure and the production sector. Anwar *et al.* (2017) examined the relationship between foreign aids and education in Pakistan; the results show a positive relationship between foreign aid and education. The study has relevance as far as policy decisions are concerned for foreign aid. Salman (2012) identified sources of educational financing and important developments during Egypt's administration to the Gaza Strip from 1948–1967.

Most researchers have shown that foreign aid impacts economic development, and analysts are largely in agreement that foreign aid is provided based on the donors' priorities and policies. In our viewpoint, this undermines the potential for foreign aid to impact education and human capital, and economic development. Previous studies have been multidimensional in covering varying areas such as foreign aid, economic development, human capital, and education. However, there is

considerable debate regarding what foreign aid models best explain the relationship between education and human capital development. There is also disagreement concerning which measurement tools are most valid to explore the roles between research variables.

Many analysts consider education a driving force for marketing interventions and supporting a national knowledge economy; however, others have argued that current funding approaches inevitably limit equal opportunity and enhance social, political, and economic inequality. Maruta et al. (2019) examined the effect of sectoral foreign aid and institutional quality on the economic growth of 74 developing countries from Africa, Asia and South America. We consider bilateral aid flows into three sectors, namely education, health, and agriculture, and find that education aid is more effective for aid-receiving countries among the three types of aid. Boateng (2013) pointed out that limited public investment in education has resulted in restricted access to opportunities for capacity-building. Research clearly shows that most foreign aid is not purely provided based on national educational needs, but rather based on donors' identified needs. For example, Riddell and Nino-Zarazua (2016) demonstrated that although foreign aid to developing countries has resulted in positive contributions toward basic education, such as expanding school enrollment, such funding has limited educational quality improvements.

However, there is considerable debate in the literature regarding the underlying motives of donors' assistance to promote education in developing countries. Al Rozzi (2016) concluded that a political agenda drive foreign aid. Totakhail (2011) found that a vast proportion of aid to Afghanistan was spent on governmental expenses without any progress toward fulfilling national priorities, which has undermined the government's efforts toward effectiveness, public accountability, and capacity-building for sustainable development in basic and higher education.

Fashina *et al.* (2018) show that growth in Nigeria is sensitive to human capital shock via education, while the response from aid shock is trivial in the long run. Many heterogeneous factors notably influence the mechanism through which aid impacts economies; the role played by the recipient governments' expenditures on education with additional inflows of aid can promote economic growth in Nigeria. Shaikh (2011) identified a positive relationship between official foreign aid and GDP per capita; however, it takes time to develop basic infrastructures such as roads, schools, and water tanks and investment in human capital to contribute to economic growth.

### **3. Foreign Aid to Palestinian Authority**

Most aid provided to the PA is conditional and related more to the donors' political interests rather than the service of the Palestinians' rights and needs. In addition to setting up mechanisms to coordinate financial and technical support to the PA, the aid provided for managing the Palestinian territories is largely governed by political agreements with the Israeli occupation. Since the signing of the Oslo Peace Accords has been signed, the PA has received aid for only two reasons. First, the PA received humanitarian assistance to reconstruct damages incurred from the continued Israeli occupation, mainly the aggression against the West Bank in 2002 and the three incursions against the Gaza Strip in 2008–2009, 2012, and 2014. For example, El-Namrouty (2012) indicated that a large proportion of foreign aid to the Gaza Strip was directed toward investment in the construction sector. Second, the PA has received aid for budgetary support to keep its institutions operating to provide basic services and maintain security and stability. Although foreign aid for the PA has been rising, most has been devoted toward relief and humanitarian purposes, such as construction recovery and rehabilitation in the face of damages incurred from the Israeli occupation rather than achieving real development.

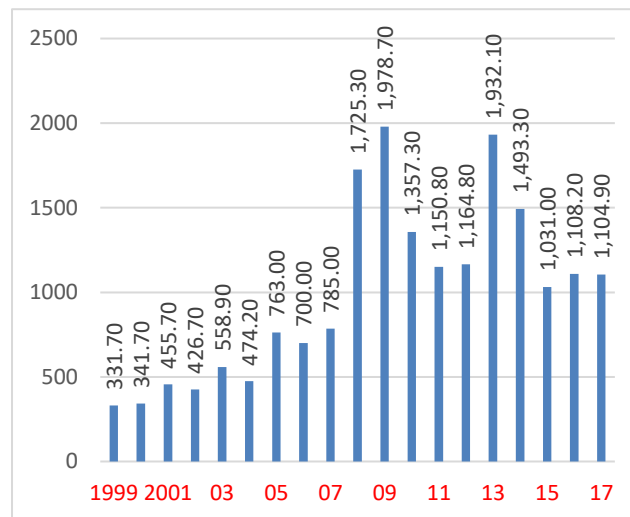
Samarah (2013) argued that political conditions

typically constrain foreign aid provided to the PA. There are no expectations for any real development change, as allocations are insufficient to build a productive infrastructure or educational sector. Hamdan (2011) demonstrated that “the main pillar of development aid was to support the peace process. Development aid increases proportionally with the acceleration of negotiations, and in the times when the peace process was halted, the aid was decreased.”

Most studies and reports have agreed that the flow of international assistance to the Palestinians has occurred in two main stages, the first of which extended from 1993 to 2000 in the period following the Oslo Agreement. During this period, the flow of foreign aid was relatively stable. Foreign aid during this period was largely directed to budget support, public investment, private sector support,

equipment procurement, and food security. The second stage from 2001 to 2016 was characterized by political fluctuations, including the second intifada and the halting of the peace process (2000), the death of President Yasser Arafat (2004), the redeployment or so-called withdrawal of the Israeli occupation in Gaza (2005), the Palestinian presidential and legislative elections in 2005 and 2006, respectively, and the blockade of the Gaza Strip.

Figure 1 illustrates volumes of aid that PA received from 1999 to 2017. Studies indicate that most foreign aids were directed toward humanitarian relief rather than enhancing economic and social indicators to promote sustainable development. The main donors were Arab countries and agencies, followed by the EU and the US. Notably, aid disbursements in development and direct budgetary support have sharply declined since 2013.



**Figure 1: Foreign aid to the Palestinian Authority in millions of USD**

Source: OECD, (2019). *Public spending on education*. <https://www.oecd.org/>

### 3.1. Education and Human Capital in Palestine

Three types of schools exist in Palestine: 1) public schools operated by the Ministry of Education and Higher Education (MoEHE), which are tuition-free and open to everyone; 2) private, tuition-based schools run by churches,

private persons, or societies; and 3) schools run by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which are tuition-free but only open to Palestinian refugees' children. Schools in Jerusalem are excluded from the first category because they are fully

under Israeli control. The MoEHE supervises 73.3% of the schools, the UNRWA administers 12.11%, and the private sector operates 14.6% (MoEHE, Education Sector Strategic Plan 2017–2022).

Since its establishment in 1994, the PA has worked to build state institutions and develop a series of comprehensive development plans to improve the economy, including human capital development. During the 1990s, the PA primarily focused on infrastructure; however, it has prioritized human capital development since 2011, including social services such as the education and health sectors. However, due to political instability and the lack of guarantees of foreign aid, the PA has been limited to providing basic services and unable to implement many of its proposed programs, which has negatively impacted human capital development (PA Development Plans, 1994–2016).

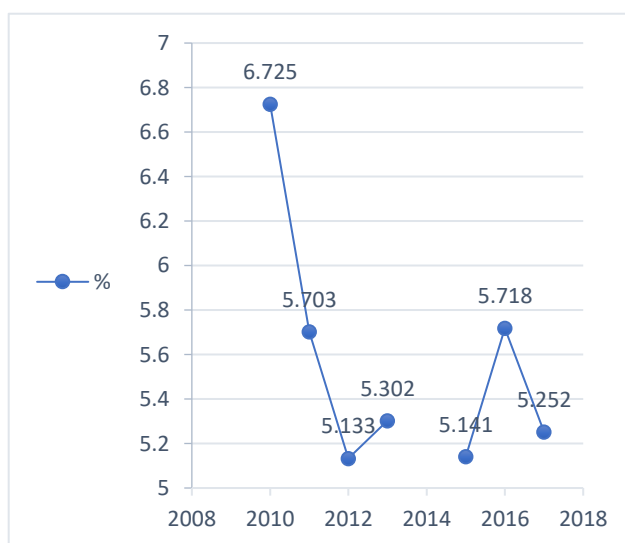
Palestine's HDI value and rank in 2017 was 0.686, which put the country in the medium human development category and positioned it 119 out of 189 countries and

territories. Between 1990 and 2017, Palestine's HDI value grew by 4.4%, life expectancy increased by 5.5 years, and mean and expected years of schooling increased by 1.3 and 3.0 years, respectively (UNDP, 2018).

### 3.2. Government Spending on Education in Palestine

Spending on education is closely linked with national income, living standards, prices of services and goods, and the general technological level of society. Expenditure rates increase concurrently with national income; however, higher living standards and prices negatively affect education spending, leading to fluctuations in spending ratios and different educational outputs from year to year.

Figure 2 shows the PA government's expenditures on education as a percentage of GDP from 2009–2017. The year 2010 recorded the highest percentage (6.7%); however, subsequently, expenditures decreased and fluctuated.



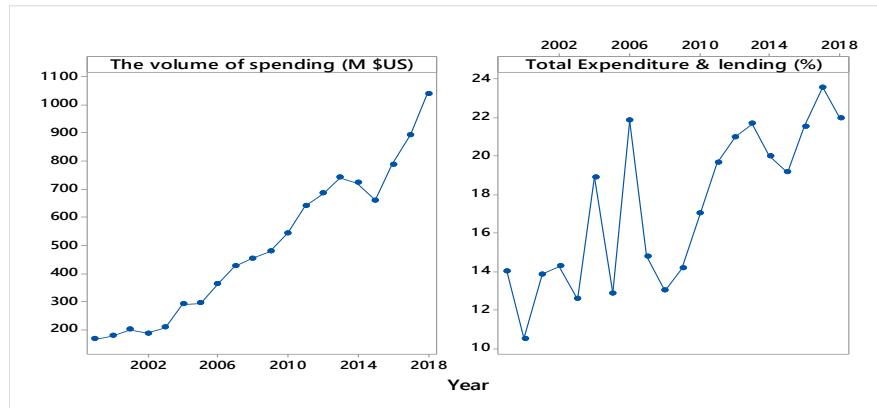
**Figure 2: PA spending on education as a percentage of GDP (2010–2017)**

Source: World Bank Group, 2019.

[https://data.albankaldawli.org/indicator/SE.XPD.TOTL.GD.ZS?end=2016&locations=PS&start=2010&view=chart&year\\_high\\_desc=true](https://data.albankaldawli.org/indicator/SE.XPD.TOTL.GD.ZS?end=2016&locations=PS&start=2010&view=chart&year_high_desc=true).

Figure 3, containing information extracted from the PA's budgets, shows that government spending on education from 1999–2018 ranged from approximately

10% to 23% of its total budget. In contrast, financial administration and security accounted for the largest proportion of budgetary spending.

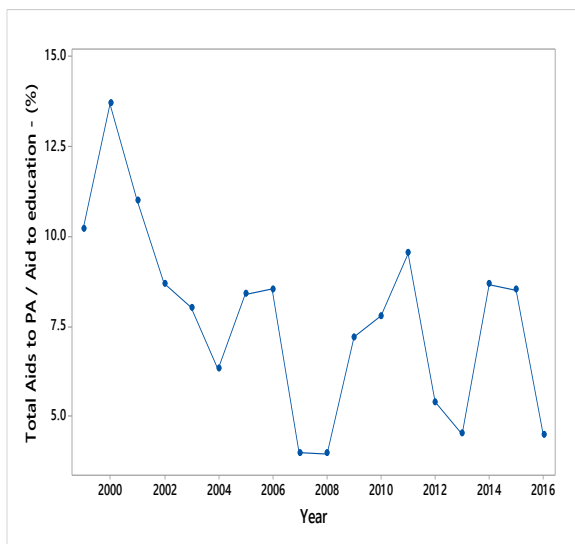


**Figure 3: PA spending on education from 1999–2016**

Source: (Palestinian Ministry of Finance website, 2015, P88)

Source: OECD (2019).

To enhance support for the education sector, a donation mechanism called the Joint Financing Agreement (JFA) was established by five donor countries (Belgium, Finland, Ireland, Germany, and Norway). Figure 4 shows that foreign aid for education as a percentage of the total aid given to the PA has decreased and fluctuated.



**Figure 4: Foreign aid for education as a percentage of total aid to the PA**

#### 4. Research Methodology

The research design was based on a descriptive and statistical analysis of quantitative questionnaires with teachers and qualitative interviews with senior educational staff. The descriptive analysis focuses on describing a phenomenon and determining patterns in the data to answer the research questions (Loeb *et al.*, 2017). Primary and secondary data sources and data collection through a questionnaire designed specifically to address the issues of concern in addition to interviews. The study lasts for one year, from March 2019 to March 2020.

##### 4.1. Population and Procedure

Participants were teachers working in secondary schools supervised by the MoEHE, whose total population was 8236. The appropriate sample size of 367 teachers was calculated with a 5% margin of error and 95% confidence interval (Moore *et al.*, 2003). The total sample of participants was 368 in addition to interviews with ten senior educational staff working at the ministry level, those responsible for the teacher training and capacity building

programs, financial and planning programs, and school constructions. The interviewees' positions are Director of information & studies, Director General of Constructions Department, Director General of Finance Affairs Department, Director General of Planning and Information Department, Director General of Supervision Department, Director General of General Education Department, and Director of Administrative and Leadership training Department at National Training Institute.

A scale of 1-10 is used in this research, where 1 represents the highest degree of disagreement and 10 represents the highest degree of agreement. The numbers assigned to the importance (1, 2, 3, ..., 10) do not indicate that the interval between scales are equal, nor do they indicate absolute quantities; they are merely numerical labels.

The researchers conducted a pilot study of 40 respondents to measure its effectiveness in evaluating the wording of the items, identifying ambiguous questions, and testing administration techniques used to collect data and measure the effectiveness of standard invitations to respondents.

To ensure the reliability of the questionnaire, Cronbach's Coefficient Alpha should be applied.

Cronbach's alpha is designed as a measure of internal consistency; that is, do all items within the instrument measure the same thing? The normal range of Cronbach's coefficient alpha value between 0.0 and + 1.0, and the higher values reflect a higher degree of internal consistency. The Cronbach's coefficient alpha was calculated for each field of the questionnaire. (George & Mallery, 2019).

Table (1) shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's Alpha were in the range from 0.892 and 0.965. This range is considered high; the result ensures the reliability of each field of the questionnaire. Cronbach's Alpha equals 0.952 for the entire questionnaire, which indicates excellent reliability of the entire questionnaire. Thereby, it can be said that the researcher proved that the questionnaire was valid, reliable, and ready for distribution for the population sample.

Following its finalization, the questionnaire was distributed to the full sample. The selection of schools took into consideration the gender, academic qualifications, and geographic locations of the targeted teachers.

**Table 1: Cronbach's Alpha for each field of the questionnaire**

<b>Field</b>	<b>Cronbach's Alpha</b>
Foreign Aid and the effectiveness of teachers' training	0.892
Foreign Aid and performance efficiency and productivity	0.907
Foreign Aid and quality of education	0.904
Foreign Aid and the development of the knowledge and skills of the teacher	0.935
<b>Foreign Aid and teachers' capacity building</b>	0.965
<b>Foreign Aid and Infrastructure</b>	0.930
<b>All items of the questionnaire</b>	<b>0.952</b>

#### 4.2. Data Analysis

In addition to frequencies and percentages related to demographic characteristics, means and standard deviations were calculated for all questionnaire

responses. One sample t-test is conducted to test if the mean of a paragraph differs significantly from the hypothesized value 6, an independent samples t-test (for gender), and analyses of variance (ANOVA for the other

variables) were conducted to compare responses according to demographic groups. The Statistical Package for the Social Sciences (SPSS), version 25 was used to conduct the statistical analysis.

## 5. Empirical Application

### 5.1. Demographic Data

Table 2 provides information on the respondents'

socio-demographic distribution across academic qualifications, years of service and demographic categories. Respondents were virtually evenly split between males and females, and their ages ranged between 30–40 years. Most participants had a bachelor's degree and at least 10 years of service, and the largest proportion was working in Gaza.

**Table 2: Descriptive statistics of respondents (N = 368)**

Demographic Data		Frequency Percent	
<b>Gender</b>	Male	183	49.7
	Female	185	50.3
<b>Age Category</b>	20–29	36	9.8
	30–39	182	49.5
	40–49	95	25.8
	≥50	55	14.9
	Postgraduate (PhD/Masters)	57	15.5
<b>Academic Qualifications</b>	Bachelors	307	83.4
	2-year diploma	4	1.1
	Less than 5 years	35	9.5
<b>Years of Service</b>	5 less than 10 years	60	16.3
	10 less than 15 years	147	39.9
	more than 15 years	126	34.2
	Rafah	40	10.9
<b>Governorate</b>	Khan Younis	75	20.4
	Deir Albalah	67	18.2
	Gaza	120	32.6
	North Gaza	66	17.9

### 5.2. Hypotheses Testing

#### *First Hypothesis:*

The foreign aid programs have a statistically significant role in the teachers' capacity building.

The effectiveness of teacher training measures the human capital development of the PA educational system's staff, performance efficiency, and organizational productivity, mentoring, quality education, enhanced skills, and knowledge. One sample

t-test is used to test if the mean of a paragraph differs significantly from the hypothesized value 6. Note that the researchers used the hypothesized value equals six since the average of the scale 1-10 is 5.5, so we choose six as a cutoff value which is slightly greater than the midpoint, to get more reliable results.

Table 3 shows that the mean of all items was 5.57 (55.74%) with a test value of  $-4.80$ . The p-value equals 0.000 indicates that the mean of all paragraphs is



significantly smaller than the hypothesized value of six because of the negative sign of the t-value. This result indicates that the respondents disagreed with the proposed relationship between foreign aid and teachers' capacity-building.

Teacher training effectiveness is expected to correlate with goal achievement; however, the respondents' opinions are varied in this field. We attribute this result to donors' emphasis on the teachers' training effectiveness without considering other related factors. For example, the MoEHE supervision policy is used to develop further skills acquired from training courses funded by foreign aid, which were not in the required and standard form as should be in the MoEHE strategy plan. In addition, the required tools and materials for teachers who participated in the training to use in the educational environment were not provided promptly.

Other factors linked to the teacher's training effectiveness can be correlated to the training's timing and duration. Based on the qualitative data collected in the interviews, the researchers noticed that the capacity of teachers who already have overwhelming workloads to implement their acquired knowledge and skills into practice is very limited. Moreover, the Ministry's absence of systematic monitoring or supervision policies to enforce implementation is a substantial demotivating factor. Last but not least, salary reductions and the lack of promotions or other opportunities for career development contribute to a devastating work environment. The interviewed educational

experts emphasized that supervision and monitoring are integral parts of the capacity-building program funded by foreign aid. They agreed that such programs could positively affect the quality of education. However, no documented training program evaluations to support this perception could be found. As a result, no measures guarantee the long-term integration of the developments stimulated by the donors' intervention programs. Accordingly, in line with Totakhail's (2011) study, teachers perceive that foreign aid has little role in training and capacity-building toward effectiveness, efficiency, productivity, education quality, and knowledge and skills development.

We attribute this finding to the lack of teachers' participation in designing the training programs, the inappropriate timing of the training implementation, a lack of selection of experienced teachers, and insufficient balancing between the theoretical and practical components of the training programs. Moreover, foreign aid is not effectively utilized due to the heterogeneity of training groups and limited provision of inclusive education foundations, tools, and methodologies. Training programs focus on the needs of children rather than teachers; non-complementary of training programs and training did not mention the provision of a training and teacher career development plan. This finding contrasts with the interviewed educational experts' perspective that foreign aid contributes to teacher training and capacity-building.

**Table 3: Means and test values concerning the role of foreign aid on teachers' capacity building**

Category	Mean	SD	Test value	P-value
Foreign aid and the effectiveness of teachers' training	5.45	1.78	-5.95*	0.000
Foreign aid and performance efficiency and productivity	5.57	1.81	-4.57*	0.000
Foreign aid and quality of education	5.76	1.86	-2.47*	0.007
Foreign aid and the development of the knowledge and skills of the teacher	5.60	1.84	-4.22*	0.000
<b>All categories</b>	<b>5.57</b>	<b>1.70</b>	<b>-4.80*</b>	<b>0.000</b>

\*The mean is significantly different from 6

**Second Hypothesis:**

The foreign aid programs have a statistically significant role in the PA's education infrastructure.

The PA's education infrastructure is measured by school construction and facilities such as science and technology labs, educational equipment and materials, resource rooms, training rooms, and school furniture.

Table 4 shows that the mean of the field "foreign aid and infrastructure" equals 5.58 (55.78%) with a test value of  $-4.29$  and a  $p$ -value less than .05. The negative  $t$ -value demonstrates that the mean is significantly smaller than the hypothesized value of six. This result shows that the respondents disagreed with the hypothesis.

**Table 4: Means and test values concerning the role of foreign aid on infrastructure**

No .	Category	Mean	S.D	Test value	P-value
1.	Foreign aid focuses on the availability of security and safety specifications in the school building.	5.55	2.41	$-3.57^*$	0.000
2.	Foreign aid focuses on matching the number of classrooms in the school with student numbers.	5.25	2.50	$-5.77^*$	0.000
3.	Foreign aid focuses on matching the classroom area at the school with student numbers.	5.38	2.42	$-4.91^*$	0.000
4.	Foreign aid focuses on matching classroom facilities at the school with student growth characteristics.	5.44	2.31	$-4.65^*$	0.000
5.	Foreign aid focuses on matching the school's squares with students' characteristics.	5.41	2.33	$-4.84^*$	0.000
6.	Foreign aid focuses on the availability of accessible sanitation facilities at the school.	5.81	2.25	$-1.65^*$	0.050
7.	Foreign aid focuses on having equipped and suitable rooms for its staff at the school.	5.43	2.24	$-4.85^*$	0.000
8.	Foreign aid focuses on having laboratories equipped to deliver learning outcomes at the school.	5.67	2.39	$-2.65^*$	0.004
9.	Foreign aid focuses on the availability of necessary equipment to deal with minor injuries.	5.49	2.28	$-4.24^*$	0.000
10.	Foreign aid focuses on taking into account the requirements of children with disabilities in the school building.	5.47	2.32	$-4.40^*$	0.000
11.	Foreign aid focuses on having a library equipped with a variety of sources of knowledge at the school.	5.73	2.30	$-2.25^*$	0.013
12.	Foreign aid focuses on the availability of e-learning media such as an interactive tablet, LCD.	6.25	2.31	$2.11^*$	0.018
<b>All paragraphs of the field</b>		5.58	1.88	$-4.29^*$	0.000

\* The mean is significantly different from 6

Researchers suggest that foreign aid programs have contributed to the construction of schools. However, there

is still a gap in the number of schools compared with the number of students enrolled in the educational system.

Foreign aid programs have not responded to the rapid increase in the natural growth of Gaza's population. Most (70%) of the schools in the Gaza Strip operate on a double-shift, and some operate on triple-shifts, and the average number of 38 students per classroom far exceeds the standard of 25 students. In addition, due to the protracted crisis generated by the ongoing Israeli occupation, siege, and aggressions, 32 MoEHE school buildings have been converted for use as designated emergency shelters (DES). These schools are well-designed, equipped, and strengthened in line with security and safety standards; however, those schools that are not designated for such use suffer from a lack of equipment dedicated toward maintaining safety, security, and resources. This finding aligns with comments by the interviewed educational experts. They pointed out that the MoEHE and donors agree that school designs should consider environmental and health standards and emergency protections. In addition, MoEHE and other researchers have recommended that foreign aid programs focus on providing schools with ICT tools aligned with global trends such as SDG4, which aims to improve the learning environment. The interviewed educational experts noted that newly constructed schools funded by foreign aid have well-equipped training and resource rooms, computer laboratories, libraries, equipment, green zones, and multi-purpose rooms.

In summary, whereas all the interviewed experts identified the contribution of foreign aid programs toward improving the infrastructure and logistics of the public education sector as a major component of human capital development, the teachers' responses indicate that foreign aid programs have had a little positive role on the education infrastructure and human capital development in the Gaza Strip.

### ***Third Hypothesis:***

There are statistically significant differences among the respondents' perceptions of the role of foreign aid for

general education on human capital development in Palestine due to the demographic variables.

Table 5 shows the results of the independent samples t-test and ANOVA. Gender comparisons resulted in  $p$  values less than 0.05 across categories. Although males and females equally obtain knowledge from the capacity-building programs funded by foreign aid, differences may be attributable to the working environments (schools) in which they apply this knowledge and variations in social norms and personal perspectives concerning implementation approaches. When comparing Gaza Strip governates we found significant differences between participants regarding the role of foreign aid on educational quality and infrastructure, there were no significant differences in views concerning the role of foreign funding on the effectiveness of teachers' training, performance efficiency and productivity, the development of teachers' knowledge and skills, and teachers' capacity-building.

In contrast to gender, age, academic qualifications and years of service had no effects on teachers' perspectives. We suggest that the insignificant effects of age are due to the criteria for teacher selection for the training, which are based on school stage and grade levels rather than age. The content of the capacity-building programs funded by foreign aid is standardized based on their common use of the Norwegian Refugee Council (NRC) and United Nations Children's Fund (UNICEF) manuals and the aid and infrastructures. The teachers viewed the school infrastructures as constructed based on international educational minimum criteria.

The minimum required qualification to hire teachers for the second stage is a bachelor's degree, and teachers with advanced degrees may be nominated for supervisory status. The statistical results show that most of the surveyed teachers have BA degrees; thus, their academic qualifications did not affect their views of the role of foreign aid on capacity-building and infrastructure. Years of service did not affect teachers' perspectives due to the standardized content of the capacity-building programs

and the educational infrastructure, which can fit all teachers, regardless of the years of service.

We suggest that the governorate did not affect perceptions of the role of foreign aid and teachers' capacity-building, training, performance efficiency, and productivity, or knowledge and skills development due to

the standardization of the capacity-building program content and educational infrastructure funded by foreign aid. Moreover, the five governorates are located in the same area; therefore, the teachers have faced similar conditions and challenges.

**Table 5: P values comparing the role of foreign aid based on demographic variables**

Category	Gender	Age	Qualifications	Years of Service	Governorate
Foreign aid and the effectiveness of teachers' training	0.009	0.223	0.501	0.759	0.330
Foreign aid and performance efficiency and productivity	0.001	0.092	0.480	0.993	0.069
Foreign aid and quality of education	0.008	0.063	0.388	0.728	0.018
Foreign aid and the development of the knowledge and skills of the teacher	0.008	0.697	0.915	0.715	0.149
<b>Foreign aid and teachers' capacity building</b>	0.002	0.201	0.539	0.955	0.088
<b>Foreign aid and infrastructure</b>	0.003	0.516	0.547	0.928	0.023
<b>All categories</b>	0.001	0.230	0.525	0.977	0.045

### 5.3. Conclusion and Policy Implications

The main conclusion that can be drawn from this study is that although foreign education aid has a role in human capital development, such aid does not fulfill teachers' needs. More work should be done to align it with the Palestinian Strategic Plan 2017–2022.

There is also a lack of alignment between the donors' strategic objectives, and the priorities emphasized in the Palestinian Strategic Plan 2017–2022, as evidenced by foreign aid programs implemented following the Second Intifada and the Israeli aggression against Gaza, most of which have been directed toward humanitarian and relief programs rather than human capital development. In addition, due to the unstable economic and political situation, the prevailing societal view of foreign aid programs is conditional and agenda-oriented. More time is needed to measure the role of foreign aid on human development in the Palestinian context.

The MoEHEs' human capital development strategy was developed based on a top-down rather than bottom-up approach, which has resulted in a lack of alignment with the aspirations of the educational system staff. As a result, whereas the interviews with senior-level educational experts indicate that foreign aid programs play a variety of roles in supporting human capital development and educational infrastructure in the Gaza Strip, these findings conflict with the responses of operational-level education staff. Teachers' level of participation in the designing and planning phase is essentially non-existent; more participatory and down-top approaches are needed during school infrastructure planning.

Finally, we found that experience, training, and education are the three main mechanisms for acquiring human capital. Thus, foreign aid for education capacity-building has partially contributed to developing human capital in Palestine.

The research results confirm the role of foreign aid for

education in developing human capital to some extent. Hence, we recommend the following:

To enhance capacity-building, the Palestinian government should create and implement need-based human resources and skills development programs and ensure that education is a top priority in formulating government policies. The MoEHE, Ministry of Economics, and Ministry of Labor should design and ensure that teachers know and train on built-in human capital and economic indicators for the Palestinian education sector. The government should also develop tools to measure these indicators' effectiveness. Top priority should be given to developing and implementing vocational education and skill-based training programs in a given structure and time framework to enhance workforce participation and overall family income. In addition, it should be.

The MoEHE must more effectively utilize foreign aid for teacher training and capacity-building programs to ensure that teachers treat their education as an investment in the Palestinian economy. The MoEHE should also work closely with donor countries to secure funds for designing talent-based capacity-building programs and link them to sustainable development goals and economic trends to enhance workers' capacity to compete in the international labor market and contribute to economic growth. Training should focus more on practical skills in a manner that is relevant to the Palestinian curriculum and matched with the available toolkit for the teachers in the daily classroom environment.

It is recommended that all concerned parties in the MoEHE, particularly directors, design and build the training programs. Training courses should be organized when teachers have free time and can comfortably

participate during the summer holiday.

The MoEHE should emphasize an innovative environment that encourages students and teachers to practice their knowledge and skills interactively to improve infrastructure. Education staff should be consulted in the design of school infrastructures so that their needs can be addressed, as they are the individuals who are responsible for transforming students' knowledge and skills and developing human capital.

Finally, we recommended that more of the government's budget be allocated toward education and human resources development programs. The MoEHE's strategic plans should focus on ensuring that education yields a higher rate of return through human capital development, which should be pursued from an economic point of view. The MoEHE should establish proper and effective tracking systems for the foreign aid directed and invested in education. Donors and the MoEHE should collaborate to take a bottom-up approach by enhancing teachers' participation in all planning phases to promote their awareness of the knowledge and skills required for human capital development, and donor countries should revise their policies regarding educational assistance programs.

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## دور التمويل الدولي للتعليم الثانوي في تنمية رأس المال البشري في فلسطين (1999-2019)

خليل أحمد النمروطي<sup>1</sup>، سمير خالد صافي<sup>2</sup>، بهاء عبدالله الشطلي<sup>3</sup>

### ملخص

تسلط الدراسة الضوء على دور المساعدات الأجنبية للتعليم الثانوي على تنمية رأس المال البشري من وجهة نظر المعلمين والخبراء التربويين والمبني على برامج بناء قدرات الموظفين في مجال التعليم والمساعدات المقدمة للبنية التحتية للمؤسسات التعليمية (المدارس) في قطاع غزة، فلسطين، وقد أظهرت نتائج استبانة المعلمين ومقابلات الخبراء التربويين أن هناك دور للمساعدات الأجنبية للتعليم الثانوي على تنمية رأس المال البشري في قطاع غزة، وقد تبين أن الخبراء (المستوى الأعلى) اتفقوا على أن المساعدات الأجنبية تساهم بشكل كبير في تنمية رأس المال البشري من خلال تدريب وبناء قدرات الموظفين وتحسين البنية التحتية، بينما وجد المعلمون (المستوى التشغيلي) أن المساعدات الأجنبية لها فوائد محدودة في هذه المجالات، وتشير التكرارات والنسب المئوية المتعلقة بالخصائص الديموغرافية، والانحرافات المعيارية، أن الخبرة والتدريب والتعليم هي الآليات الثلاث الرئيسية من أجل اكتساب وتنمية رأس المال البشري.

**الكلمات الدالة:** المساعدات الأجنبية، تنمية رأس المال البشري، التعليم الثانوي، قطاع غزة.

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