



Mercy Corps

YOUTH - LED LABOUR MARKET ASSESSMENT (YLMA)

2018



Canada 

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All errors and omissions remain the responsibility of the author.

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I . EXECUTIVE SUMMARY

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▼ Objectives

The Youth Labor Market Assessment helps to:

- › Identify technical and transferable skills in demand by labor market and potential employers
- › Determine high potential growth sectors which may provide opportunities for entrepreneurs and new businesses
- › Identify opportunities in different sectors and specific businesses where there is a present or anticipated demand for labor including
 - › Understand mismatch and gaps between job seekers and employers
 - › Identify constraints and opportunities in the market system, including:
 - › Understanding the role that cultural norms may play in the job market (such as attitudes towards gender)
 - › Determining the supporting services or functions that may enable individuals to find steady jobs (such as access to market information)

▼ Economy, Politics and Demographics Affecting Employment

In Lebanon, those aged 15–29 years constitute more than a quarter of the population. Accordingly, 47.6 per cent of the working age population (15 years and above) are economically active. Youth unemployment is much higher in more impoverished rural areas, such as parts of North, South, and Mount Lebanon.

According to studies, the labor market has been affected by the influx of Syrian refugees. A field survey conducted recently by the ILO ¹ on a sample of 400 Syrian refugee households in Lebanon indicates that slightly less than half of the Syrian refugees are economically active, with unemployment estimated at 30 per cent. Those who work are employed mainly in three sectors: agricultural activities, domestic or personal services, and construction. Around half of Syrian laborers work in unskilled jobs, or semi-skilled jobs.

The Palestinian labor force has shown similar activity and unemployment rates within the Lebanese labor force. In addition, wages and working conditions of Palestinians in specific activities, such as construction and commerce, are very similar to those of the Lebanese.² Almost half of the Palestinian workers are employed outside the refugee camps, compared to one-quarter of the population who work in the camps. The remaining are mostly active in and around the camps. Nevertheless, Palestinians face distinctive challenges in the labor market. They are restricted from working in several professions, which has hindered their access to many economic opportunities.

The recent political instability coupled with the influx of Syrian refugees had a significant and mostly negative impact on the economy and on the country's demographic density, therefore creating more competition on work opportunities. The politically unstable situation, coupled with slow economic growth, is obstructing entrepreneurial initiatives. Further, migration among skilled Lebanese youth is persistent, which has created a "brain-drain"³.

▼ Labour Demand – Sectoral Analysis

Different labor trends have been observed across the selected regions for this analysis which are Saida, Tripoli and Barja (Mount Lebanon). The demand for workers is prominent in the agriculture and agro-food, construction, environment, ICT, creative industries, and healthcare sectors. In Tripoli, the agriculture and agro-food sector has shown a scarce supply of technicians. Moreover, the Tripoli Economic Zone has seen a surge of start-ups, which has increased the demand for coders.

¹Ajluni, Kwar. (2015). Towards Decent Work in Lebanon: Issues and Challenges in Light of the Syrian Refugee Crisis. International Labor Organization.

Also, carpenters are extremely rare to find though labor demand is high. In Saida, industrial jobs have a high demand for laborers. Those include companies working in waste management, plumbing, heating and cooling, and solar energy.. In Barja, and Saida, healthcare and pharmaceutical companies are struggling to find lab workers, nurses, and qualified technicians.

On one hand, rising technological advancements are changing the nature of jobs on demand. TVET institutions, on the other hand, are finding it hard to keep up with all these changes, which has created a gap in skills supply to the labor demands.

▼ Labour Supply – Community Analysis

Lebanese youth are often searching for jobs outside the sectors stated above. Social pressures have pushed Lebanese to search for jobs in the services and banking sectors, or even in the public sector. Working in agricultural or industrial fields is often frowned upon by family members, which often leads graduates from TVETs to work in jobs outside their field of expertise. Likewise, graduates often migrate to neighboring Gulf Cooperation Council (GCC) or European countries to obtain better living conditions and higher salaries.

Palestinian youth often struggle to find adequate jobs due to labor laws and regulations which prohibit them from taking on certain professions. Palestinians have voiced their frustration with the discrimination they face when trying to seek a job because of their nationality. Moreover, concerns were raised regarding the dangerous working conditions, unsafe environments, and low salaries they have to accept because of their nationality.

Syrian youth, likewise, live in poor and underprivileged conditions. This leads them to take on jobs that require minimum skills, to provide for their families. Fingers were pointed at Syrians, for accepting jobs at extremely low wages, which has stopped many employers from recruiting Palestinians and Lebanese workers. Nevertheless, low wages are often tied to harsh working conditions, no healthcare provisions, and the absence of a contract, which puts Syrian youth in a weakened position against their employer.

▼ Recommendations

Companies are struggling to find workers with updated practical knowledge and relevant work experience. This mismatch is critical for the labor market, because companies identify worker qualifications and skills as the two most prominent issues when recruiting local workers. Though there is a density of training providers, be it public, private, or semi-private institutes, yet youth are still finding it difficult to access their training services. Moreover, TVET schools donot equip their students with the adequate exposure to the labor market due to their weak relations with the private sector. To improve this situation, better collaboration between educational institutions, the private sector, and the government is needed to formulate an integrated strategy for human resources training and development. A linkages system should be put in place to create connections between the different stakeholders and increase youth chances of employment.



² The Demographic-Economic Framework of Migration. (2013). MPC – Migration Policy Center.

³ Ibid.



II . INTRODUCTION

II. INTRODUCTION

Since 2009, the Lebanese economy has witnessed a decline in growth due to political and security uncertainties. This economic decline has accelerated with the Syrian refugee crisis which started in 2014. Overcrowding had a negative impact on economic growth and service provision which resulted in reduced foreign investment, reduced tourism and increased demand on government services, including education and health. Unemployment generally, witnessed a sharp rise since the beginning of the crisis⁴ Youth unemployment in specific has taken on the most disruptive toll, rising to 17.5% in 2017, compared to 17.2% in 2014 according to the World Bank. However, data on unemployment is controversial due to the lack of consensus on what constitutes youth unemployment, which nationalities/age groups are included. While official World Bank reports show that the rate of unemployment is at 6.8% in 2016, the Ministry of Labor and the National Employment Office (NEO)⁵ estimate it to be between 20 and 25% for the same period. Nevertheless, data on youth unemployment is staggering.

Lebanon hosts the highest number of Syrian refugees per capita, currently estimated at over 1.5 million⁶ for a country of four million people. Among those, 976,002 refugees are registered under the UNHCR, and around 50,000 are unregistered according to local NGO reports and government statements. Nearly half of those affected by the crisis are Lebanese, Syrian and Palestinian adolescents and children who, in profound ways, are experiencing vast effects the crisis impacting Lebanon's society, services, and economy. Youth communities from all three nationalities are facing major obstacles when trying to penetrate the job market. Young Syrian refugees in Lebanon, 80 percent⁷ of whom are children or females, face limited opportunities to continue their education and resort to exploitive labor in order to survive, while living in fear and insecurity. Vulnerable Lebanese and Palestinian refugees face similar challenges and lack protection⁸ resulting in dynamics that cause significant psychological distress and further vulnerability.

Barriers on mobility, coupled with the lack of adequate protection services provision are contributing to the breakdown of social stability and are further inhibiting positive opportunities for youth. Moreover, access to education is challenging for Syrian and Palestinian refugee adolescents, and a decline in quality has contributed to dropouts among Lebanese students as well.⁹ Given many barriers to formal education in Lebanon, young people, as an alternative, need opportunities to learn in informal settings. Yet, the informal sector exposes young men and women to legal discrimination and exploitation. Unfortunately, civil society response has been weak in comparison, due to mismanagement in the humanitarian sector.

⁴Assessment of the Impact of Syrian Refugees in Lebanon and their Employment Profile – Executive Summary. International Labor Organization

⁵Syrian Refugees Impact on the Lebanese Labor Market. (2018). The Daily Star – BLOMBANK Invest Column.

⁶UNHCR - Registration - Lebanon - Map of Registered Syrian Refugees by District in Lebanon. (2018).

⁷Chbeir, R. (2018). Impact of Syrian Refugees on the Lebanese Labor Market. BlomBank Invest Report.

⁸Ibid. ⁹Ibid





III . METHODOLOGY

III. METHODOLOGY

A. YLMA Principles

The following guiding principles were set during the research design to provide youth with a unique experimental learning experience and to build their capacities:

- Youth Participation:** Youth were involved in the design stage to ensure they have an opportunity to provide input on the tools and processes used for the YLMA. This gives both greater ownership and learning to youth, and helps Mercy Corps to ground the process in the end-user (Youth) perspective.
- Social Inclusion:** The YLMA sought to bring youth from diverse backgrounds together to create positive community relationships and widen youths' networks.
- Building the capacity of our community based organizations (CBO) partners:** Youth For Tomorrow Program CBO partners were engaged in all phases of the YLMA to build their capacity and enable them to conduct similar or other assessments themselves in the future.
- Engagement & support of the private sector and the government:** Stakeholders from both the private sectors and government were engaged through business surveys and Key Informant Interviews (KII) to accurately collect the market needs and build partnerships and linkages with them.
- Adaptive program management:** Mercy Corps' Youth For Tomorrow Program (YFT) was adjusted based on findings of this study. The YLMA findings were integrated into the topic selection and design of the intensive courses offered in the YFT centers for youth.
- Market-driven systems approach:** ensuring that both needs of employers, employees and the environment are met: the YLMA aims at increasing market knowledge in order to guide youth in developing their skills.
- Different needs' representation including sex, age, and nationalities:** Different community groups face different needs and restrictions. The YLMA findings will highlight the appropriate opportunities for the different community groups it targets.

B. YLMA Process

With the beginning of 2018, the YLMA process kick started as Mercy Corps hosted a Training of Trainers session (ToT). The latter aimed to build the capacity of local facilitators to work with youth during the YLMA implementation. Participants included representatives from three local civil society organizations; Nabad, Akkarouna, and DPNA along with Mercy Corps staff members. The training provided a cooperative opportunity to share knowledge and resources, exchange ideas, and refine assessment tools. Mercy Corps also partnered with Remark Consulting, which in parallel supported the process through desk reviews, stakeholder mapping, and questionnaire formulation for the KIIs.

The next stage of the YLMA process was split between quantitative and qualitative data collection. Business surveys were created by Mercy Corps and distributed to local organizations. Trainings were provided to youth at each Bussma center by Mercy Corps staff and partners informing youth on the means to conduct a business survey. Volunteers received trainings on study design, data collection and data analysis. In Tripoli, Saida, and Barja, volunteers were both males and females, and

included all Lebanese, Palestinian, and Syrian nationalities. Debriefing sessions were held after the data collection period between Mercy Corps staff and the volunteers, in each region.

Moreover, the same youth volunteers moderated Focus Group Discussions (FGDs) in their respective regions. The goal of the FGDs was to understand local youths' perceptions on employment-related opportunities and challenges and to identify needs, aspirations and constraints related to their identities (e.g. gender, age, nationality, and others).

Meanwhile, with the support of Mercy Corps, consultants conducted KIIs with relevant local stakeholders. The purpose of the KIIs was to understand the larger ecosystem and enabling environment for employment and self-employment, as well as gather rich, qualitative data on opportunities for program linkages.

Following the data-collection phase, Mercy Corps conducted 'Learning Hour' meetings - a debriefing session of the data collection and FGDs phase, in each region with both youth members and consultants. This aimed to assess the limitations encountered, opportunities found, and lessons learned during the data collection phase.

C. YLMA Tools and Sampling

The YLMA consisted of several tools including desk review, KIIs, FGDs and business/employer surveys.

Desk Review: The primary goal of the desk review was to examine and analyze a range of legal documents, official statistics and reports related to youth and employment in Lebanon. It also provided a general background on the current economic, social, and political situation in Lebanon. Moreover, it ventured into opportunities available in each labor sector. The information provided was based on reports from donors, official government statistics, academic papers and legal documents.

Key Informant Interviews: To better understand the labor market context, Mercy Corps conducted 20 interviews with key stakeholders, namely TVETs (9 KIIs), local SMEs (8 KIIs), and government representatives (3 KIIs). The findings from these interviews helped identify potential employment opportunities and challenges for youth.

Youth Focus Group Discussions: Mercy Corps staff trained the youth to conduct 18 FGDs with Lebanese, Syrian, and Palestinian youth in the three regions targeted to better understand the specific differences, challenges and opportunities that they face in accessing employment opportunities. Focus groups were segregated by gender and by nationality. Each focus group was moderated by a young volunteer from the same nationality and gender.

	Lebanese		Palestinian		Syrians	
	Male	Females	Male	Females	Male	Females
Saida	5	9	4	2	0	5
Tripoli	8	2	7	2	3	4
Barja	3	8	5	2	3	5

Table 1: Focus Groups by Nationality and Region

Business Surveys (BSs): The goal of the business survey was to learn about local employers' perceptions of young workers and identify opportunities for employment. It was also useful to identify potential high-growth sectors. Interviewees were asked to identify which soft skills, technical skills and characteristics they value most in their employees. Youth participants surveyed 801 businesses in total. Divided by region they were, 300+ BSs in Barja, 300+ BSs in Tripoli, and 120+ BSs in Saida, which represented businesses from nine different sectors¹⁰.

¹⁰Agriculture and Agri-food, Construction, Environment, Healthcare, Creative Industries, ICT, Tourism, Retail, and Other.

D. Geography and other Key Selection Criteria

1. Geography

According to the initial desk research, three regions were selected as target areas for the YLMA study: Tripoli, Saida and Barja. These regions include both urban areas as well as surrounding peri-urban and rural areas, which is strategically beneficial for targeting various types of job opportunities. All three areas are relatively impoverished and have a dense population ratio. Mount Lebanon hosts the highest number of impoverished population (342,815), followed by the North Lebanon (287,950), and finally South Lebanon (117,723). Apart from the Lebanese capital, Beirut, Tripoli and Saida are the cities with the highest population in Lebanon, hosting 229,398 and 163,554 people respectively. Also, both areas host Palestinian camps and Syrian refugee settlements, which means that they have a large number of Syrian, Palestinian, and Lebanese youth, making intervention efforts more efficient. Moreover, a relatively conservative culture is shared among these three areas, which reorients the appropriateness of intervention efforts under the same standards and framework for action.

2. Business Selection

When setting the criteria for business selection, the main goal was to reach as many local businesses as possible. Hence, micro/small/medium/large businesses were selected. Moreover, according to initial desk research, business clusters in agriculture, tourism, construction, mechanical repair, carpentry, hospitality, and traditional food production were identified as priorities for vocational learning. Industrial businesses were also beneficial, as they pose no legal restrictions against Syrians and Palestinians, which is why industrial zones were also selected. This criterion was used to conduct BSs and KIIs.

3. TVET Selection

The main goal was to target all capacity building providers, vocational training providers, and formal education providers (i.e. schools and universities). These targeted groups were selected as the main stakeholders for the key informant interviews.

E. Youth Participation & Other Stakeholders

The table below lists other participants in the YLMA which guided the study and aided in data collection.

Stakeholder	Medium for Data Collection
Young volunteer Enumerators	YLMA training, Data debrief days
Youth from the community	Focus Group Discussions
Government stakeholders (Ministry of Labor, Ministry of Trade, Municipalities), Business/Employer Groups (Chamber of Commerce), Training centers (employment centers, vocational training providers), Training centers, Community Groups, Partner/Civil Society organizations	Key Informant Interviews (KII)
Private Sector (small, medium, large enterprises), and Non-governmental Organizations (INGOs, NGOs, CBOs)	KIIs, Business surveys

Table 2: Participants in the YLMA

F. Limitations

- › **Inexperienced Youth:** despite the benefits associated to having youths leading the field research process, and despite their extensive training, most remain inexperienced and this was sometimes reflected in focus group moderation and the notes taken during the discussions.
- › **Respondents' Attitudes:** Respondents approached by the youth were not always collaborative. Some would not answer questions that seemed too personal. Some were suspicious because they believed that the youth were representing a certain political party. In some instances, stores were too crowded. Sometimes the employer would be too busy and would send an employee to fill the survey who would not often have the adequate knowledge to do so.
- › **Barja Area:** Barja was the most challenging area in terms of scheduling KIIs with businesses. This area is far less economically developed than Tripoli and Saida, and job opportunities there are scarce and limited to a few factories.
- › **Unclear Data:** Although the BSs were plenty, some questions regarding nationality, discrimination, and gender-bias would merit further probing.





IV . FINDINGS – DEMAND
SIDE OF THE MARKET

IV. FINDINGS – DEMAND SIDE OF THE MARKET

A. General Economy and Employment

Long-lasting problems in Lebanon have taken a toll on livelihood opportunities of Lebanese, Palestinian, and Syrian communities. The challenges faced by all three communities are sometimes similar, although Palestinians and Syrians face far more limiting challenges related to work permits and sectors in which they can work.

The extensive informal economy in Lebanon means that significant portions of each population face inadequate working conditions characterized by long working hours, low wages, irregular work, no proper contracts, dangerous working conditions, and no benefits including retirement and healthcare.

Essentially, the Lebanese economy does not create sufficient jobs to accommodate for the new entrants into the labor market. This is thought to be due to several factors. First, rigid labor regulations make it difficult to develop businesses and hire talent. This is compounded by legislation that prohibits the operation of job-hunting firms. Second, there is a skills mismatch, which makes it difficult for employers to find the skills required for the available jobs. Third, poor governance structures in Lebanon results in a lack of well-developed institutions that could facilitate job creation¹¹. The lack of demand for a skilled educated workforce, together with prevailing low-standard working conditions, discourages youth from participating in the labor force, and pushes them towards emigration. According to the ILO, inactivity rates of youth in Lebanon were as high as 70% in 2013, compared to a world average of 52.6%¹².

Underemployment is also a significant issue. According to the ILO, the “types of employment available in Lebanon over the past two decades have been, on average, of relatively low productivity, usually indicative of low-quality, low-paying jobs in informal activities.” These jobs have gone to non-Lebanese laborers. Yet, the Lebanese native population has a high rate of tertiary level graduates; 19% of the population have university degrees¹³. This dichotomy between the education system and labor needs has meant that unemployment has a greater impact on the more educated. The highest rates of unemployment are observed at the secondary and university levels, 7.7% and 8.8% respectively. This has led the young and educated workforce to emigrate, while the relatively less-educated domestic workforce stays in Lebanon, encouraging the expansion of low productivity economic activities in the country, and creating a vicious cycle.

Low-productivity jobs also pose a problem due to the elevated level of labor informality. It is estimated that as much as 50% of the workforce in Lebanon is informal (paid hourly, daily, weekly, or on a productivity basis; or working for family). Most of these workers lack formal work contracts or social protection. Informal employment is more prevalent in the agriculture, construction, transport and commerce sectors¹⁴. Labor informality is also prevalent among the self-employed. In 2010, an estimated 30% of the labor force in Lebanon was classed as self-employed, a sizeable proportion of this informal. Nevertheless, informality in the labor force equates to vulnerable working conditions. In general, informal workers do not have social security benefits or formal legal contracts. Also, half of those employed informally earn less than minimum wage. A substantial portion of informal workers are non-Lebanese and are often children who drop out of school to financially aid their families¹⁵.

B. Business Expansion

The business expansion in the three regions of Barja, Tripoli and Saida seems to be split evenly between them. According to the data from the business surveys conducted, the overall response to anticipated growth was split between 387 positive

¹¹Abou Jaoude, H. (2015). Labor Market and Employment Policy in Lebanon. European Training Foundation
¹²Review and Assessment of Labour Market Information. The Consultation and Research Institute.
¹³Tzannatos, Z., & Kwarar, M. (2013). Youth employment in Lebanon - Skilled and Jobless. The Lebanese Center for Policy Studies (LCPS).

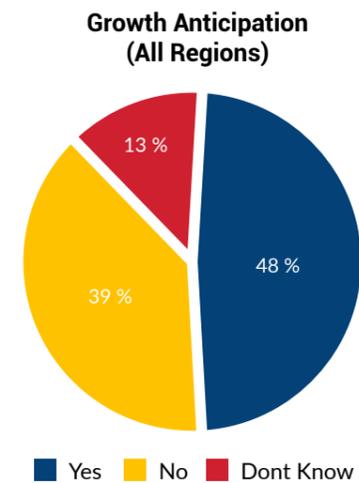


Figure 1: Anticipated Growth (all regions), retrieved from the BSS

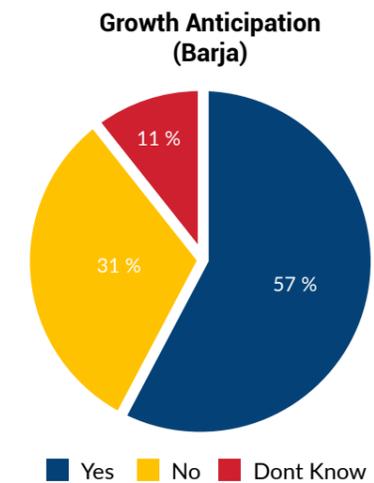


Figure 2: Anticipated growth in Barja Retrieved from the BSS

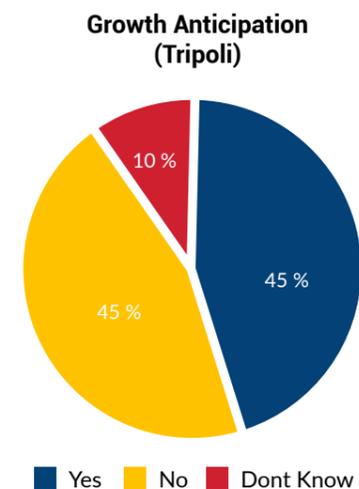


Figure 3: Anticipated growth in Tripoli. Retrieved from the BSS

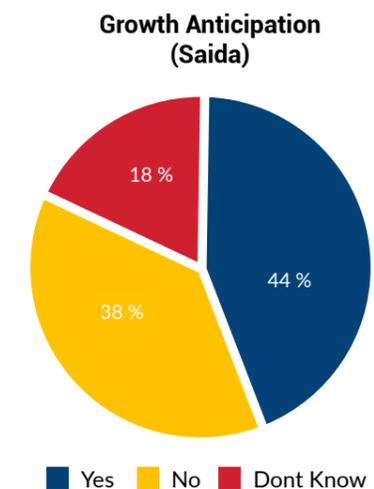


Figure 4: Anticipated growth in Saida. Retrieved from BSS

responses (48%) and 309 negative responses (39%). 13% of responses were not sure whether they will be anticipating growth, either because they have not properly assessed their financials, or even because they do not want to disclose that information.

These charts shed light on the similar divisions on the spectrum, where one third to almost half of SMEs are not expecting any form of growth in the upcoming years. These trends are reflected across most sectors, with sectors like Agriculture and Agri-food falling on the higher end of the spectrum (with two thirds of respondents answering “yes” to anticipated growth), and ICT on the high end of the spectrum (with only half of respondents saying “yes” to anticipated growth).

The higher incidence of ‘yes’ answers to expected growth in Barja can be attributed to this region's specificities, whereby businesses are generally smaller, less exposed to risks, and highly dependent on the local population rather than the broader Lebanon market. This means that within the context of the local communities and local consumers, small businesses can still thrive.

¹⁴Abou Jaoude, H. (2015). Labor Market and Employment Policy in Lebanon. European Training Foundation.
¹⁵Kwarar, M., & Ajiuni, S. (2015). Towards Decent Work in Lebanon: Issues and Challenges in Light of the Syrian Refugee Crisis. International Labor Organization.

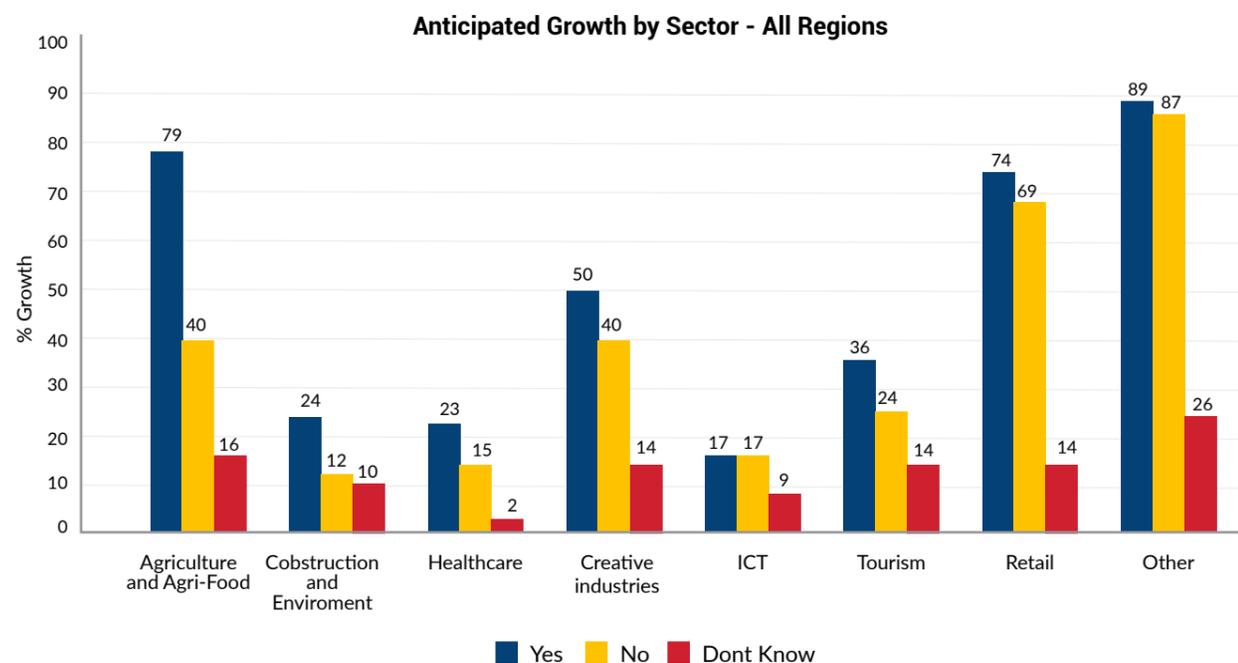


Figure 5 Anticipated Growth across Sectors in all regions (Retrieved from the MC Business Surveys)

Key Informant Interviews conducted with SMEs across the different regions have affirmed the same sentiments reflected in the business surveys. Three out of the eight interviewed firms expressed the presence of growth (yet with difficulty), the four remaining were experiencing a decline in growth, and the fifth was at a stable state, claiming that the economic conditions are inhibiting any growth initiatives.

“[Business] is not growing. . The number of the projects we had was much higher in the previous years than it is now.” – Drillerz

C. Challenges to business expansion

Respondents have identified several issues and concerns related to growth, which sometimes varied depending on the sector:

Weak prosperity of the Lebanese economy: The main issue related to stunted growth has been the vicious cycle dominating the Lebanese economy. The political instability in Lebanon has led citizens to hold on to their money and spend it on basic needs instead of luxuries. Consequently, there is less money being spent on the market, not enough to sustain the local businesses. Hence, business owners are failing to meet their sales and profit targets, which is making them lose money, and destroying theirs (and others) businesses. Though according to economists and growth experts’ statements, Lebanon will experience significant growth after the parliamentary elections in 2018 ¹⁶, these claims are still premature to translate into real figures.

“All companies are affected by each other and since the general work environment is not good, all companies are negatively affected.” – Mina Phare SARL

Syrian Refugee Crisis: A major factor speeding up the economic deterioration in the Lebanese economy has been the ongoing Syrian refugee crisis. Debate has stirred over the effects of Syrian refugees on host communities. According to various research and official figures, the Syrian crisis has had negative repercussions on the economy and the labor market. Economic

growth has slowed, private investments have been reduced, the trade deficit has expanded (at 1.42 billion in 2018, compared to 1.24 billion in 2013)¹⁷ and real estate and tourism – the two most important sectors – have declined. The Syrian crisis and the influx of refugees into poor communities in the peripheral regions of Lebanon have imposed enormous challenges on the country in general and on host communities. In particular rural and impoverished areas in Saida (South), Tripoli (North), and Barja (Mt Lebanon), a substantial portion of Syrian refugees have settled (as well as already-present Palestinian refugees). This, on one hand, has exacerbated the living conditions of host communities and created more competition for employment (as stated previously). On another hand, this has been beneficial for some employers and business owners, who have benefitted from less costly labor¹⁸. In addition, a number of micro and small Syrian-owned businesses are opening up in the host regions. These enterprises sell goods (originating from Syria) at lower prices and thus pose a threat to equivalent Lebanese businesses. The overcrowding in these regions has caused an increase on the price of commodities, and, has put increasing pressure on scarce resources such as healthcare and education¹⁹. The combination of all these factors has created a sense of resentment from the host communities towards Syrian refugees. Indeed, employers are blaming refugees for receiving aids from international and non-governmental organizations, claiming that they are the ones in need of aid.

“Organizations aids is for Syrians and no aids are provided for Lebanese” – Mina Phare SARL

No governmental support for SMEs: Business owners are going beyond the claims above and blaming the Lebanese government for neglecting their needs altogether. Some businesses have complained about the government’s neglect of their entire region (be it Saida, Tripoli, or Barja). The lack of effort to boost development in these regions has caused residents to migrate to Beirut or to leave the country. The remaining residents are too impoverished to leave, and thus do not possess the adequate purchasing power to boost growth.

“In general, business is slow in North Lebanon and our main office is located in the North. We have never witnessed any kind of support by the government.” – Unitec for Engineering, Contracting & Trading

Other business owners blame the government for not updating laws that are prohibiting them from expanding their businesses. For example, added expenses imposed by taxing regulations and labor laws have discouraged employers from recruiting new staff. Import/Export regulations have posed a major problem for more than one interviewed private company. The lack of protectionist regulations has made it hard for local companies to compete with imported manufacturers which offer the same product for the same (and even lower) price. Moreover, imported goods do not have a set floor for prices. Consequently, the same product can be sold at a cheaper price at the store next door, creating chaos in the market. This challenge is especially flagrant in the agriculture and agri-food industries.

“We import some products from Turkey and some traders are smuggling in the same products without paying any taxes or duties. They are therefore able to sell the same products at cheaper prices which affects our company” – Fine Food Co. SARL

D. Out-Migration

Lebanon’s natural population growth rate has receded as its age distribution has been increasingly resembling that of a more developed country. It is notable that population growth rates after 2000 have increased as Lebanese emigrants have returned to the country after years of civil war and have been joined by significant numbers of Syrian migrant workers, Iraqi refugees, other migrant workers from Asian countries and, after 2012, by a large influx of Syrian refugees. If the estimates of total population growth, which include net migration, are accurate, then about two-thirds of population growth in Lebanon since the year 2000 has been due to immigration.

Low-skilled laborers make up a sizable proportion of the foreign labor immigrants in the country. They come mainly from the Middle East, Asia and Africa and tend to have low levels of education. Most foreign workers are often informally employed in construction, agriculture and domestic work (mostly women). Although legislation on the entry, stay and exist of foreign nationals was adopted as of 1962, a lack of official data makes it difficult to enforce. Furthermore, different treatments apply to different nationalities, which increase ethnicization among migrants. Despite having a longer history in the country, Palestinian refugees still face with legal restrictions which is increasing unemployment rates in their communities.

¹⁶Maloy, TK. (2018). Lebanon looking at 2.8 percent economic growth. Annahar. Retrieved from: <https://en.annahar.com/article/735022-lebanon-looking-at-28-percent-economic-growth-this-year>

¹⁷Antonios, D. (2018). Lebanon’s Trade Deficit Widened to \$1.42B in January 2018. BlomBank Invest – Economic Digest.

¹⁸It is important to note that the logic behind the decision of an employer to hire a Syrian over a Lebanese, could be because the employer does not have the means to pay the salary for a Lebanese employee (a case especially relevant in impoverished areas such as Tripoli, Saida, or Barja).

¹⁹International Labor Organization. Assessment of the Impact of Syrian Refugees in Lebanon and their Employment Profile. Retrieved from: http://www.ilo.org/wcmsp5/groups/public/@arabstates/@ro-beirut/documents/genericdocument/wcms_240130.pdf

E. Hiring trends (overview of relevant employment trends)

a. Recruitment process

The main methods used by employers are the following:

Through friends, word-of-mouth, social circle, personal relations: Many employers use informal methods to fill their vacancies, including word of mouth, or being approached directly by job seekers, or keeping a hiring application on their front desk. Informal methods of recruitment are most commonly used by employers in regional areas, where up to half of vacancies are not formally advertised, or when filling lower skilled vacancies. Some employers approach potential applicants directly about job opportunities, while others ask existing employees, friends, or family members if they know anyone who may be interested in the position.

“Candidates approach us directly asking for a job or we find them through friends, relatives and relations” – Drillerz
 “[We do our recruitment] Through friends, and referrals.” – Unitec for Engineering, Contracting & Trading

Out of the interviewed employers, the businesses which belonged to the construction, agriculture, agri-food, or environment sectors (sectors which need a high number of low skilled labor), relied on this method the most. Solino, Unitec, Fine Food Co, and Drillerz, all stated that they rely on “friends, or relatives” to search for potential talent.

Archived Resumes: Employers often set up an ad on their website, in a newspaper, or on their social media page, and receive a wide range of resumes. Alternatively, candidates reach out to the company and hand in a physical copy of their resumes, regardless of whether there is a position available or not. Companies then archive these resumes and use them once they do get a job opening.

“People come to us asking for a job. We now have 1200 CVs in our archive. We review and check those CVs when we need new employees.” – Lavajet.

“We receive applications every day and keep them archived.” – Solino

This type of recruitment is not restricted to low skilled labor only, as noted by the employers interviewed. However, there is a difference in the recruitment process. Applicants for low-skilled labor do not go through heavy screening, whereas the applicants for managerial level jobs go through second and third interviews.

Human Resource (HR) Department: Funding for an HR department could be quite costly, which is why many businesses which fall on the smaller side of the scale opt out and prefer doing recruitment by themselves. All (except one) of the interviewed businesses did not have an HR department, and relied on the business owner to handle all recruitments. Though outsourcing HR services is a viable option in Lebanon, it would still take up a substantial portion of the budget, leading employers to dismiss that option. The reason behind that choice would be financial restrictions, considering that the all interviewed companies have mentioned struggling in growing in such a deprived local environment. The only respondent which had an HR department was Kasr Al Hallab, a company now considered as a Lebanese, regional, and even international franchise.

Collaboration with universities: Regardless of the high number of benefits associated with internships and collaborations with universities, some employers still do not see the value of taking in interns. Across all three regions of Tripoli, Saida, and Barja, more than 700 business owners did not have any interns. Moreover, only around 160 business owners admitted they were interested in hiring interns in the future.

However, when it came to hiring fresh graduates, many business owners interviewed stated that their youngest employees are 18 years old. Kasr Al Hallab, for example, stated that most of their operational employees are part-time university students.

“The youngest recruits are 18 years-old. Most are part-timers at universities.” – Kasr Al Hallab

In fact, for positions that require harsh physical labor, most employers prioritize youthfulness over experience, as the technical skills can be learned on the job.

“The minimum age of recruitment is 18 according to labor laws and the maximum is 35 as this work needs physical efforts” – Lavajet

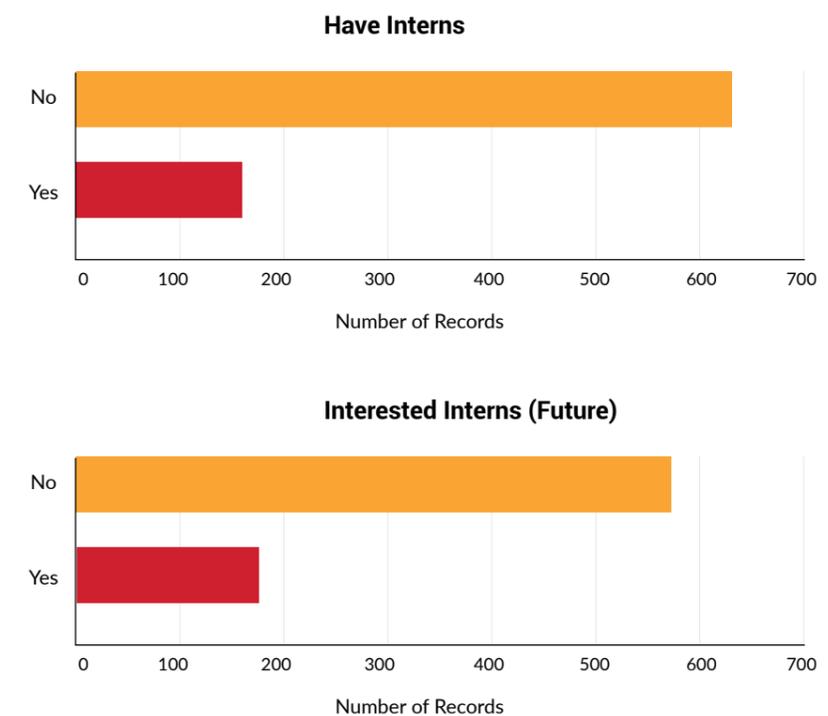


Figure SEQ Figure 1* ARABIC 17 Employers views on Interns (Retrieved from MC Business Suveys)

b. Difficulty in Recruitment:

The recruitment process is not always easy for businesses in Lebanon. A major obstacle to economic growth and job creation stems from the existence of a ‘skills gap’ in the Lebanese marketplace. Despite high levels of tertiary education, Lebanese companies have voiced complaints throughout the BSs and KIIs about not finding the skilled labor they need. Moreover, among those who are already employed, 41% believe that their education is not relevant to their current occupation²⁹. The inequality of the education system, which affects labor supply, coupled with the lack of economic reforms that impacts on labor demand create an unhealthy competition for jobs thus inadequate economic opportunities for young people.

Scarce skills demand: Many of the new jobs require new skills. Bank tellers now need marketing skills, not just cash handling; secretaries do less typing, thanks to word processing, but they now also act as travel agents. In many of the new jobs, the required skills are difficult to learn, because the technology changes rapidly. As noted by some of the stakeholders from the private sector, it is extremely rare find talent that meets the job requirements..

“We are finding it hard to recruit talents for technical skills related to baking Lebanese sweets.” – Kasr Al Hallab

“We need qualified lab workers and quality control experts” – Solino

Low-skill labor demand: More and more students are graduating every year, and businesses are not providing enough employment opportunities due to their low economic standing. While Lebanese nationals opt for jobs which require semi-skilled labor, the demand is oriented towards low-skilled labor jobs, a field dominated by foreigners.

“In many of the positions we have, we do not really need technical skills, we just they need physical capacity.” – Lavajet

“We do not need technical skills, we just need basic literacy and life skills.” – Mina Phare Sarl

“We need factory workers” – Solino

This has led many Lebanese youth to take on jobs which require low-skilled labor on part-time basis, creating an “underemployment” situation in the labor market. Others have taken on jobs matching their specialty fields, as they have found difficulty in finding a job which corresponds with the material they have learned at vocational school.

Scarce Soft-skills knowledge: Soft skills are particularly important in customer-oriented jobs where interpersonal communication and other personal skills are needed. These employees will typically be in direct contact with customers.

²⁹Ibid.

which needs a few soft skills to be able to listen and provide the customer with helpful and polite service.

“In our company we found difficulties in recruiting Sales Representatives who should have excellent communication skills and a decent look.” – Fine Food Co Sarl

Soft skills are extremely important, noting that young graduates do not only have to compete for semi-skilled jobs, but also have to compete with older generations, which have acquired soft skills through their work experience. This puts youth at a losing standpoint and takes away many of their job opportunities.

c. Skills desired by employers

When voicing their preferences regarding the skills they desire in an employee, most employers stated life-skills as a major characteristic desired.

In fact, the business surveys convey that 475 of the interviewed business owners looked for employees with adequate communication skills. Cognitivism in team-work, problem-solving, organizational skills, and good attitude were all stated as highly important by the stakeholders interviewed. The same has been reflected in the business surveys, with working under pressure (70), teamwork (57) and time management (54), were stated respectively as the most desired skills by employers.

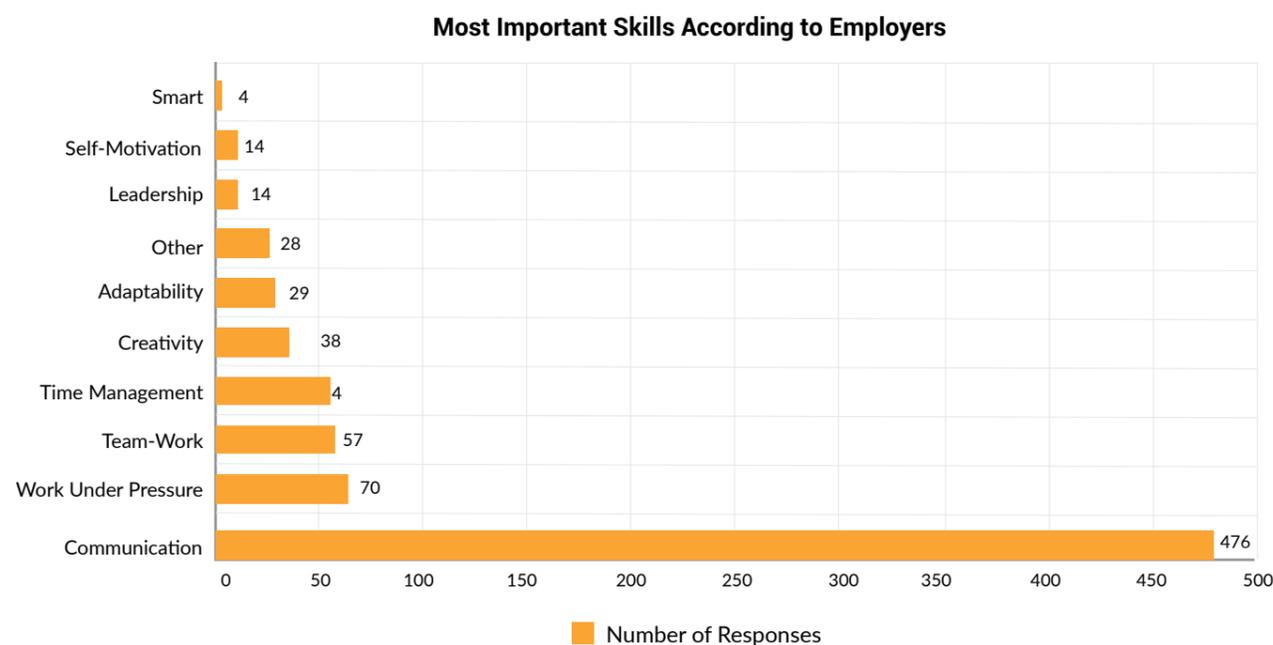


Figure 5: Most important skills according to employers (Retrieved from MC Business Surveys)

This was also reflected in the Key Informant Interviews conducted, when employers were asked whether to prioritize life skills or technical skills. Even in sectors which demand hard labor such as Construction and Agriculture, life skills are more important, as technical skills can be learnt on the job.

“Our team ethics are very high because we still consider ourselves a family business. Therefore, an employee needs to have high teamwork abilities. That needs to be apparent in their communication skills. They need to communicate with each other as if they’re family.” – Solino

“Life skills are as important as technical skills as they are working in a team and with customers.” – Drillers

“Life skills such as communication skills, problem-solving, teamwork and respecting others are as important as technical skills for us. Employees have office work and fieldwork that both need these kind of skills.” – Unitec for Engineering, Contracting & Trading

However, it is worth noting, that other skills, which are relatively more basic, were also desired by employees. Knowing languages (English, Arabic, French) was stated as a major skill desired, especially for positions related to management and

communication with customers. Whereas basic reading and writing skills were important for positions related to manual labor.

“Laborers here do not need technical skills, just reading and writing skills.” – Mina Phare Sarl

“Basic literacy is important. Knowing English is also preferable.” – Drillers

F. Employer's Perception of Youth

Though the economic deterioration in Lebanon is limiting business owners from employing new talents, employers' perception of youth has been positively reflected as overall through the business surveys.

Respondents across all three regions strongly agreed that youth are reliable. However, it is important to note that a high number of respondents were neutral regarding the reliability of youth, i.e. there are more layers and attributes that need to be taken into consideration. Many employers responded according to their own experience in dealing with youth members, yet have never employed them in their business, and thus cannot make an accurate judgement.

Employer's Perception of Youth Reliability by Region (Number of Respondents)

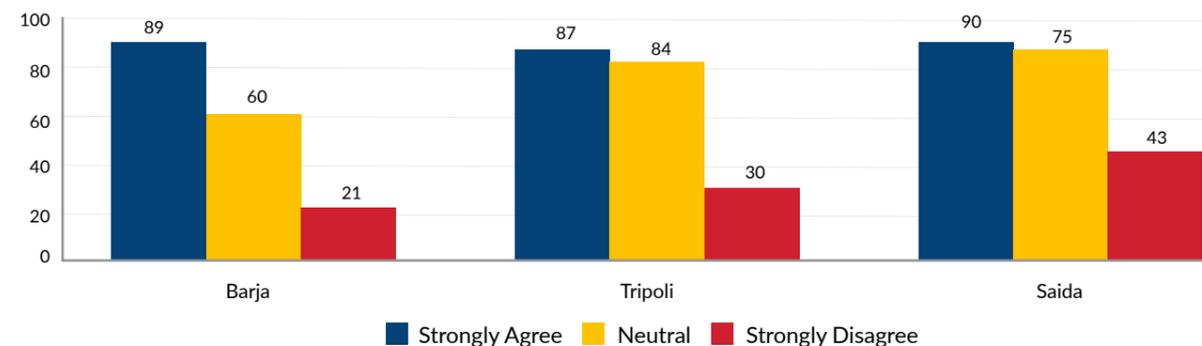


Figure SEQ Figure 1* ARABIC 19 employers' perception of youth reliability per region (Retrieved from MC Business Surveys)

Across the different sectors, there seems to be a consensus regarding the respondents' opinions on reliability of youth.

Employer's Perception of Youth Reliability by Sector (Number of Respondents)

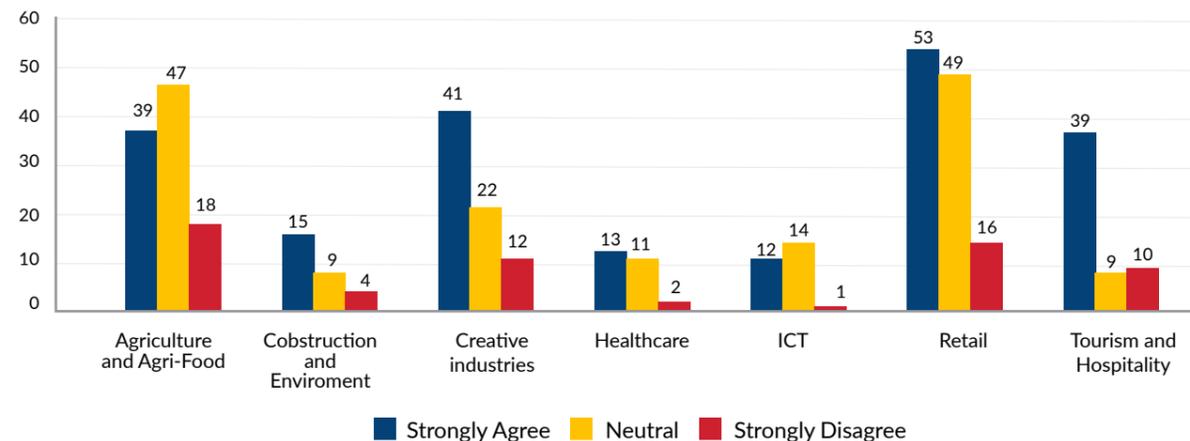


Figure 7: employers' perception of youth reliability per sector (Retrieved from the MC Business Surveys)

Employers from most sectors, and across all regions strongly agreed that youth are hardworking and motivated to work, as shown through the data compiled by the business surveys. In agriculture and retail though, results are weaker with many neutral and some negative answers. This may be related to the fact that retailing requires more customer facing than sectors like construction, creative industries or ICT. Youths have also become increasingly reluctant to work in agriculture and / or agro-food sectors as other industries such as ICT and creative industries tend to be more attractive for new generations. Agriculture and agro-food have simply lost their appeal for youth and this may be the reason why employers perceive the youths as being unreliable to work in these sectors.

Employer Perception of youth regarding Motivation, Hard Work & Professionalism

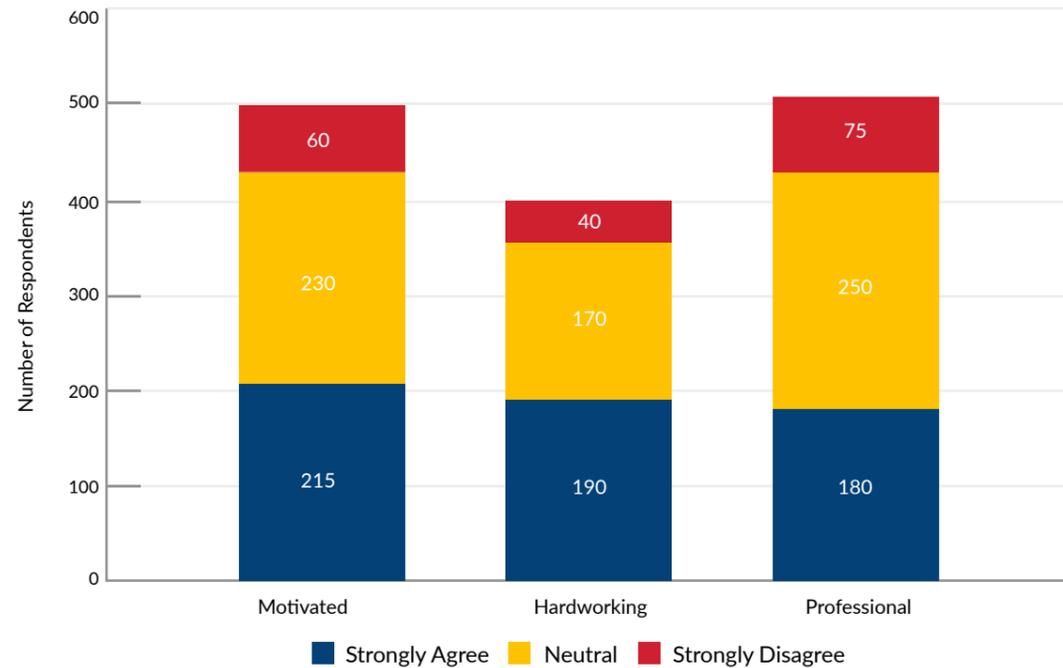


Figure 8: Employers perception of youth regarding Motivation, Hard work, and Professionalism across all sectors and regions (Retrieved from MC Business Surveys)

Survey results showed that most employers trust the skills of youth, which can be a positive indicator, as youth are more familiar with modern business techniques. Moreover, youth are more creative and innovative, and can introduce new methods to improve business productivity. For example, a youth employee can set up an online delivery system for a minimarket, thus increasing the sales of the business owner. However, the highest number of responses were "neutral" which can pose question marks on the modernity and relevance of the educational system. Though youth might have the capacities to bring an added value to a company, that added value does not always come from the skills learned at school or university.

Employer Perception of youth regarding Adequate Skills and Education level (number of Respondents)

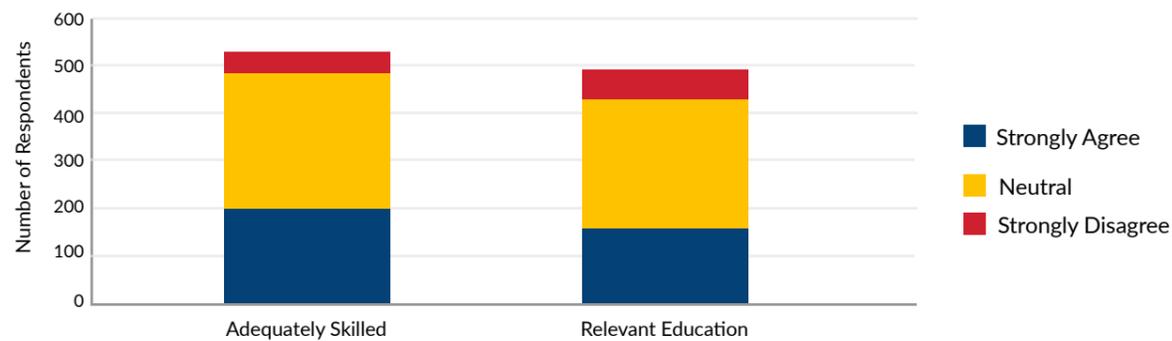


Figure 9: Employers perception of youth regarding Adequate Skills and Education Level (all regions and all sectors) (Retrieved from the MC Business Surveys)

The statement above can be reinforced by the perception of employers regarding education system. The "neutral" responses were high compared to the rest as seen in the chart below.

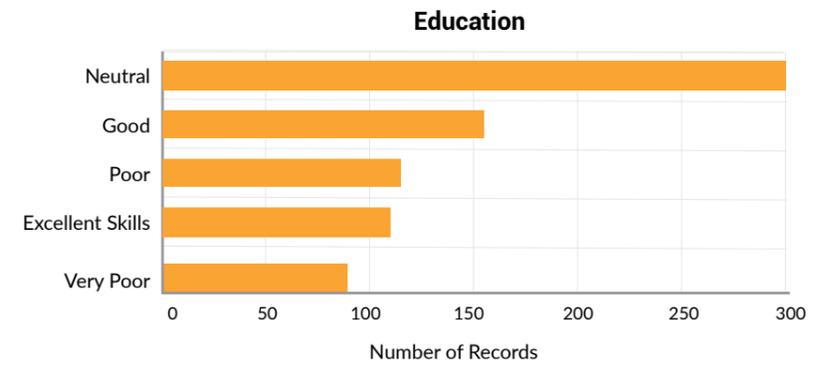


Figure SEQ Figure * ARABIC 23 Employer's perception of youth's education (Retrieved from the MC Business Surveys)

Employers however had valuable feedback regarding the youth's technical skills, commitment and discipline, and communication skills. The responses were highly positive and only a few businesses had negative feedback. Nevertheless, when it came to youth's ability to apply knowledge, feedback skewed negative as shown in the graph below.

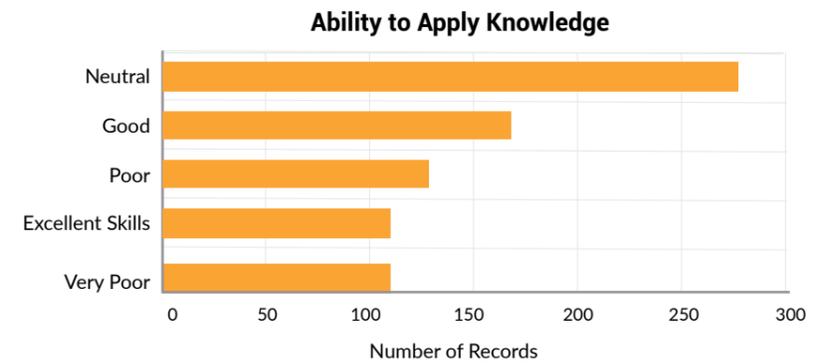


Figure 11: Employers' perception of youth's knowledge application abilities (Retrieved from the MC Business Surveys)

All in all, the business surveys reflected trust in the overall abilities of youth in all three regions of Mount Lebanon, North, and South.

Employer's Perception of Youth's Overall Ability Per Region

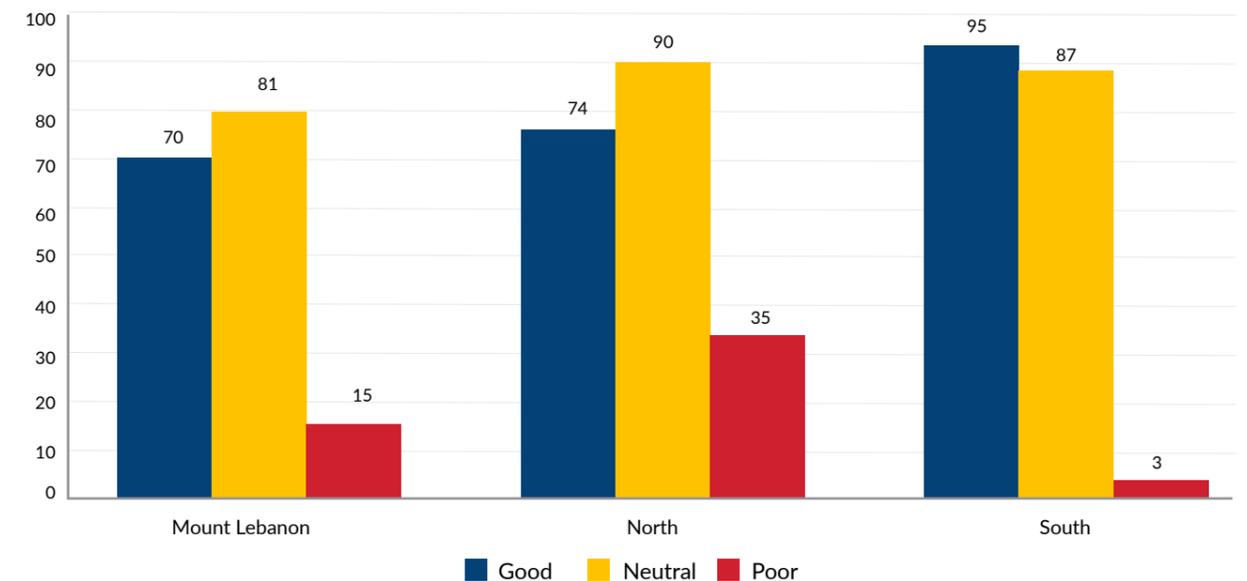


Figure 12: Employers' perception of youth's overall abilities per region (Retrieved from the MC Business Surveys)

Recruitment according to gender

At the national level men represented 77% and women 23% of the total employed population, a difference that is reflected at all age levels.

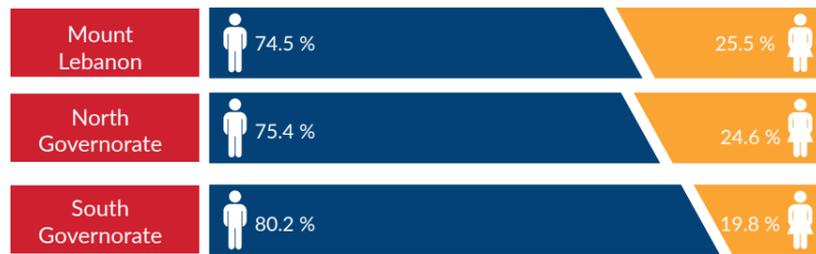


Table 3: Percentage Distribution of employed by gender (Retrieved from ILO 2016)

Social barriers: In many cases, women are employed in managerial and administrative positions. However, as noted in the sectoral analysis, the rising sectors which can generate high income for the regions are usually industrial or agricultural, in other words male-oriented. Sectors with high demands for physical labor are usually unpopular to women.

Whether Syrian, Palestinian, or Lebanese, women living in Barja, Saïda, or Tripoli are likely to face discriminations and social pressures by their communities if they were to enter a male dominated field. Women are more encouraged to take on traditionally female-oriented jobs (like beautician, makeup artist, secretary, caregiver etc) as these jobs do not require long working hours or harsh working conditions. Moreover, these jobs can be done from home, which would be an added benefit as women would not need to travel at late hour.

Nevertheless, there seems to be a social barrier even when accessing jobs in the retail, tourism, healthcare, and creative industries sectors (or sectors which are perceived as predominantly female-friendly and which do not require arduous physical labor), as employers stated that they would prefer hiring males over females.

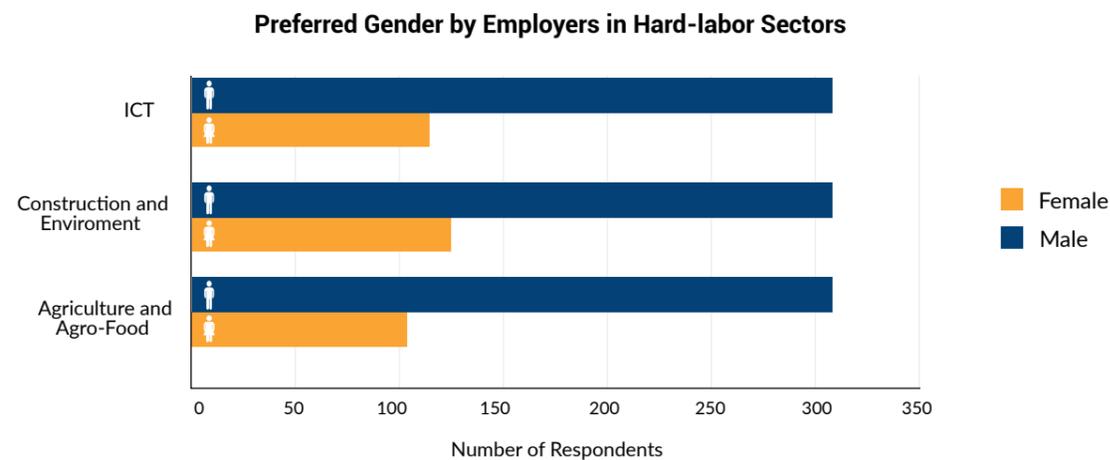


Figure 27 Preferred gender by Employers all regions (Retrieved from MC Business Surveys)

Marital Status: A gender bias in Lebanon is attributed towards women's marital status. A married man is seen as a responsible adult, i.e. the man has a family to look after, and therefore will perform to his highest capabilities on the job. Whereas a married woman is seen as constantly preoccupied by the needs of her husband and children, and thus not taking her job seriously. Accordingly, employers would prefer to hire a married man over a married woman.

Preferred Gender by Employers - All regions

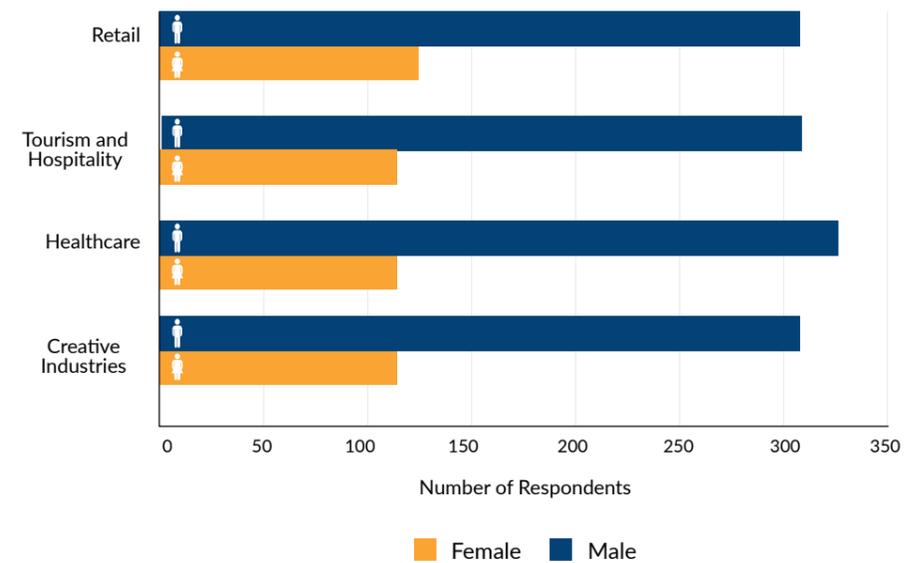


Figure 14: Preferred gender by Employers all regions (Retrieved from MC Business Surveys)

Similarly, a gender bias is attributed when women are single. Therefore, a single man is seen as career-driven and hardworking, whereas a single woman is seen as volatile and ready to take on any chance of marriage.

Recruitment of Syrians and Palestinians

The key informant interviews shed light on various trends regarding the recruitment of Syrians and Palestinians. The most obvious trend was the recruitment of Syrians in low-income jobs which required intensive labor, namely in the agriculture, environment, and construction sectors. Companies such as Fine Food Co. Sarl, Fenestra Windows Sarl, Unitec for Engineering, Contracting & Trading, and LAVAJET all have Syrian and Palestinian workers in their factories/on the field.

- “I have some Syrian workers in vocational positions like plumbing and electric works.” - Lavajet
- “Syrian employees take genitor positions or working on the machines” - Unitec
- “98% of Syrians do stone decoration for buildings along with working on concrete, and construction.” - Drillerz

Solino was the only business interviewed which had Palestinians and Syrians occupying high positions. It also pinpointed that only Lebanese women work at the factory. The foreign workers cannot thus be counted as youth, as they have been working in the factory for more than a decade.

- “We have two Syrian engineers and one Palestinian worker” - Solino

Kasr Al Hallab, does not hire any foreign workers within neither their administrative staff nor their operational staff. because according to them their business is a touristic attraction in the North. Customers expect to see Lebanese workers, as Mr. Sassine stated, and they are keen on hiring vulnerable Lebanese youth, as a priority.

- “The Tripoli branch is a touristic spot. People would prefer seeing Lebanese workers.” - Kasr Al Hallab.

Hence, when it comes to jobs which require low exposure and arduous work behind the scenes, employers are not being restrictive in employing Syrians and Palestinians. However, it is worth noting that these jobs are often highly labor-intensive, pay little compensation, and often are not secured by a formal contract, putting Syrians and Palestinians at a higher risk.



V. FINDINGS – SUPPLY
SIDE OF THE MARKET

V. FINDINGS – SUPPLY SIDE OF THE MARKET

Supply can be split between the youth members (job applicants), and the educational system (preparing youth for the job market).

A. Youth Perception of the Labor market

Challenges in seeking employment are as follows:

Professions pursued do not match labor market needs: Though sectoral trends are geared towards industrial jobs in agro-food, STEM, and other subsectors, youth members which have participated in the focus group discussions do not seem connected with these fields. When asked what jobs they would like to pursue, a variety of jobs were stated, namely photographer, football player, tattoo artist, Zumba instructor, actor etc ²¹. In other words, young people are more attracted to liberal professions.

Lack of experience in technical/life skills: An issue stated by all youth members in all regions was the struggle in finding a job with little-to-no experience²².

Favoritism corrupting hiring practices: These hiring practices are so embedded in the Lebanese system and culture that youth have lost hope in trying to find a job without using nepotist means. These types of practices are increasingly seen at jobs with a high level of competition.

Low-skilled jobs and semi-skilled jobs often do not require a short-listing process. Employees are hired through word-of-mouth or third-party connections, pinning Palestinian, Lebanese, and Syrian communities against one another.

- “Palestinian employers only employ Palestinians to be sympathetic with their own people” – Lebanese Male, Barja
- “In Sibli they prefer Lebanese, if the employer is Lebanese, because they believe that Lebanese are not being prioritized and are not finding adequate jobs” – Palestinian Male, Barja

Another point worth noting is that a Lebanese youth, be it male or female, in all three regions, stated “jobs in the government” as a desired profession. This is due to the benefits that come with a job in a government institution such as free education for children, free healthcare, and a retirement pension. However, many complained that jobs in the government cannot be attained without the use of connections and nepotism, which is putting a barrier on their goal.

- “Even if I apply to governmental positions I need to have affiliations.” – Lebanese Male, Tripoli
- “Unequal access to jobs in the public sector due to sectarian discrimination.” – Lebanese Female, Saida

Mirror-image of Palestinians, Syrians, and Lebanese: Mirror-image, a term used by sociologists to define conflict, is when members of two different communities develop parallel images of themselves and the other, except with their values reversed ²³. Mirror-image is heightened when there is a competition over scarce resources, in this case for job opportunities. A prevalent behavior among youth communities was their anxiety regarding scarce job opportunities. Many have blamed the opposing two communities for monopolizing all the job opportunities and leaving none for their own members. Palestinian youth complain about how employers prioritize Lebanese and sometimes Syrians as the former are nationals and the latter take lower wages. Syrian youth complained about how employers prioritize Palestinians and Lebanese because of negative stereotypes against them. And Lebanese youth complained about how employers prioritize Palestinians and Syrians because they accept to work for lower wages. Moreover, Palestinians from Syria have voiced discrimination from both Palestinians from Lebanon and Syrians.

- “Lebanese people have lost their jobs due to the influx of Syrian refugees. Unemployment of Lebanese has increased because Syrians accept to work for lower wages. There is a lot of competition happening due to foreign workers.”

²¹Retrieved from Focus Group Discussions with Lebanese Males (Saida), Palestinian Males (Saida), and Lebanese Females (Barja).

²²Debrief session with youth members

²³Kelman, H. (2008). A social-psychological approach to conflict analysis and resolution. p. 170-183



– Lebanese Females Saida.

- “Once the employer knows that the applicant is a foreigner (Palestinian or Syrian) they reduce their salary and reject them.” – Palestinian Female, Saida.
- “Syrians who seek employment at Lebanese-owned businesses, can’t get the job.” – Syrian Male, Barja.

Gender-bias: Women and men are often held to different standards at the workplace. Both men and women in focus group discussions stated that females are not seen as strong as males and cannot handle as much pressure or physical stress as males. Moreover, women are perceived as tied down to their family, husband, and children. Therefore, women cannot work long hours, and cannot reach high positions because of the required responsibility will take their mind off their families. Women from across all nationalities have voiced these gender biases as reasons for why they face difficulties in accessing jobs. Women have stated that there are high social pressures that inhibit them from wanting to get a job. Their parents or husband restrict them from leaving their house. Even employers do not accept them because of the risk of getting pregnant and having to pay for maternity leave.

- “Women need approval from their entire male family members (even sons).” – Syrian Female, Saida.
- “There are too many social pressures that inhibit confidence to go out to work. Even pressure from strict parents.” – Lebanese Female, Saida.

Women are even paid lower salaries and are not given as many promotions as their male counterparts. Women are vulnerable and unable to handle responsibilities. Moreover, as most business owners are males and come from conservative upbringings, they prefer not to employ women altogether to avoid dealing with these issues.

- “Some business owners do not know how to deal with girls therefore avoid employing them” – Lebanese Female, Barja.
- “Yet some employers believe that girls are more gullible and cannot handle responsibility” – Palestinian Female, Barja.

Limited sectors: As some sectors require working overtime and arduous labor, women have a smaller pool of sectors to choose from. Moreover, as some women can only work from home, this pool becomes even smaller. This limits the opportunities for women and creates an issue which is not faced by their male counterparts. Moreover, veiled women have found an additional obstacle, as many business owners do not employ them for being veiled, and many government positions are not available for that same reason.

- “Waitresses at restaurants should not be veiled. This gives better job opportunities for males.” – Lebanese Female, Barja.
- “They believe that women who are not veiled can attract customers, which is why they don’t employ veiled women.” – Lebanese Female, Barja.

However, many women view gender as a strong point, and a key to several professions. Mainly, professions such as makeup artist, hairdresser, beautician, secretary, caregiver etc. favor women, because they are targeted towards women customers.

- “Women can work as teachers because of their maternal instinct” – Lebanese Female, Tripoli.

However, many women view gender as a strong point, and a key to several professions. Mainly, professions such as makeup artist, hairdresser, beautician, secretary, caregiver etc. favor women, because they are targeted towards women customers.

- “Women can work as teachers because of their maternal instinct” – Lebanese Female, Tripoli

B. Skills & Skills gaps

Building Technical and Life Skills: The skills learned at vocational institutions and even in independent workshops, are not matching the requirements of the labor market, according to a UNESCO report.

According to UNESCO²⁴, the skills that are most desirable in the Agriculture and Agro-food sectors are the following:

1. Research and Development Managers for new product development skills in food color, smell, taste, texture, nutrition facts, packaging, and shelf-life, machine maintenance, etc.
2. Chemical Science Technicians for food processing skills related to food hygiene and new production techniques, laboratory testing etc.
3. Agricultural, Forestry, and Fishery Laborers IT skills and machine maintenance, as well as soft skills such as social skills, communication, empathy, and pro-active service attitude,
4. Technicians for Packing, Bottling and Labelling vocational skills and physical strength,
5. Plant and Machine Operators and Maintenance Technicians machine maintenance, sanitary control, traceability, etc.
6. Services, sales, and trade skills related to finance, IT, quality assurance, and the local market knowledge. Furthermore, skills such as communication as well as promoting and marketing products are highly requested.

According to the Key Informant Interviews, , the skills in highest demand in the Construction and Environment sectors are the following;

1. Communication English skills in specific,
2. Problem-solving,
3. Green-building experts,
4. Health and safety experts,
5. IT and design,
6. Renewal energy technicians,
7. Waste management technicians.

according to the UNDP, the most desired skills in the ICT sector are the following;

1. Literacy in investment and financing through a change in university curricula
2. Cloud computing and coding through a change in university curricula
3. Literacy in project management through soft-skills training
4. Team-work abilities through soft-skills training.

according to a labor market assessment by the DRC²⁵ the most desired skills in the Creative Industries sector are the following;

1. Sales and digital marketing,
2. Packaging and shipping,
3. Organic artisanry,
4. Social Media experts,
5. Financial literacy and management

according to the Key Informant Interviews the most desired skills in the Healthcare sector are the following;

1. Technicians,
2. Radiologists, radiotherapists,
3. Intensive Care nurses,
4. Laboratory workers.

It is worth noting that job experience is highly valued by youth and by employers. Therefore, a system which can link employers to youth communities should be put in place to ensure increased communication between youth communities and business owners. Increased experience can expose youth to the needs of the job market and can also develop their soft skills on the job.

Moreover, though other sectors were mentioned in the report, namely tourism and banking, these sectors are restricted to Lebanese nationals, thus Palestinian and Syrian youth cannot benefit from them.

C. TVETS and training institutions - status, capacity, limitations

a. General Overview of TVET status in Lebanon

Vocational and technical education (VTE) has two separate areas:

Vocational training which deals with manual trades and those whose technological development does not involve very extensive general knowledge. There are three strands of vocational training leading respectively to:

- › the Certificat d'Aptitude Professionnelle (CAP – vocational training certificate);
- › the Brevet Professionnel (BP – vocational certificate);
- › the Formation Professionnelle de Maîtrise (FPM – Advanced Vocational Training).

(Under a recent decree, the name of the Formation Professionnelle de Maîtrise (FPM - advanced vocational training diploma) certificate has been changed to the "Baccalauréat Professionnel" - vocational baccalaureate).

Steps are also being taken to abolish the CAP and BP and replace them with a single cycle of initial vocational training for some purely manual trades. The changes are currently in the early stages of being discussed and there is no clear roadmap or implementation plan with concrete milestones. Reducing the focus on CAP and BP could lead to a stronger interest in technical education which is where huge gaps currently exist in the job market. It may therefore work in favor of youths, encouraging them to seek a type of education that can guarantee better and well paid jobs.

²⁴Skills Forecasting for the Agro-Food Sector in Lebanon. (2017). UNESCO. Retrieved from <http://www.unesco.org/new/fileadmin/MULTIMEDIA/FIELD/Beirut/JanaA.pdf>

²⁵Rapid Market Assessment and Skills Gap Analysis. Danish Refugee Council. Retrieved from <https://reliefweb.int/sites/reliefweb.int/files/resources/63156.pdf>

Technical education Leading to jobs which require high-level scientific and technological skills, thereby needs extensive general education. There are three levels leading to:

- › the Baccalauréat Technique (BT – technical baccalaureate diploma), for technicians able to perform production tasks; the Diplôme de Technicien Supérieur (TS – Higher Technicians’ Certificate), for senior technicians and middle managers, of a post-secondary level, able to perform production and supervisory tasks;
- › the Licence Technique (LT – technical diploma) for highly skilled specialist managers and technicians able to design projects and put them into practice;
- › and the Licence d’Enseignement Technique (LET – Technical education diploma) for teachers of technical and vocational education.

There are three types of TVET schools public, semi-public (NGO type), and private.

a. Funding

Public schools are solely funded by the various revenue items of the public exchequer since no apprenticeship tax is specifically earmarked for this budget. Relating the Ministry of Education’s total operating budget to the number of students in public schools gives an average annual public expenditure per student of US\$ 1 340. Moreover, students pay for their own supplementary expenses (books and supplies, transportation, etc.) which are estimated at US\$ 343/annum.

	Public School	Private Schools	Semi-Private Schools
Means of Funding	Through direct budget allocations (0.6% of the Lebanese budget) ²⁶	Tuition fees paid by the students	In-Kind grants from international donors, government subsidies from MoSA, and some minimal additional contributions from students
Issues with Funding	There are no performance based indicators to help decide the amounts allocated to individual training institutions, nor benchmarking of key indicators to compare performance.	The private sector absorbs 75% of the total VTE demand.	Funding for certain programs could be short term and are in constant threat of continuity

Table 4: Types of TVETs - Key Considerations

²⁶Ministry of Education Back to School Campaign. (2018).

b. Major Programs

	Public school	Private school	Semi-public school
Curricula followed	follow the official curricula set by the Ministry of Education for each of the specializations they have available	Must follow the official curricula if they prepare their students to sit for the official diplomas.	In-Kind grants from international donors, government subsidies from MoSA, and some minimal additional contributions from students
Issues with curricula	Any other type of training is not allowed.	School certificates are not officially recognized nationally or internationally.	Courses are not always sustainable since they rely on funding from in-kind grants. Also the certificate is not recognized nationally or internationally.
Short-term training	No	Yes. Mostly for classroom-based training without any support for learning how to use equipment. This complies mostly with specialization’s in the tertiary sector, accountancy, business administration or light industry such as electronics and computer sciences.	Yes. The biggest bulk of training provided is in the style of crash courses (1 to 9 months).

Table 5: Types of TVETs - Major Programs

Some organizations such as IECD and Safadi Foundation in Tripoli propose projects specifically targeted towards school drop-outs. Therefore, the target population is interlinked with the project proposal and the demands set by donors.

- “The first project is short-term training for youth communities. They learn technical skills to empower themselves. Most of them have dropped out of school and are not employed.”- IECD.
- “We only have one criteria [...] the student needs to be a school drop-out.” - Safadi Foundation.

For semi-private schools (or schools which provide long-term courses, as well as vocational training) the target population is also directed towards school drop-outs. However, those could have dropped out of an official school and joined the technical school, without being exposed to the labor market.

- “Most of them are dropouts from grade 6 and grade 7. They are usually unemployed and want to take courses.” - AVTC.
- “For some projects, we purposefully target the most vulnerable beneficiaries” - Al Moasat.

The short-term vocational courses being offered are based on labor market needs assessments done by the NGO at the inception period of the project.

- “Based on market studies we can analyze what is lacking in the market.” - IECD.
- “Before even designing the courses, we held a needs assessment. We conducted a study and consulted with training providers to design our courses.” - Safadi Foundation.

The type of short-term courses offered is also related to the resources available at the NGO. IECD give training in manicure/pedicure because the set-up for the course is easy and requires minimal and cheap equipment. FISTA give training in carpentry and drawing because those subjects can be easily learned by special needs students.

- “We encourage individuals with special needs to take on any course that requires soft manual labor.” – FISTA.
- “We form our curriculum based on what is available for us.” – IECD.

a. Soft-Skills

Regardless of the benefits of soft-skills training, integrating soft skills into the official curriculum required by the Ministry of Education is not obligatory.

As public schools are required to adhere to the official program set by the Ministry of Education, they often need the ministry's approval to include soft-skills training. The Saida Arts Institute does not include any program which targets soft skills, nevertheless students are indirectly mentored by their teachers in this concern. The technical school of Al Mina in Tripoli used to offer leadership courses, yet the program was discontinued by the ministry.

- “We believe it is highly needed but [...] the government does not allow any changes in curriculum. Our teachers are highly qualified, and they transmit their knowledge as much as possible to the students. But we officially don't – Saida Arts Institute
- “We used to provide leadership courses in all industrial programs. We also used to provide diplomas. However, a couple of years ago, a statement was released by the ministry to stop all the leadership training programs, so we had to discontinue the courses.” – Institut Technique Industriel Al Mina

Private as well as semi-public schools have integrated soft skills into their curriculums. Al Moasat has tailored its soft-skills courses to target the demographics of registered students. As most of their students are women, they added mandatory GBV-Prevention and Human Rights workshops for their students to attend. AVTC include “personality program” as part of the curricular requirements.

- “We offer GBV, Child Protection, SRH, as life skills training courses. We also provide soft-skills courses on leadership and teamwork etc but we highly value the importance of human rights teaching.” – Al Moasat
- “We also have a “personality development” program which aims at developing the soft-skills of our students. It includes Professionalism, respect, leadership, group work, and honesty.” – AVTC

NGOs providing short-term training as part of a grant-funded program have stated that soft-skills are acquired through the practical application of the technical skills learned. Subsequently, no isolated soft-skills courses are given throughout the program. At Safadi Foundation, all training is practical since the target beneficiaries are illiterate. At FISTA, soft-skills are acquired indirectly through vocational training. Only IECD stated that life-skills training is tailored to the technical courses being given.

- “The life-skills program is tailored to the technical specialty of the student.” – IECD
- “We think that by giving the beneficiaries skills and a diploma, they would be more confident to ask for higher wages and more rights” – Safadi Foundation
- “Life-skills are not acquired in the curriculum but through their vocational training they get practical information and develop their life-skills.” – FISTA

b. Entrepreneurship

Similarly to soft-skills training, entrepreneurship training is not required by the Ministry of Education. Nevertheless, there is a process of inclusion of entrepreneurship in the education system by all three public, private, and semi-public schools. These goals can be achieved either through integrating entrepreneurship into a specific subject or through a course (which becomes a container for entrepreneurship). Yet it is worth noting that where entrepreneurship is not explicitly included in the curriculum, it often happens that teachers who want to participate with their students in entrepreneurial activities must

prepare the work outside school hours. Moreover, teachers often lack the appropriate skills needed to teach these types of courses.

Public schools are bound by the official curriculum proposed by the Ministry. Schools cannot therefore integrate any additional training to the students. The career guidance offices only focus on teaching students skills such as CV writing, interview prepping, and job-application. Complaints have been voiced concerning the limited funding and guidance from the government in providing students with these services.

- “All students must go through three types of training. The first is creating a CV, the second is prepping for interviews, and the third is searching for a job.” – Institut Technique Industriel Al Mina
- “We don't have the funding amount needed to create these facilities. We are given a very small budget per year. Our teachers give orientation advice from their own experiences.” – Saida Arts Institute

That, however, does not mean that the Lebanese government, in partnership with international organizations, has not made any efforts to include entrepreneurship training as part of the official technical curriculum. The government has partnered with UNESCO and the ILO on a joint 2.5-million-dollar project to improve technical and vocational education and training (TVET) for youth, in line with labor market needs. The project works on improving the technical capacity of vocational trainers to provide market-oriented training. The project has recently launched and lessons learned so far are premature. Semi-public schools have the liberty to introduce entrepreneurship training into their curriculum. The interviewed semi-public schools have integrated different forms of entrepreneurship trainings. Al Moasat has integrated entrepreneurship and financial literacy courses into its curricula. As their demographic target is women who come from conservative upbringings, they have special entrepreneurship courses tailored to fit these women's social conditions.

- “Entrepreneurship training [is] given to all students, and we have started with a new course on savings and fiscal management. We have two programs, one targeting males and another targeting females, both take entrepreneurship courses.” – Al Moasat

UNRWA's Sibling Center integrated a mandatory number of credits that students need to complete throughout their three years at the center. These credits are part of their new “Know About Business” program which was introduced the past year. The “KAB” program is part of a long-standing approach to entrepreneurship introduced by the ILO in the 1990s. ILO's KAB was only introduced by few training centers and not all of them. UNRWA's Sibling Center being one of the centers who did integrate it successfully.

- “All students must complete a certain number of KAB courses. These courses teach entrepreneurship, business management, inter-personal skills, SME initiative. All life skills and business skills.” – UNRWA Sibling Training Center

Other semi-public schools such as AVTC did not mention the presence of any entrepreneurship training, because they did not feel that such courses were appropriate to the type of students who study at their centers. Training centers generally feel that students should learn the basics first and the priority is to find a well-paid job. Most students would not be able to afford starting up their own businesses or would not be willing to take that risk.

Some NGOs which provide short-term crash courses have integrated entrepreneurship into the given curricula Safadi Foundation introduced general entrepreneurship courses to all students, as well as intensive courses and followed guidance for the students who are looking to start their own business. IECD transfer beneficiaries who have completed the technical training to their incubator services.

- “we provide those who want to open their own businesses with more extensive training and we follow up with them through the trainer that is delivering the workshops.” – Safadi Foundation
- “We also have an incubator program for those who are willing to open their own business. These beneficiaries after completing their short-term training get transferred to the incubator after completing their short-term training. University doctors give them courses in marketing, sales, entrepreneurship etc.” – IECD

Beit Atfal Al Soumoud partners with other organizations in order to provide their beneficiaries with entrepreneurship training. However, the organization stated that entrepreneurship training is of no use if the beneficiaries are not financially able to start their own businesses.

- “Even if you train someone to think like an entrepreneur but they don't have the financial means neither for

starting their own business nor marketing it, all of it will seem redundant.” – Beit Atfal Al Soumoud

Other NGOs have stated that entrepreneurship training is not relevant to their target beneficiaries. FISTA, for example, is more interested in providing their beneficiaries with the basic skills needed to find employment.

“It’s hard to teach special-needs students entrepreneurship because it’s difficult for them to open an independent business without the help of a guarantor.” – FISTA



c. Training Staff Competence

In terms of instructors’ qualifications, there is more emphasis on higher education credentials and less on occupational and professional experience, and few instructors have any pedagogical training. The Ministry of Education has commissioned accelerated refresher training courses for teachers. International organizations such as the World Bank, the ILO, and BMZ have sent specialists to provide teachers with the adequate training, to rehabilitate buildings and to provide establishments with the most essential equipments.

The Saida Arts Institute was one of the beneficiaries of these initiatives. BMZ not only reengineered the curriculum, but also granted the school new machines and flew the school’s training staff to Germany to learn new skills. The technical school in Al Badawi also had a partnership with BMZ in the past.

“We cooperated with German company BMZ in the past but now no” – Al Badawi Technical Official School
 “250 of our teachers travel[ed] to Germany to learn about technical schools in Europe and gain new skills” – Saida Arts Institute

Some institutions have trained their staff and provided them with new skills, without being part of any international program. AVTC sent their staff on trips to neighboring countries to develop new skills.

“We attended several seminars in UAE and Egypt to understand the newest technologies.” - AVTC

When it comes to training staff, public, semi-public, and NGOs have the same recruitment standards. The most fitted for the job are usually diploma earners with a high experience level. Some teachers even mentor students and provide them with job opportunities after graduating.

“The teachers usually have their own businesses on the side. The carpeting teacher is an actual carpenter. The drawing teacher is an artist.” – FISTA
 “Our teachers need to have relevant work experience as well as a certified diploma to train at our school.” – Al Moasat
 “We recruit people who have both theoretical and practical skills to transmit.” – Safadi Foundation
 “We take pride in our teachers, as they are extremely qualified. Some even provide our students with training expertise at their own companies.” – Saida Arts Institute

It is worth noting that the procedures for accreditation or licensing private TVET providers are purely administrative and require modernization. The same applies to the quality control of the public TVET system. The only real quality assurance mechanism in place is the national examination for each qualification. However, most of the TVET schools in Lebanon are private or semi-public schools, and some do not go through the national examination, because there is no obligation to do so. This is especially relevant if the training provider is an NGO which only includes crash-courses as training. The only accountability factor for these NGOs is being in good standing with their grant providers.

d. Revision of the curricula

An update of training programs in Lebanon was undertaken in 2001. Ongoing efforts include the development of competency profiles for 45 occupations. This is done through a process that brings together practitioners in each specific occupation with training specialists who translate the tasks and duties associated with the occupation into training programs and pedagogical content. A pilot project was completed to establish a new standard for curriculum and learning resource materials in the electrical and electronic disciplines. This includes the definition of the curriculum following a competency-based approach, and the preparation of teachers’ guides and student manuals.

The courses provided to the students should be updated to fit the needs of the market. Therefore, constant revision of the provided curriculum is highly significant.

Semi-private schools have shown increasing efforts to maintain an updated curriculum. Some schools such as UNRWA Siblin Center and Al Moasat solicit input from the private sector through different contact initiatives. Al Moasat conducts focus group discussions with business owners, whereas UNRWA Siblin Center invites business owners to tour their facilities and pinpoint what updates need to be made to the labs and programs given.

“We do focus groups for each department. For example, we have a focus group for the beauty academy which has aided us in adding many new courses to the curriculum.” – Al Moasat
 “We organize several conferences where we bring business men from different fields and ask them about their needs.” – UNRWA Siblin Training Center

On another hand, some schools such as AVTC benefit from their alumni input, as they are more integrated into the school system and can give more personalized input on the challenges found in the market and what can be done to solve them.

“We have an alumni club, in which our students give us advice on what to include in our curriculum.” - AVTC

NGOs who provide short term training usually select the courses they want to provide through a needs assessment of the labor market. The assessment is done to make sure that the implemented project is not harming the beneficiaries.

“Before even designing the courses, we held a needs assessment. We conducted a study and consulted with training providers to design our courses.” – Safadi Foundation
 “The courses we give out on a short-term are usually up to date.” FISTA
 “Based on market studies we can analyze what is lacking in the market. [...] We check the market needs and request a budget from the donors accordingly.” - IECD

However these NGOs are restricted by a budget, the timespan of the project, and the space of their facilities. Subsequently, some highly demanded skills are not being given as much importance as needed.

“We form our curriculum based on what is available for us. We don’t tailor our sessions based on what the beneficiaries want, unless it aligns with the donors.” – IECD

Public schools struggle to implement changes to their curriculum because of the limitations by the ministry. This includes updating outdated curricula.

“We follow the official curriculum provided by the Ministry of Education. Once they revise the curriculum, we amend our program. However, they rarely ever introduce any changes. For example, some of our specialized courses are extremely outdated, and students struggle to match the market needs because of that.” – Saida Arts Institute

Yet, the public school in Tripoli confirmed that the ministry had previously made efforts to update some specializations.

“Some specializations are updated according to the national required curriculum, such as mechanics. Others are outdated and cannot be updated but we cannot close them down. An example is that of administration and information.” – Institut Technique Industriel Al Mina

The second public school interviewed in Tripoli emphasized that changes have been introduced to the curriculum but it only geared students towards the wrong direction.

“They added academic classes to the curricula (English, law, Maths, Physics, French, Chemistry, Arabic, civil study, history and Geography) which minimize the practical classes number.” – Al Badawi Technical Official Institute

Indeed, according to a report conducted by the European Union, the development of any new curriculum has been deemed biased towards improving academic performance instead of developing practical skills. However, employers have raised concerns about the practical knowledge of fresh graduates.

The development of partnerships with local employers should explore ways of ensuring authentic work experience of TVET students, including the engagement of the private sector in the teaching practice. The creation of partnerships at the school/training center level is particularly important in a context dominated by a predominantly informal economy, which is characterized by micro or small-scale enterprises. These local level partnerships could play a key role in defining the types of skills needed by the local economy, and therefore be more effective in increasing the responsiveness of TVET programmes to labor market needs.

Because of the outdated curriculum, students are finding it difficult to match the needs of the market and are often working in fields which are not related to their specializations. Nevertheless, it seems that students are aware of these gaps and are doing their best to avoid them.

“However, the demand for these specializations are low and we don't have many students in them. Students are aware that there are no job opportunities in a specific sector therefore are not interested in that specialization.” – Institut Technique Industriel Al Mina

“[We have in the] institute all the equipment for makeup and manicure but students are not asking for [them].” – Al Badawi Technical Official School

A. TVET Challenges and Opportunities

a. Diploma recognition

Some graduates hold diplomas which are not officially recognized by the Ministry of Labor. Short-term courses, as well as some specializations provided by semi-private schools such as UNRWA's Sibling Center, are sometimes insufficient and illegitimate. This exposes the beneficiaries to more vulnerability when trying to seek employment or higher education. Graduates from Sibling Center are not aware of these facts before joining.

“The certificate from Sibling is not recognized by the Lebanese government [...] the graduates from Sibling can't continue their studies because universities don't accept their diploma. If they leave Sibling, they need to start from zero in another technical school because of their certificate.” – Beit Atfal Assoumoud

b. Gender Restrictions

Women are restricted to sectors with easy physical labor and more gender appropriability, namely beauty, cooking, sewing, and nursing.

Nevertheless, not all TVETs provide courses in such sectors. Public and semi-private schools especially are more geared towards industrial jobs with hard manual labor.

“The institute is comprised mostly of industrial specializations. We don't deal with agriculture nor nursing.” – Institut Technique Industriel Al Mina

“The specializations were mechanics and automobile repair as well as electric maintenance. [...] We expanded to

include heating and refrigeration, as well as many others.” – AVTC

Rarely does one find a technical school which is gender-sensitive. Al Moasat, for example, has included many specializations which are targeting women, such as beauty, hairdressing, childcare, and catering.

“Most of our specializations are directed towards females. Our mission is to empower women in our society to generate income.” – Al Moasat

NGOs which give short-term training must adhere to a gender ratio when designing their courses. IECD for example, gives courses in manicure/pedicure training as part of their technical program. They have tailored their course offerings to accommodate the conservative mentality in Tripoli.

“The girls studying pedicure/manicure are not allowed to work in a store due to the patriarchal mentality. Through our short-term training she can work from home” – IECD

Other NGOs such as Safadi Foundation open courses which are more male-oriented. The female-to-male ratio is thus at a deficit.

“[Our ratio is] 30% females, and 70% males. However, we are exceeding the criteria for females. But this is mainly because 9 out of the 13 courses are male-oriented.” – Safadi Foundation

B. Job-Seekers Challenges and Opportunities

When asked whether TVET graduates are finding adequate job opportunities, most (if not all) of the respondents agreed that graduates are facing serious challenges when seeking employment. The legal status of the institutions (NGO or semi-private or public) affected the response regarding the type of challenges faced by graduates. Though prospects for employment after graduation is higher for TVET graduates than university graduates, the quality of obtained jobs is not satisfactory.

a. Legal Challenges

Syrian and Palestinian graduates face legal challenges which affect their employability in the market as these two nationalities are forbidden under the Lebanese law from working in certain sectors, therefore their window of opportunity is limited. Consequently, graduates end up working in a job that is not related to their specialization. These jobs are usually provided within dangerous working conditions, extremely low wages, and no written contracts.

“The most common challenge, even before they seek our services, is the mistreatment they face by their employers.” – Safadi Foundation

“Syrians and Palestinians are not allowed to work in some fields. They face even higher challenges when trying to find a job since they don't have legal papers. They don't search for opportunities outside of their region (which is often impoverished) due to fear of being caught without papers.” – IECD

“Most of our students end up finding jobs irrelevant to their field of expertise. Therefore, after 5 years of working in a different field, even if they want to go back to work in what they love, they can't.” – Saida Arts Institute

“Students from Sibling who graduated in mechanics, earn low wages even though they are doing most of the work for their employers. They end up leaving and working in fields not related to their specialization.” – Beit Atfal Al Soumoud

b. Economic Challenges

When interviewing different institutions on the common challenges faced by graduates, the most frequent response was the lack of economic prosperity in the targeted regions. Employers are struggling to expand their businesses, and thus to recruit new talents. In the impoverished regions of Saida, Tripoli, and Barja, job opportunities are rarely available. Moreover, due to the financial limitations of the local businesses, any new recruit is hardly paid minimum wage. This situation has also taken a toll on any entrepreneurship initiative in these regions. Talent is geared towards migrating to the capital, rendering these regions even more impoverished.

“The job opportunities in Tripoli are scarce because we have a small market. That's why most of our students leave the country or go find opportunities in Beirut. In addition, the salaries offered in Tripoli are not adequate for

supporting a dignified lifestyle.” – Institut Technique Industriel Al Mina

- “Saida is not an economically prosperous area. There is a meek chance in trying to find a job in this area. They will have better chances job hunting in Beirut. We have a closed market, and we don’t have an entrepreneurship culture.” – Al Moasat

b. Social Challenges

Education Level:

The education level of graduates did not seem to be a major obstacle vis-à-vis the attained level of experience. TVETs from all institution types emphasized the importance of experience when trying to find a job. Age was stated as an obstacle only when it was linked to experience. There is a clear competition between older, more experienced employees, and newcomers who hold diplomas.

- “Companies care that their employee is experienced and educated on technical skills.” – AVTC
- “Companies fear fresh graduates because of their lack of experience. Some take fresh graduates and train them, but others completely reject them. It’s an issue of experience.” – Al Moasat
- “Employers are worried about experience. They expect fresh graduates to have 3 years of experience.” – Beit Atfal Al Soumoud
- “It’s not a matter of age, it’s a matter of experience. However, a fresh graduate cannot have the same experience as someone with 4 years of experience but who does not hold a degree. They should see the added value of a degree holder in the long run. But they only care about short term profits.” – Saida Arts Institute

c. Solutions

When asked what could be the possible solutions to counter the challenges faced by youth on the job market, many of the interviewed TVETs shed light on the importance of government intervention. More specifically, the creation of a clear roadmap and national strategy was stated as key to creating more job opportunities. The roadmap should include more updated curriculums, a shift in market priorities, and greater confidence in entrepreneurial initiatives.

- “To have a national solution backed up by the chamber of commerce. We need a more updated curriculum.” – Saida Arts Insitute
- “Total change in the curricula that should create a match between the study and the market needs” – Al Badawi Technical Official School
- “We have a closed market, and we don’t have an entrepreneurship culture. [...] We need a shift in the market” – Al Moasat
- “If several students, recent graduates, gathered resources and opened their own shop, they wouldn’t be exposed to such exploitation and they would become job creators. There should be a spirit of entrepreneurship.” – Beit Atfal Al Soumoud

Government intervention was also stated as the only solution to any legal challenges faced by Syrians and Palestinians.

- “Small solutions are not wholesome and do not target the larger population. Awareness is good but it’s not enough.” – UNRWA Siblin Center

Nevertheless, individual action was also mentioned as a major solution to overcoming challenges faced by youths. Gaining experience, specifically through internships, was one of the key factors likely to increase the likelihood of employment after graduation. During their internships, students are more exposed to the job market, they create new relationships with employers, and gain experience which makes them more valuable and employable. The availability of internships can also break the nationality barrier faced by many Syrian and Palestinian graduates.

- “We try to add an internship to the training. That window of opportunity can benefit the Syrian and Palestinian communities since they are exposed to the market.” – IECD
- “When going through their technical and vocational training, students are required to undergo training at a company. Most of the time, after completing their internships, they stay at these companies. [...] these students are more exposed to the market needs and are more educated on what route to take.” – Al Moasat

Yet, not all institutions have an obligatory internship credit that needs to be fulfilled. Hence, the institution is focused on match-making between private companies and their graduates, depending on the specialization.

- “We get a list from the chamber of commerce and contact all the companies on it and their employers. We also

attend job forums and develop new contacts with certain firms.” – Institut Technique Industriel Al Mina

- “We are trying to link the graduates to different syndicates. We provided the syndicate with a list of those who graduated in construction, so that they get the opportunity to work with different engineers.” – Safadi Foundation
- “When a company asks us to match them with a student, we do so immediately. It’s more of a personal favor to the diligent students who graduate.” – AVTC

Other NGOs recruit their graduates at their centers, however those percentages are low. For example, FISTA (which deals with special needs students) understands the struggle of their graduates to find adequate work opportunities. Consequently, they employ them at their carpentry factory after they graduate. Moreover, AVTC employ their graduates as teachers, as they are familiar with the culture at the center and are more engaged with students due to their age proximity.

- “The students are now producing new materials alongside the teacher and getting paid as remuneration.” – FISTA
- “A lot of our students stay at our center and end up as teachers. We believe that they can reach out to the students because they are young, and they have been through the same experiences.” – AVTC

C. Nationality trends

Lebanese, Syrians, and Palestinians have shown different behaviors vis-à-vis TVET enrollment.

a. Palestinians

These legal restrictions placed on Palestinians have shaped their career choice decisions. As Palestinians can work in any industrial job under the labor law, all Palestinians can enroll in technical schools without any restrictions. They can also enroll in any public school or private school, as long as they are able to cover the fees of enrollment and complete all needed paperwork.

Nevertheless, many public and semi-private schools’ curricula are given in French, which creates a language barrier for Palestinians who are all English educated. Some public schools such as the Technical Institute in Tripoli have accommodated to overcome these barriers and provide equal opportunities for Palestinian students.

- “We offer the administrative information courses in both English and French, and most Palestinian students take the courses in English.” – Institut Technique Industriel Al Mina

Other public schools such as the Saida Arts Institute have not done the same though. Nevertheless, in this city, the main challenge for Palestinians is the language barrier and there are few other differences to overcome because the fusion between Palestinians and Lebanese communities in Saida is more prominent. Palestinians have well-integrated in this community..

- “Most of our students are Lebanese. But we do have a large Palestinian portion as well (45%).” – AVTC
- “Palestinian students are the same as Lebanese students. There is no differentiation.” – Saida Arts Institute

The UNRWA Siblin Training Center is the largest technical school available for Palestinians in Lebanon. Specializations are available across all sectors. However, graduates from the center earn a diploma which has yet to be recognized by the Ministry of Education. The diploma does not qualify students to enroll in higher education institutions. It also does not qualify students to find employment outside of Lebanon. Nevertheless, some national employers consider the diploma as being valuable to employment, because the skills earned at the center are more up-to-date than the skills learned at a public school.

- “It’s a two-year program where they learn engineering, medical lab, technology, physiotherapy, nursing, accounting, business administration, marketing etc. [...] They earn a degree, but it is not accepted by the Ministry of Education. [...] This degree does qualify the student for the labor market.” – UNRWA Siblin Center

Nevertheless, the illegitimacy of the diploma exposes graduates to exploitation of their rights and drives them to accept lower wages.

- “The employer knows that there is less job security for Palestinians which is why they threaten them with firing , and they lower their wages.” – UNRWA Siblin Center
- “Students from Siblin who graduated in mechanics earn low wages even though they are doing most of the work for their employers.” – Beit Atfal Al Soumoud

b. Syrians

Caught between poverty and exclusion from education opportunities, Syrian refugee children are increasingly being drawn into the workforce. In this context, TVET could provide a solution to convert situations of exploitative child labor into learning and apprenticeship opportunities. Working youth age range between 15-17 years old can be particularly challenging as many of them have missed school and do not have the prerequisites to join formal TVET programs. The temporary residence of Syrian youth coupled with their low education levels, has pushed them to learn practical skills which can be taught fast and easily. Syrians are also restricted to work in specific sectors under the Lebanese labor law such as construction, agriculture and cleaning services. However, as technical schools are mostly geared towards industrial specializations, this cannot be considered a barrier to education.

- “Our beneficiaries are not highly educated, so they cannot learn some of the scarce specializations during our short-term training. They need something easy to grasp and fast to learn.” – IECD
- “Youth want a short, fast, and easy certificate so they can access the labor market and start generating income fast.” – Al Moasat
- “Some are not specifically interested in the diploma, they just want to learn new skills.” – Safadi Foundation

Yet, most in-demand jobs which require low levels of education are labor intensive and dangerous, which exposes Syrian youths to many forms of exploitation.

- “Syrians know that the only jobs available for them are labor intensive, but they are hating these jobs and are not registering in the courses.” – Safadi Foundation

Syrian youths also face a language barrier in English and/or French if they are enrolled in public or semi-private schools. However, when it comes to practical work, interviewed individuals stated that there is no learning barrier.

- “Syrian students struggle when keeping up with the curriculum due to language barriers (they're not well equipped with French or English) or other learning barriers. But when it comes to practical work they are the same as other students.” – Saida Arts Institute
- “Syrians also experience a language barrier because most courses in Syria are given in Arabic. It's not an issue of who's smarter, they just have capacity barriers that they need to overcome. They make up for these lags through practical work.” – Al Moasat

Some institutions have made efforts to accommodate their curriculum to fit the needs of Syrian students. AVTC have opened free of charge courses restricted to Syrians however efforts seemed fruitless because no Syrian students registered for these courses. Syrians seem to be more interested in short-term courses, due to their temporary stay in the country. The Technical Institute in Tripoli is also providing some courses in Arabic so that Syrian students can grasp the material.

- “We teach them technical words in Arabic so that they can match the job market requirements and so that they familiarize our curriculum with the Syrian curriculum.” – Institut Technique Al Mina
- “We opened mechanics courses for free, only restricted to Syrians. However, barely any registered and some dropped out after a couple of sessions.” – AVTC

Overall, the costly registration fees and dense paperwork has led Syrian youth to prioritize short-term courses which teach fast and easy practical skills. The enrollment rate of Syrians in public and semi-private schools is relatively low, compared to their enrollment rate in short-term programs offered by NGOs.

c. Lebanese

Lebanese students have had a tendency to orient towards the trendiest specializations, regardless of their employability. These specializations have low physical labor demands, namely business administration, IT and technical maintenance. The surplus of labor in these specializations has made job opportunities scarce.

- “We have high unemployment rates among administrative information students due to their surplus in the job market compared to the low demand. However, students desire to specialize in that field, yet there is low demand in the job market. The same goes for systems and networks specializations. The employers look for craftsmen, not desk workers.” – Institut Technique Industriel Al Mina
- “All students tend to gear towards the trendiest and most popular specializations, leaving the employable ones

behind. They go for studying math and computer, even though the market is oversaturated.” – Saida Arts Institute

- “Specializations for which there is surplus of labor are electric, Mechanics, Accounting and information.” – Al Badawi Technical Official School

Specializations which require hard manual labor are deemed unworthy and shameful specializations for Lebanese nationals. However, these jobs are highly in demand.

- “Industrial jobs are in demand the most. When we go to job forums these types of specializations are mostly requested. Nobody wants marketing or accounting specializations. They need electricians, mechanics, electro technicians.” – Institut Technique Industriel Al Mina
- “Waste management and sanitation is very much in demand however students don't join this field because it's a taboo and a shameful job according to societal standards. We had a program for sanitation, yet we closed it due to the low demand by students.” – AVTC
- “All industrial jobs are highly needed but not desirable.” – Saida Arts Institute
- “Any industrial job is highly requested but at the same time there is no qualified labor.” – Al Moasat
- “Jobs which require a high level of intensive labor are not requested, whereas those who are less intensive are highly requested.” – Safadi Foundation

Students who join technical schools are usually drop-outs from regular school. Moreover, these students are pressured by their community and family to specialize in administrative or desk jobs. As work opportunities are scarce in these areas, most Lebanese search for job opportunities in public institutions.

- “I believe they do so because they can apply for jobs in the government (army or ISF) and thus secure their income for the future.” – Saida Arts Institute

a. Regional trends (Tripoli, vs Saida, vs Barja)

Tripoli, Saida, and Barja are all industrial zones in Lebanon. Some industrial fields have shown scarcity in labor supply in all three areas. These specializations include refrigeration and heating, mechanical and electrical maintenance/repair, and construction.

Nonetheless, key informant interviews have shown that different areas have specific trendy specializations which have open job opportunities.

In Tripoli, for example, many have shed light on the importance of carpentry as a neglected, yet highly requested, specialization. The low number of carpenters in the area has increased the work-load on the already present carpentry shops, which has increased the need for labor support. Moreover, carpentry courses can be easily given, as the skills are easy to learn, and the equipment is not costly.

- “We are opening a new specialization in carpentry, because we believe that it is highly in demand and that there is no enough labor supply for it in the market.” – Institut Technique Industriel Al Mina

On the other hand, carpentry is not in demand in Saida. In fact, the specialization in carpentry was closed at the Saida Arts Institute due to the high unemployment rate of graduates in that field.

Nursing is in high demand in Saida, according to key informant interviews.

- “Nursing is highly needed in the area. We wanted to open a nursing institute in Saida but we did not have adequate funding.” – Al Moasat
- “Nursing, child care, dental care, are highly in demand.” – Saida Arts Institute

Some forms of nursing are allowed for Palestinians, due to the sparse numbers of nurses in the area.

- “Nursing is allowed due to the scarcity of nurses in Lebanon.” – UNRWA Siblin Center

Some institutions are also opening specializations linked to the oil and gas industry and are projecting future market demands. UNRWA Siblin Center have a specialization in diesel mechanics, even though currently, the only opportunities in that field are restricted to the Gulf area. The Technical Institute in Tripoli is also working on a curriculum related to that field, to be opened the coming year.

- “We are opening a new specialization next year, technicians for oil and gas.” – Institut Technique Industriel Al Mina
- “Diesel mechanics is very popular, yet it is not employing any more Palestinians because of the job market restrictions of gulf countries.” – UNRWA Siblin Center



VI. RECOMMENDATIONS

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Lebanese, Palestinian, and Syrian youths are experiencing multiple challenges accessing the Lebanese labor market. Several areas of intervention can be pinpointed for positive action.

A. Demand-Side of Labor Market

positive brainstorming to take place and maybe even to find solutions for major problems that businesses are facing.

- › Increasing small investments into local businesses, as it would alleviate the financial state of employers and would give them more confidence into broadening their horizons and employing more staff. Many international donors and NGOs like USAID, DFID, the European Union and Mercy Corps have launched SME programs that are geared towards offering financial support to small businesses and SMES in Lebanon. The objective behind these programs is to support SME growth in view of creating new job opportunities. The government's 331 circular was also launched in 2015 to provide subsidized loans to tech startups. Although this was discontinued due to mismanagement of the fund, many startups did take advantage of the loans and create employment.
- › Encouraging employers to create short-term mentoring jobs and internships that last up to three or four months, as these types of employment do not require financial remuneration but are still beneficial to youth members' experience. These internships can be a win-win situation whereby the company benefits from additional support and may potentially identify best-in-class talent as a result of the internships. Ideally, employers should try to provide a minimal financial remuneration to interns, although this would be challenging in the current economic climate. Internships can be offered in all sectors, including construction, agriculture, ICT, banking, environment and could be focused on office and management work as well as on technical skills depending on the type of business.
- › Encouraging employers to prioritize youth employment, as youth are more creative, tech-savvy, and market-oriented. Sectors where new technologies need to be integrated and applied, such as banking where information and operation systems evolve regularly, the digital sector where coding and advanced computer skills are needed, ICT including telecommunications where a swift understanding of new technologies is also essential; are all ideal for youth employment. For that to happen, there should be a link between local businesses and youth communities put in place, like for example dedicated youth employment centers or online communities. Better ongoing communication between SMEs and TVETs/education centers as well as university career centers would also help. Here too an online community could be created where all universities and TVETs are given special access to check job opportunities.
- › Lebanese millennials are resorting to the internet to access services. Palestinians are also by a majority easily connected to the internet or have at least internet centers close to where they live, whether inside or outside camps. While internet access may be more challenging for Syrians, many are also connected via their mobile phones. Henceforth, an online training platform, or mentoring platform, can create better linkages between employers and job seekers. For this to work effectively better access to the internet should be made available to youths from all walks of life, including for example affordable mobile internet youth packages, etc. although this is the direct responsibility of mobile operators, or youth 'connection' centers where they are offered free internet access for the specific purpose of looking for work and connecting with SMEs, companies and education centers.

B. Supply-side of the Labor Market

- › Students should be also given training on their labor rights and obligations, as most of them are susceptible to exploitation after graduation. Such training could be given by NGOs in the different regions or at TVETs such as the UNRWA training center and other educational and orientation centers. Active NGOs in refugee camps such as ANERA, Medrar and CEP could support such an effort to help protect young Syrians and Palestinians.
- › Moreover, sub-groups face additional obstacles when searching for a job, and TVETs should find a way to accommodate to their needs. Special needs, women, Palestinian and Syrians, need to have a staunch support system that can provide them with alternatives, i.e. entrepreneurship training, training on labor laws, training on online marketing etc. More importantly, there should be better linkages connecting these sub-groups to the job market – whether through community centers and unions or through relevant NGOs and TVETs. Some NGOs like Assafina in Batroun that supports adults with special needs have introduced hands-on training workshops in design and photography that are helping to develop the skills of beneficiaries. The center then aims at connecting its beneficiaries with potential employers for part-time or freelance work.
- › Proper career orientation should be provided for youth members before graduation. As noted in several KIIs, many TVET institutions do not have properly-functioning orientation departments. For those who do, these departments do not include entrepreneurial training ²⁷.
- › Following the first bullet point, other forms of employment are rising and should be seized as opportunities. Therefore, TVETs should train students on skills which fit "other forms of employment", i.e work from home, outsourced jobs, social media marketing, and others. Many coding jobs and tech related skills offer the possibility to work independently on a project base and this has been emerging with training hubs like the SEO factory. At the moment, there are few or no trainings that provide guidance or advice to young people seeking to launch their careers as independent workers. The ideal course would teach them to generate leads, how to find these types of project-based jobs and how to manage their time as independent workers. The flexibility of independent work is an attractive, yet perceived as risky notion to many youths,. These types of jobs can be found through coding schools like SE Factory and Cody when it comes to coding, or by looking at consultancy based or part time based work such as graphic design, social media marketing, etc. through online platforms like LinkedIn, Daleel Madani and Beehance.
- › Including soft-skills training, on all levels, for all specializations, and even in short-term program-based classes, as according to previous data employers tend to prioritize soft skills over technical skills. The most important cited soft skill is communication, both written and verbal. This could definitely be developed into a standalone course whereby students are taught how to interact with others and engage in positive conversations, respond to customers, write emails, reports and other necessary documentation needed in everyday business. Time management is another course that can be offered as a standalone. Other mentioned soft skills like team work, work under pressure and creativity can be integrated into existing courses.
- › Training on technical skills should be continuously revised and updated to fit the needs of the market. This can only be done through the establishment of a channel of communication between TVETs and educational centers and SMEs. An example of this already exists in the Beqaa, where agro-food processing businesses meet with the Qob Elias TVET on a regular basis to provide insights about new technologies, procedures and processes to make sure that students acquire these new skills.
- › According to the FGDs, all volunteers have enhanced their communication skills and built better connections through the data collection phase. Some even got job offers. Creating constant contact between youth and employers will mend perceptions that employers have of youth, and will help youth better understand the market. This could include annual or bi-annual meetings between SMEs and youth groups during which a discussion can take place around various topics of interest to employers. This would allow the youths to express themselves and demonstrate their know-how and capabilities to businesses. A youth-employer think tank could also be established for each different sector, allowing for a positive brainstorming to take place and maybe even to find solutions for major problems that businesses are facing.

²⁷Entrepreneurship initiatives should be included in a bigger, more systematic plan geared towards facilitating entrepreneurship initiatives in Saida, Tripoli, and Barja.

a. Legal Restrictions on Syrians:

Since the beginning of the Syrian crisis, Lebanon has maintained an “open border” policy, so that registered Syrian refugees can work in Lebanon. It has also shown leniency towards those who have not regulated their stay in Lebanon as required by law or those who are working without permits and tolerance towards the opening and operating of unlicensed businesses in the country. According to the Ministry of Labor, Syrian workers pay only 25% of the work permit fee, amounting to LBP 120,000 (instead of LBP 480,000), for third category jobs. However, according to the most recent figures from the CAS yearly statistical book in 2011, only 390 Syrian workers applied for a work permit for the first time and 571 work permits were renewed²⁸. It should be noted that the small number of permits issued for Syrians is attributed mainly to the fact that the majority work in the informal economy, with unregistered enterprises or without a work contract. Lebanese workers are also protected by the principle of non-competition: work permits are granted on an annual basis according to specific conditions, notably the presence of a Lebanese sponsor, and guarantees that there is no competition between the applicant and Lebanese workers²⁹. The work permit of any foreign laborer can be cancelled in case of incorrect documents, or whenever the interest of the Lebanese workforce is threatened.



²⁸ UNHCR. (2013). Legal status of individuals fleeing Syria.

²⁹ ACTED. (2014). Labor Market Assessment in Beirut and Mount Lebanon.



ANNEX I. LEGAL STATUS
OF PALESTINIANS

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Based on their legal status and registration with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), Palestinian refugees in Lebanon can be categorized into four groups:

1. "Registered" refugees ("Palestine refugees"), which are registered with UNRWA and the Lebanese authorities;
2. "Non-registered" Palestinian refugees, which are not registered with UNRWA, but are registered with the Lebanese authorities;
3. "Non-ID" Palestinian refugees, who are neither registered with UNRWA nor with the Lebanese authorities;¹ and
4. Palestine refugees from Syria, who have arrived in Lebanon since 2011.

There are currently over 504,000 Palestine Refugees registered by UNRWA in Lebanon. However, the number of residing Palestinians in Lebanon is ambiguous as there are some non-ID holders residing in Lebanon.

Palestine refugees in Lebanon reportedly continue to face acute socioeconomic deprivation and legal barriers to their full enjoyment of a broad range of human rights. Palestine refugees in Lebanon are reported to have historically been marginalized and excluded from key aspects of social, political and economic life with no right to own immovable property; severely curtailed access to public services (other than those provided by UNRWA), such as health and education; and restrictions regarding specific professions and limited job opportunities. There are also 32,000 Palestinians from Syria, a minority of whom have legal stay in Lebanon. These latter groups are not recognized by the Lebanese government and therefore live in an extremely precarious situation, unable to access basic services and exercise their human rights. Palestinian refugees are scattered throughout the twelve camps and forty-two gatherings across the country. Palestinians have restricted access to Lebanese government services and depend almost entirely on UNRWA and NGOs for education, health and social services, which are provided inside the camps.

a. Legal Limitations for Palestinians

As foreigners, the Palestinian refugees are subject to the Ministerial Decree 17561/64 that organizes the participation of foreigners in the Lebanese labor market. This Ministerial Decree contains three rules that restrict the employment of Palestinians, those include: the requirement to obtain a work permit prior to employment, the national preference, and the principle of reciprocity of treatment in Lebanon, a condition impossible to meet for Palestinians given the inexistence of a Palestinian State in the legal sense. As for the national preference clause, the legal amendment approved by the Lebanese Parliament in 2010 (Article 59 of the Labor Law and Article 9) excludes the Palestinian refugees born in Lebanon and officially registered in the records of the Ministry of Interior from the prohibitions of working in manual and clerical jobs, while maintaining the requirement to obtain a work permit. In other words, Palestinians have the right to work in manual and clerical jobs after obtaining a work permit. The amendment is perceived as having a limited effect because it applies to a narrow range of professions and does not address the overall legal status of Palestinians in Lebanon.

According to the ILO, there are twelve professional orders regulated by law in Lebanon, among these professional orders, there are four that prohibit foreigners from becoming members by law, and subsequently restrict the practice of related professions to Lebanese only:

Other professional orders out of these 12 do accept the membership of non-Lebanese. However, it is worth noting professional orders impose in general, for foreigners to join them, that they meet the same conditions imposed on Lebanese; that is, having certain degrees, reaching a certain age, passing the colloquium, and other.

The associations below allow the membership of non-Lebanese:

- › Order of Engineers and Architects
- › Order of Physicians
- › Lebanese Dentist Association
- › Faculty Members at Medical Schools
- › Order of Physicians it
- › Order of Physiotherapists
- › Faculty Members at Dentistry Schools
- › Order of Pharmacists
- › Lebanese Dental Laboratories Association
- › Topography Syndicate
- › Lebanese Association of Certified Public Accountants

Nevertheless, all these orders set two legal barriers which prohibit Palestinians from being eligible members. First, the application of the reciprocity principle. Second, the eligibility of the foreigner to practice the profession in his/her country of origin. Subsequently, applying these two conditions on Palestinian refugees constitutes discrimination against them compared with all other foreigners who are nationals of recognized states.

Even with a university degree, it is difficult for Palestinians to secure employment. Most are being rejected for jobs simply because of their Palestinian IDs. As they are prohibited from finding work in the Lebanese economy, some find ways to work informally. This exposes Palestinians to vulnerable working conditions. Less than a fifth of employed Palestinians have a written contract; less than 6% benefit from health insurance; only about 26% receive paid sick leave; 1.6% receive pension benefits and 1.1% receive end of service indemnity. By comparison, the National Social Security Fund, which provides health, family allowances and end of service indemnity, covers about 38% of the Lebanese private sector labour force.

Most Palestinian workers have been particularly active in the commerce and construction sectors and engaging in low-status, low-skilled and insecure jobs, where one out of three Palestinians are paid on a daily, weekly or productivity basis. Indicators of working conditions reflect the vulnerable and insecure working status of Palestinian refugees. Very few work with a written contract, a negligible share of 5% receives health coverage or paid holiday and sick leave. Few are entitled to an end-of-service indemnity.

The average monthly income of a Palestinian worker amounts to 537,000 LBP, an amount that is considerably lower than the current minimum wage of 675,000 LBP and represents 80% of the average monthly income of the Lebanese. It is worth noting that the Palestinian works 47 hours per week, which exceeds normal working hours.

b. Legal Status of Syrians

Prior to the civil strife in Syria, it is estimated that these may have numbered some 300,000, most of whom were employed in construction, agriculture and services, some on a seasonal basis. In addition to this longstanding labor migration, there was added a deluge of Syrian refugees fleeing the civil war since 2011. At the end of November 2017, U.N. refugee agency UNHCR counted 997,905 Syrian refugees – a clear majority of them women and children – registered in Lebanon. The sex and age distribution of Syrian refugees, compared with the pre-crisis Syrian distribution, evinces a stark underrepresentation of males 20 years and above and of females 40 years and above. The generally low sex ratio suggests an inordinate number of female-headed households among Syrian refugees in Lebanon.

With limited opportunities in a slow-growing economy, the estimated number of unemployed Syrian refugees is 79,200 – more than half of all unemployed persons in the country. The overall estimated unemployment rate for Syrian refugees is 33%, about four times the average rate for Lebanon.

³⁰Saghieh, N., & Nammour, K. (2015). Labor Rights of Palestinians in Lebanon - Access to Liberal Professions. Common Space Initiative.

³¹Ibid.

³²International Labor Organization. (2016). Policy Brief - The Work of Palestinian Refugees in Lebanon is a Right and a Common Interest.

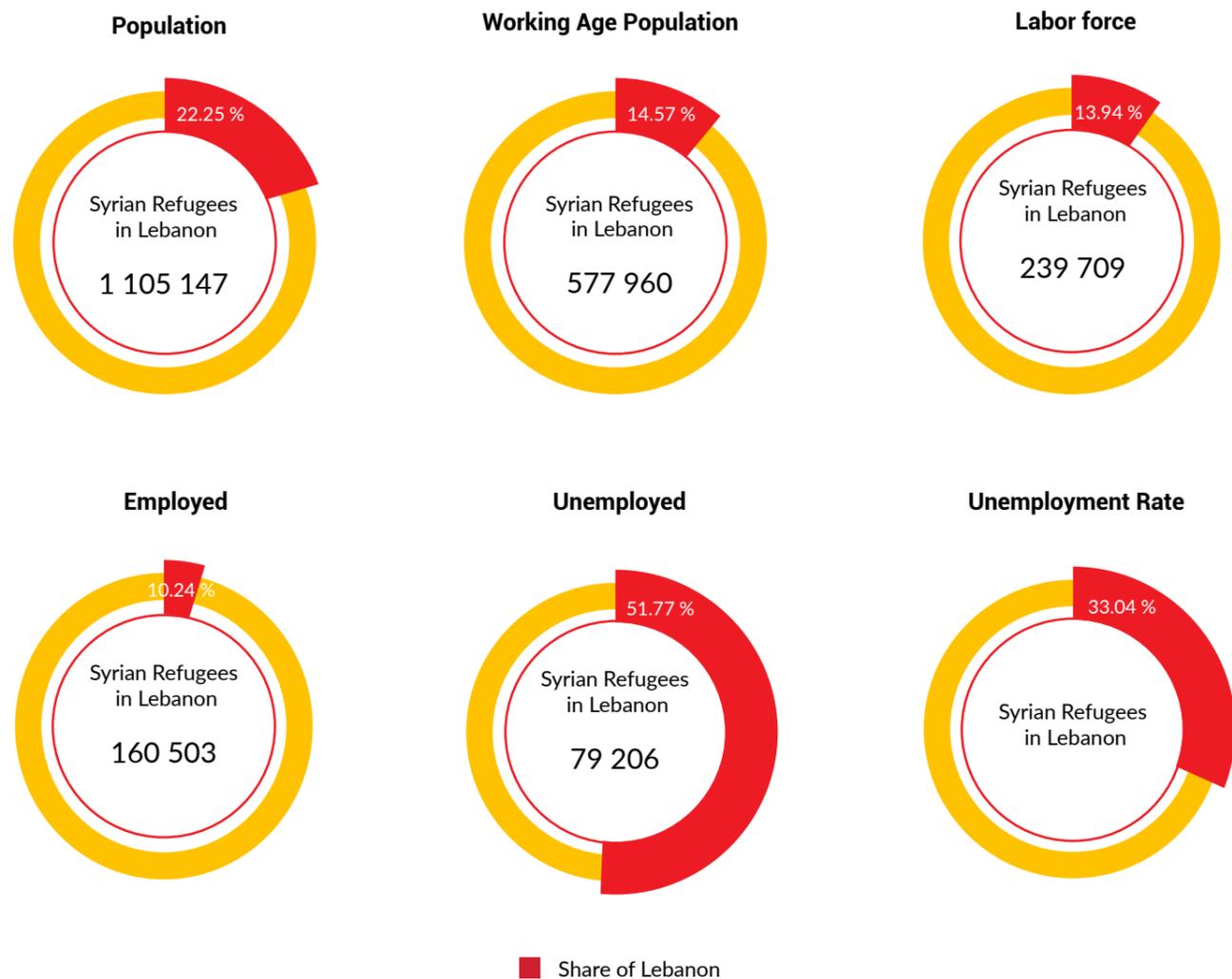


Table 1: Estimated Syrian refugee labour force profile in Lebanon

The ILO survey found that unemployment among female refugees was about 68% the result being that, in absolute terms, there are more unemployed female than male Syrian refugees in Lebanon. This may be due to the relative absence of working age males in the refugee population and the relatively high number of female-headed households.

Given the higher concentration of refugees in the Bekaa and North Lebanon governorates, however, the Syrian refugee labour force has made a greater labour market impact in those areas of the country. The ILO estimates that about two-thirds of unemployed refugees reside in these two governorates.

Lebanon lacks specific legislation or regulations pertaining to the status and rights of refugees. While Lebanon is a signatory to the 1948 Universal Declaration of Human Rights, the Government did not sign the 1951 UN Convention Relating to the Status of Refugees nor its 1967 Protocol. Nevertheless, it is generally recognized that all countries have an obligation under the principle of 'non-refoulement' to refrain from forcibly returning refugees to their country of origin if freedom would be threatened. The said principle "is part of customary law, a set of rules which are binding on all states, even if a country has not signed a specific convention outlining this law."

c. Legal Restrictions on Syrians

Since the beginning of the Syrian crisis, Lebanon has maintained an "open border" policy, so that registered Syrian refugees can work in Lebanon. It has also shown leniency towards those who have not regulated their stay in Lebanon as required by

law or those who are working without permits and tolerance towards the opening and operating of unlicensed businesses in the country. According to the Ministry of Labor, Syrian workers pay only 25% of the work permit fee, amounting to LBP 120,000 (instead of LBP 480,000), for third category jobs. However, according to the most recent figures from the CAS yearly statistical book, in 2011 only 390 Syrian workers applied for a work permit for the first time and 571 work permits were renewed³³. It should be noted that the small number of permits issued for Syrians is attributed mainly to the fact that the majority work in the informal economy, with unregistered enterprises or without a work contract. Lebanese workers are also protected by the principle of non-competition: work permits are granted on an annual basis according to specific conditions, notably the presence of a Lebanese sponsor, and guarantees that there is no competition between the applicant and Lebanese workers³⁴. The work permit of any foreign laborer can be cancelled in case of incorrect documents, or whenever the interest of the Lebanese workforce is threatened.



³³UNHCR. (2013). Legal status of individuals fleeing Syria .

³⁴ACTED. (2014). Labour Market Assessment in Beirut and Mount Lebanon



ANNEX II . LABOR MARKET
NATIONALITY TRENDS

ANNEX II. LABOR MARKET NATIONALITY TRENDS

a. Palestinian Youth

Education Trends of Palestinians

Despite the social and economic restrictions faced by Palestinians in Lebanon, they make a significant contribution to the economy. More than half of the Palestinian population has primary education or less. However, this has improved drastically in the last decade. The share of population that completed secondary education increased from 6% in 1999 to around 12% today. Yet, there has been a minor change in the rate of those with higher education, which remains constant at around 5-6%³⁰. The limited access to adequate quality of educational services provided for Palestinian refugees, coupled with prevalent poverty rates, places them at a level of educational attainment below the one of Lebanese. The percentage of those who have completed primary education or can read and write is clearly higher among Palestinians; in contrast, the share of those with university education is higher among the Lebanese.

The enrolment rate for the age group 5-9 for both males and females is around 98%, very close to the Lebanese rate. However, it starts to decrease with older age, with a widening discrepancy between males and females. The gap in enrolment rates widens significantly between the Lebanese and the Palestinians at the age group of 15-19, recording 75% and 46% respectively. A relatively high enrolment rate in preschool at around 85% is recorded for the age group 0-4. Enrolment rates do not differ greatly by location, ranging from 57% in Saida to 62% in Tripoli³¹.

Most school students among the Palestinian refugees receive their education at UNRWA schools. The proportion educated by UNRWA at the secondary level has dramatically increased since 1999, from 43% to 82%³². The main reason is the increase in the number of UNRWA secondary schools in recent years, which led to an improvement in secondary attainment from 6% in 1999 to 12% currently³³. UNRWA also operates eight vocational training centers, with a capacity for 7,200 trainees.

The situation is similar with access to higher education. Since a majority of higher education institutions in Lebanon are private, they are theoretically accessible to Palestine refugees, but high tuition costs make it inaccessible to the majority. Yet, this seems to serve in favor of Palestinian's employability, as an ILO report states that employment rates tend to decrease with higher education. Higher rates are among the illiterate ones (95%), while lower among holders of university degrees (85%). Nevertheless, work rights are affected. Around 74% of the university-educated are monthly paid workers, with an even higher rate for females; while 47% of those who can read and write are paid on a daily, weekly or based on productivity basis.

The same report divides the employability trends of Palestinians geographically. Saida hosts one third of the working Palestinian population (31%); Beirut, Tripoli and Tyre have lower rates, ranging between 19% and 23%. Illiterate workers are mainly concentrated in Tyre (37%). Contrary to expectations, 70% of workers with university education are located in Saida, Tripoli and Tyre, with a smaller rate in Beirut.

Distribution of Palestinian Employees

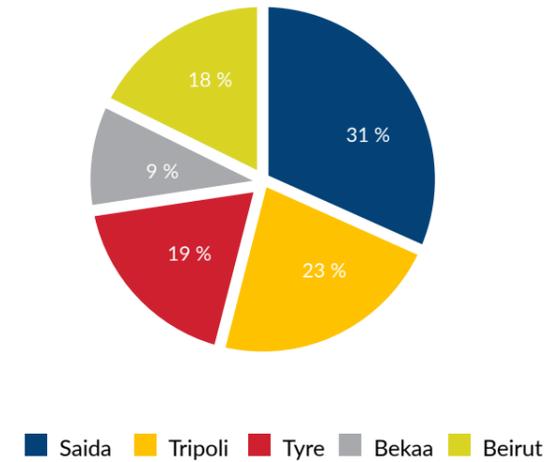


Figure 15: Distribution of Palestinian Employees by Location (Source ILO)

Distribution of the Employed by Employment Status and Educational Attainment (%)

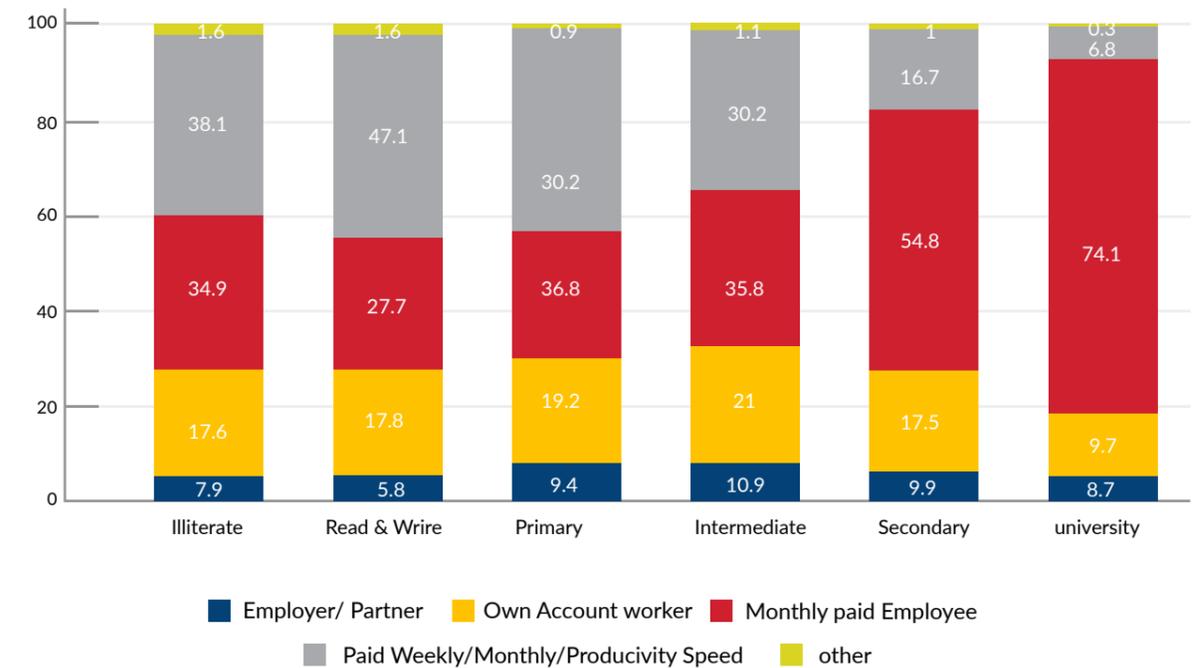


Figure 16: Distribution of the employed by employment status and educational attainment (%) (Source - ILO)

³⁰Fafo. (2013). Difficult past, uncertain future: Living conditions among Palestinian refugees in camps and gathering in Lebanon.
³¹ ILO & CEP. (2012). Palestinian Employment in Lebanon - Facts and Challenges.
³² Ibid. ³³Khalidi, A. (2008). Unprotected - Contributions of Palestinian Refugees Residing in Camps & some Gatherings to the Lebanese Economy. The Right to Work Campaign.

Employment Trends of Palestinians

The following data is taken from a report done by The Palestinian Central Bureau of Statistics in April 2012.

There has recently been a rise of employment for male Palestinians, and a decrease of employment for women. There is a slight difference by location in the share of employed females as a percentage of the total working population. The highest rate is recorded in Beirut at 20%, and the lowest in Saida at 16%. Looking at the employed according to their distribution by education in each location, Beqaa has the highest share of university-educated workers and the lowest share of workers who are illiterate or can read and write in basic terms.

The private sector hires most workers, a situation that has changed little over time from 80% recorded in 1999 to 86% at present. The difference comes from reduced employment in civil society organizations, international organizations and private households over the years. Approximately 20% of females work in civil society organizations and UNRWA, versus 6% of males; this is attributed to the women-friendly environment this sector provides and the focus of civil society activity on education and health, areas that tend to attract women, particularly those with better education.

Because of the employment restrictions on the Palestinian refugees and the nature of the Lebanese market, many workers are involved in construction and commerce, continuing the previous trend. Employment according to industry hides considerable gender segregation. Women are overrepresented in education and health, while construction and commerce are male dominated. Very few Palestinian refugees (2%) work in the hospitality sector. Distribution of workers according to industry and location is consistent across locations; only Tyre has a relatively higher share of workers in agriculture (17%) compared to around 2% or less in other locations. It is worth noting that the percentage of Palestinians working in agriculture has dropped from 11% in 1999 to 4%. Better-educated workers are mainly employed in the education and health sectors; this is different for commerce and construction, which generally involves those who have no or low education.

Distribution of the Employed Palestinians by Sector and Sex (%) (Source - ILO)

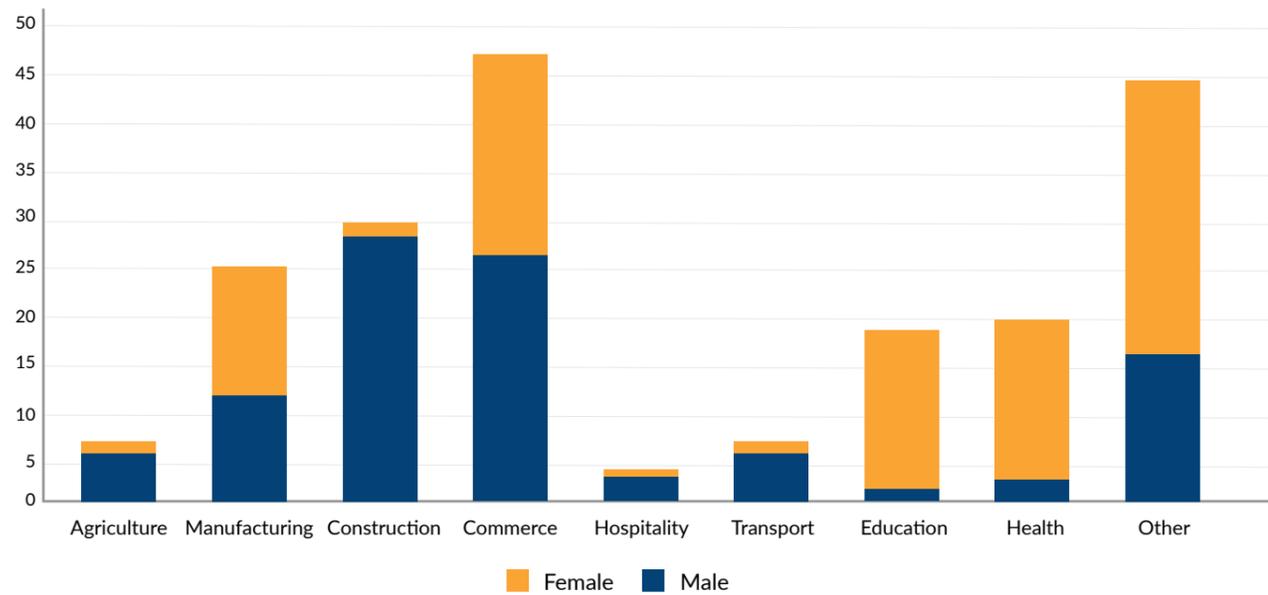


Figure SEQ Figure * ARABIC 17: Distribution of Employed Palestinians (Source ILO)

The unemployment rate for females (14%) is double that for males (7%); Youths (15-24 years) and those with higher education are the groups suffering most in finding a job. Unemployment decreases with age; it goes down to 3% for males and zero for females aged 55 and above. Higher education means higher unemployment rate for both sexes; the rate among the university educated is three times that of illiterates.

Unemployment of Palestinians by Age

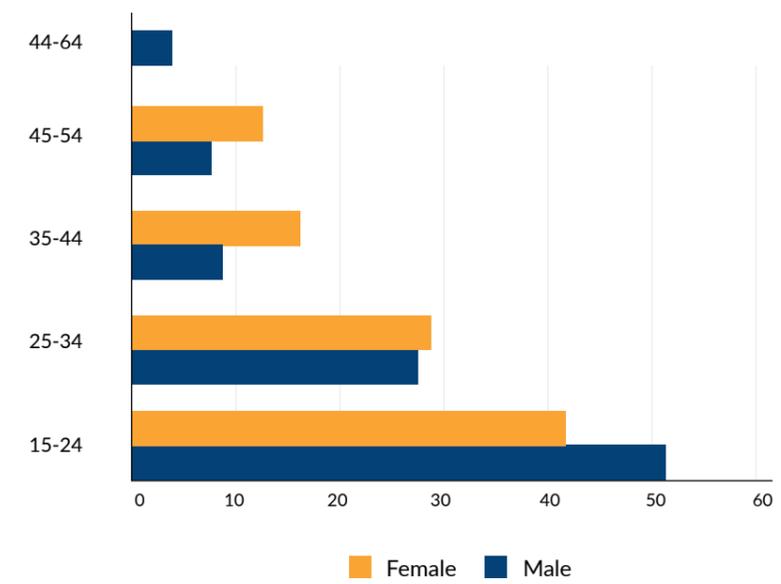


Figure SEQ Figure * ARABIC 18: Unemployment Rates of Palestinians by Age and Gender (%) (Source - ILO)

Geographically, unemployment is higher than the average in both Beirut and Tripoli (11%), particularly for females; it goes down to 6% in Beqaa, 9% in Saida and as low as 2% in Tyre.

The majority of Palestinian refugees resort to traditional means for finding a job. The first one is via acquaintances, friends and relatives (71%), followed by applying directly to the employer (63%) and asking at workplaces (13%); searching through employment service centers or advertisements in the media was negligibly utilized.

Average income is equally low across the different professions. It is dramatically low for workers in agriculture, at 365,000 LBP a month, an amount slightly higher than the poverty line, which is estimated at around 275,000 LBP per person per month. Professionals and technicians - who work in health, education and commerce - are the highest wage earners.

Average Monthly Income by Gender and Nationality

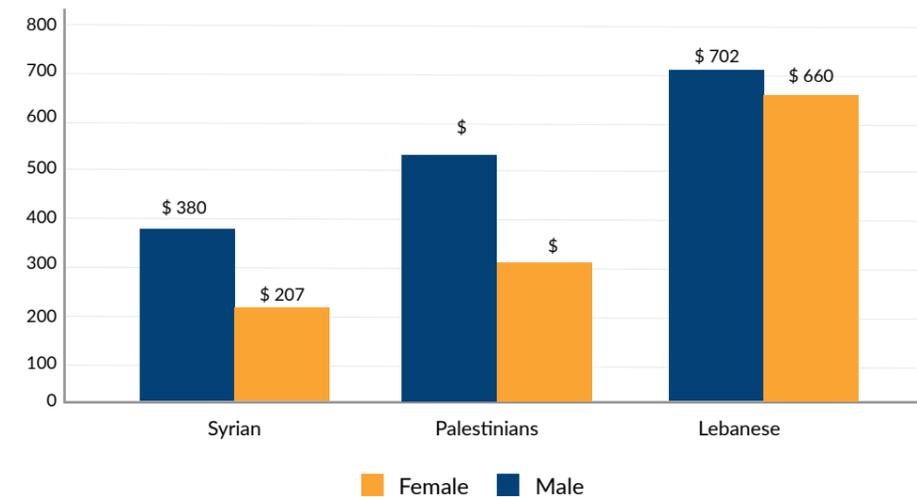


Figure 19: Average Monthly income by gender and nationality

When it comes to nationality of employers, Palestinian refugees are equally employed by Lebanese and Palestinians, with the figures varying by location. Tripoli has the highest percentage (62%) of workers who are employed by a Palestinian. No significant differences were noted between males and females. Finally, 6% of Palestinian refugees work for employers of other different nationalities.

b. Syrian Youth

Education Status of Syrians:

The Ministry of Education and Higher Education (MEHE) facilitated access to education for Syrian refugees to all public schools; however, both students and schools continue to face significant challenges.

Although classrooms in the public Government schools in Lebanon are generally not overcrowded and the ratio of students to teachers is the lowest in public schools, the high concentration of Syrian refugees in host communities in North and Bekaa has led to the overcrowding of schools that were previously under-populated.

Syrian refugee students face several obstacles that not only hinder their access to education (for example, transportation costs and discrimination), but also affect their ability to learn in school, such as differences between the curricula and language (French or English are the languages of instruction for most school subjects).

As far as enrolment is concerned, several studies revealed that enrolment of Syrian students in Lebanese schools is low across all school levels. According to these studies, only 31 per cent of surveyed children were attending schools in the years 2012-2013, with no significant differences between males and females. Geographically, primary level enrolment rates were similar between Akkar, Tripoli and Bekaa (between 65% and 70%); in the South, the rate at the primary level was significantly lower (12%). The South registered the lowest enrolment rates across most levels.

Findings show that 8% of refugee children in the age group 10 to 14 are working, mainly in agriculture and trade, and thus not going to school. Approximately 60% of children of the same age group do not attend school and thus are vulnerable to future labor exploitation³⁴. More than half of the children within this age group stated that they are currently looking for work. According to UNESCO, the principle reason for parents sending children to work is to provide essential financial support for the household; this was declared by all surveyed Syrian working children. The second reason given for working was the absence of a breadwinner (stated by 15 per cent of the Syrian working children).

Employment Trends of Syrians:

Resembling the patterns among the Palestinian refugees in Lebanon, the Syrian refugees are characterized by high male employment and high female unemployment. An ILO assessment of employment of Syrian refugees in Lebanon conducted by ILO in 2014 found that the unemployment rate of male and female Syrians was 30% and 68% respectively. The low share of working Syrian women is most likely attributed to their housework and childcare obligations. For both genders that were able to find employment, approximately 88% were working in either unskilled or semi-skilled jobs, and 92% were working without formal contracts. For the majority, this employment was not stable: 56% were employed on a seasonal, weekly or daily basis, and it would take an average of 10 weeks for a Syrian refugee to find employment. The average monthly wage for a Syrian worker was found to be US\$287, approximately 40% less than Lebanon's minimum wage of US\$448. The average monthly wage was lower still for Syrian females at US\$165. Nevertheless, the low wages of Syrians are often complimented with alternative sources of support. Around 36% of respondents stated that they have sources of income other than the wages of a household member. The figure below shows that the main sources of alternative income are assistance from UNHCR (50%) and personal savings (22%).

The ILO survey also explored activity distribution for employed Syrian refugees. The highest concentration – more than one-third – of the employed were found to be working in private services, ranging from drivers, housekeepers and caretakers to, in some cases, technicians and professionals. Employed females were particularly concentrated in these activities. Agriculture accounted for about 28% of refugee employment, mostly skilled agricultural labor and overwhelmingly male. Commerce (wholesale and retail trade and vehicle repair) employed about 15% of refugees with jobs. Construction was estimated to employ about 12% of working refugees, a rather small share given the longstanding and rather large supply of Syrian

³⁴Bureau Of International Labor Affairs (USA). (2016). 2016 Findings on the Worst Forms of Child Labor.

construction workers in the country. Finally, manufacturing accounted for only 4% of refugee employment.

The occupational distribution of Syrian workers reflects their low skill capacities and indicates that Syrians are mainly engaged in occupations that provide little income, social protection or job security. Occupations varied geographically; in the South half were working in personal services while 29% of agriculture workers are active in Akkar. The majority (70%) of those working in agriculture were divided between Akkar (34%) and the Bekaa (36%). Syrian refugees seemed to remain in the same sectors or occupations that they worked in before the crisis. For example, 90% of surveyed refugees currently working in agriculture stated that they used to work in agriculture prior to the crisis. In other words, there are a high proportion of people who occupied low to medium skilled jobs before the crisis and continue to work in similar jobs.

Average Monthly Income of Syrian refugees by region (LBP)

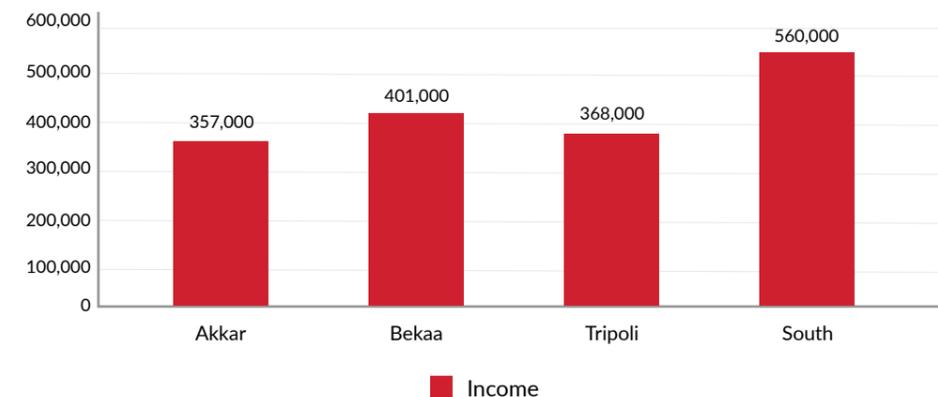


Figure SEQ Figure * ARABIC 7: Average monthly income of Syrian refugees by region (LBP)

Distribution of Syrian Refugee Workers by Skill Category in Each Region (%) (Source-ILO)

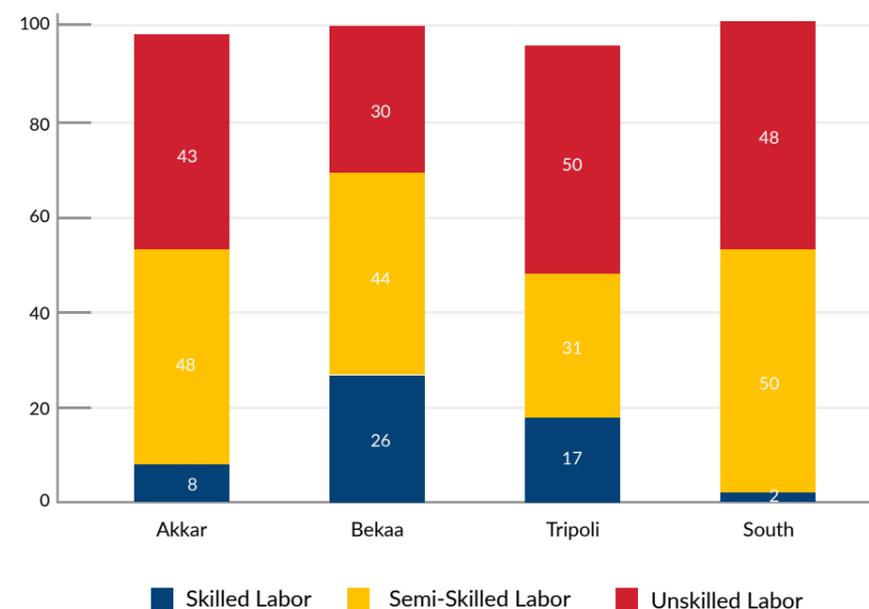


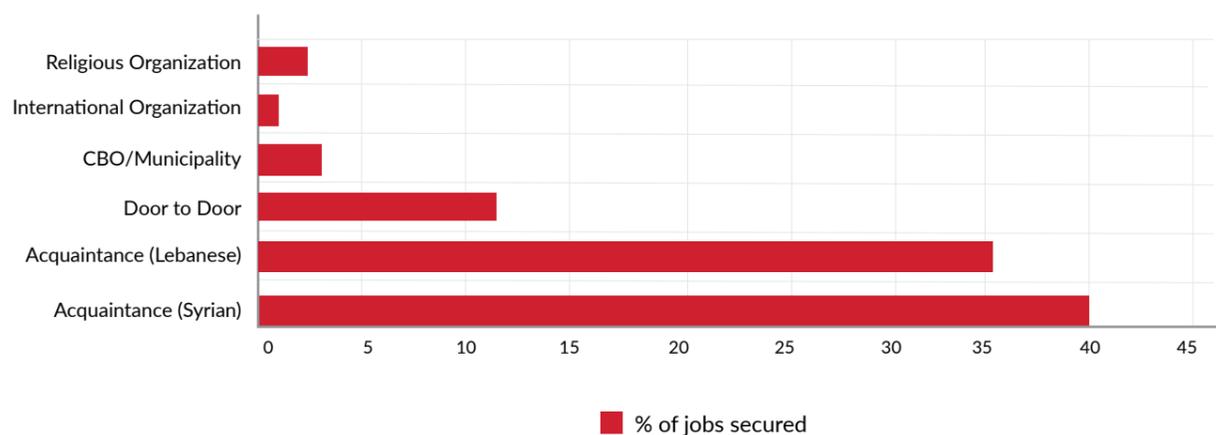
Figure 21: Distribution of Syrian refugee workers by skill category in each region (%) (Source - ILO)

The type of occupation and level of education are related. Higher educational attainment is associated with more skillful jobs. While more than 70% of unskilled workers are illiterate or have a primary education, most skilled workers are university graduates. Nevertheless, some university graduates have unskilled (2%) or semi-skilled jobs (6%). These cases might be due to the lack of job opportunities and work permits in specific economic activities. In conclusion, secondary, technical or university degrees increased the chances to find more skillful occupations.

On average, males worked 50 hours per week and females 30 hours per week. Those with intermediate (55 hours per week) or secondary (57 hours per week) education suffer the longest working hours, compared with illiterates (42 hours per week) and university graduates (47 hours per week).

Job searching methods are still highly traditional. Personal networking was noted as the most common way of job-seeking among respondents. Around 40% of working refugees found work through a Syrian acquaintance and 36% through a Lebanese acquaintance. Only 1% found work through international organizations, and 5% through local or religious organizations.

Distribution of Currently Working Refugees by Means of finding Work (%)



c. Lebanese Youth

a. Education Trends of Lebanese:

Approximately 71% of youth are Lebanese or of other nationalities. Across these subgroups the proportion of youth to the total population is consistent. Lebanese youth are split almost evenly between Beirut/Mount Lebanon and the periphery areas of the country (North, Bekaa and South) while about 4/5 of other youth are concentrated in these outlying areas.

According to the UNDP, one third of youth wish to emigrate at least temporarily and 77% of emigrants from Lebanon are below the age of 35. The emigration share was equal to 14.4% of the total resident population between 2010 and 2014, among the highest in the Arab world ³⁵. Because emigrants are frequently highly educated (47% of those between the ages of 23-40 holding a university degree) and imported labor is generally low skill, this “replacement migration paradigm” constitutes a major loss to the country’s youth skillset.

According to an assessment by BankMed, primary enrollment figures are very strong for Lebanese nationals across the country (97%) however intermediate education has a dropout rate of 17.3% and only 62.0% of students complete lower secondary education.

³⁵Chaaban, J., & El Khoury, A. (2015). Spotlight on Youth in Lebanon. United Nations Development Program.

Enrollment, Completion Rates by Gender

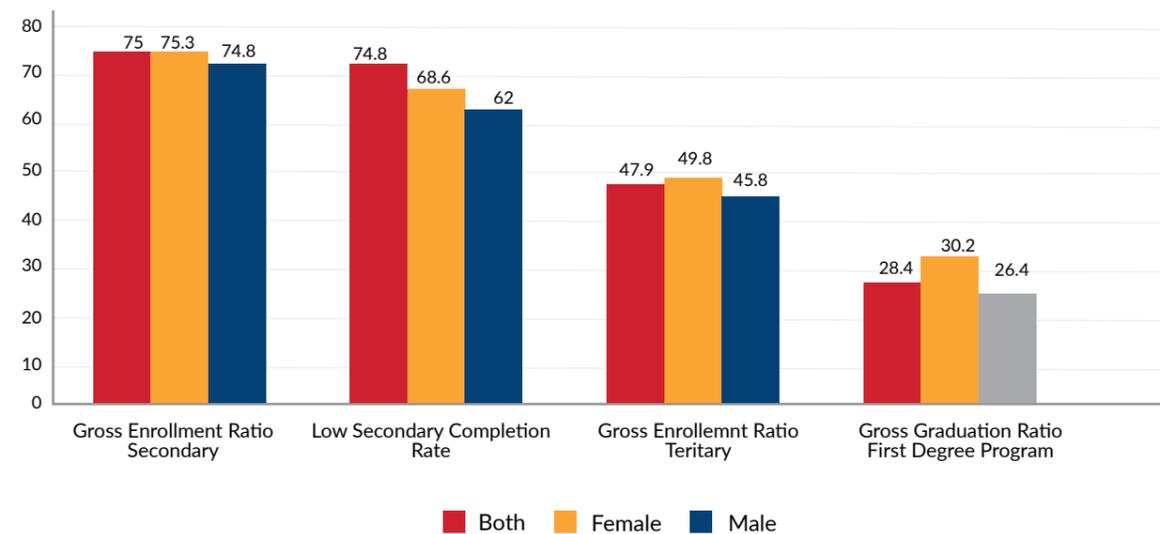


Figure 23: Enrollment, Completion Rates by Gender (Source - UNDP)

Lebanese students perform relatively well in international measures of mathematical and scientific competence compared to the surrounding countries but fall short of the international median in both categories. There is a high degree of education inequality represented by major differences in test performance between regions, income level and public and private school students. In fact, most Lebanese students are enrolled in private schools, with an additional 23% of primary students attending subsidized private schools. The gross enrollment ratio in tertiary education is 45.8%, with only a 26.4% graduation ratio, partially due to the limited seats in the public university and high cost of private universities. Vocational and technical education programs have become increasingly common in recent years, with vocational programs sporting high completion rates ³⁶.



³⁶BankMed, sal . (2015). Analysis of Lebanon’s Education Sector.

³⁷Statistics in Focus. (2011). The labor market in Lebanon. Central Administration of Statistics.

b. Employment trends of Lebanese:

A survey done by the Lebanese Central Administration of Statistics show that 7% of the total households in Lebanon had at least one unemployed person. 85% of the households with unemployed members, had only one person recorded as being unemployed. The majority of unemployed were single (85%) and only 14% were married. 54% of the unemployed persons used to have previous work while the rest never worked before³⁷.

Both skilled and unskilled youth struggle to transition out of school and find employment in the crowded labor market, taking an average of 10 and 16 months respectively to find their first job. A sizeable percentage of female youth do not enter the labor force or exit very early and become economically inactive, especially in periphery areas. Rates of unemployment are worse for women. Unemployment rates are high among highly skilled persons in Lebanon, 9% for those who have already obtained their university degrees and 8% for those with secondary level of education. Apart from the people without any formal educational attainment, the unemployment rate was higher for women than men regardless of the level of education achieved. At just over 14%, the unemployment rate was particularly high for women with secondary level education.

Most of the employed youth were in monthly paid positions, which were more likely to be formal, though sizable numbers worked for wages or were self-employed, largely not benefiting from social security or worker protections. The median informally employed youth earned \$467 a month. The formally employed youth with only primary education earned \$600 month. Secondary and tertiary educated youth earned only marginal wage increases at \$633 and \$733 a month respectively, indicating the relatively low returns on education.

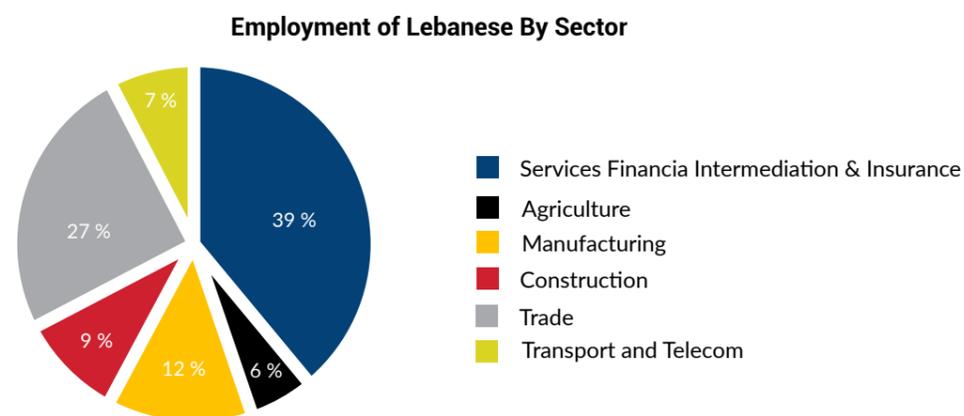


Figure 24: Employment of Lebanese by Sector

When it comes to job searching, public and/or private employment offices were not widely used by unemployed jobseekers. Almost 36% of the unemployed decided to look for a job via friends, relatives or other people they may know. However more formal ways of looking for a job such as directly submitting applications to employers or using advertisements came in as second and third most used means for job search.

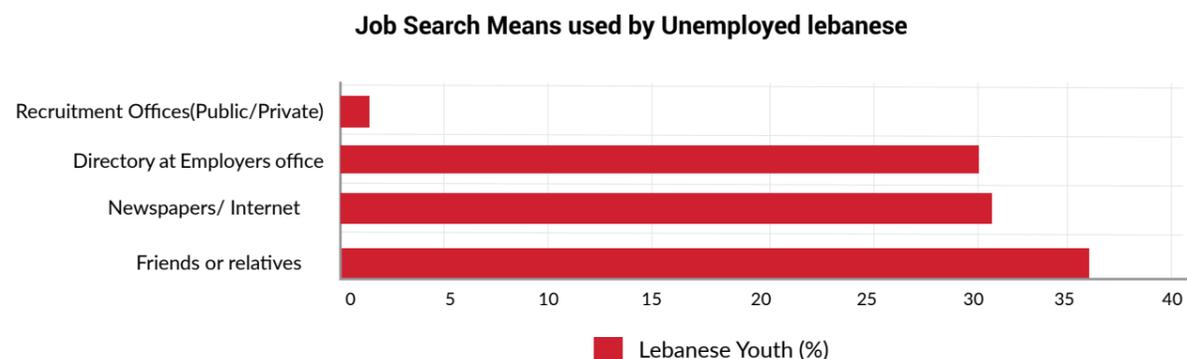


Figure SEQ Figure * ARABIC 12: Job Search Means used by Unemployed Lebanese (Source - Central Administration of Statistics)

⁴²Statistics in Focus. (2011). The labour market in Lebanon. Central Administration of Statistics.

While many educated Lebanese do not work due to the low offered wages, employers in Lebanon complain about not finding the skilled labor they need at a rate almost double the world average. 41% of employed individuals held that their education was not relevant to their current occupation, further suggesting skills mismatch in the labor market. Additional issues are presented by the prominent levels of personal favoritism active in many corporate and public sector hiring and promotion processes.

According to the UNDP, young people are particularly dissatisfied with existing opportunities, citing the poor job climate as a bigger obstacle than education, healthcare or housing, when it comes to their life prospects. Indeed, preliminary research suggest that there is a particular difficulty in recruiting trained professionals and people to occupy middle-management positions, as university graduates are often unwilling to accept jobs at the level of remuneration that MSEs can provide. The most challenging positions to fill are generally thought to be skilled technicians, good engineers, and managers³⁸.





ANNEX III . GENERAL SECTOR STUDY

ANNEX III. GENERAL SECTOR STUDY

1. Agriculture and Agro-food

Out of the 801 business surveys conducted in all three areas, the businesses which belonged to the Agriculture and Agri-food sector took on a substantial portion out of the other 9 sectors.

Agro-food is the largest subsector of the industrial sector in Lebanon. In 2013, agro-food contributed around 20% of the value added of the industrial sector and around 2.4% of the GDP³⁹. The agro-food sector grew at a compounded annual growth rate of 10.87% from 2009 to 2013, showing a continuous and steady development. The sector relies heavily on the small but stable agricultural sector and on imported raw materials. The main enterprises in the agro-food sector by type of production are: bakery and pastry products (23% of the total)⁴⁰ followed by confectionary and dairy products (respectively 16% and 8% of the total). It is predominantly composed of small, family owned enterprises. Presently, the agro-food industry has around 736 registered companies in Lebanon, representing 18.2% of the industrial activity in the country⁴¹. Agro enterprises are still mostly family owned and operated and employ a sizeable part of the population, especially in rural areas. In fact, the agro-food subsector employs around one quarter of the industrial labor force⁴².

Agriculture in Lebanon has a great potential for growth, having not reached its expansion limit. In addition to the country's ideal climate and landscape, other factors such as skilled labor, devoted research (8 agricultural colleges established across the territory), and good export opportunities to the Middle East, make investments in this sector highly attractive. On another level, the persistent dependence on imports signals that the market is far from being saturated. With demand greatly exceeding local supply and local conditions favoring agricultural activity, Lebanon's diverse and rich agricultural sector makes it eye-catching for future investments.

Regarding the geographical distribution of the agro-food industry, the largest numbers of businesses operate in Mount Lebanon (34%). This region includes higher lands that are suitable for fruit production, olive oil, pine nuts and carob⁴³. The second most productive region is the Bekaa, where 3% of MSMEs are based. It has long been considered a reservoir of agricultural products in Lebanon, producing wine, dairy and meat products, stone fruits and vegetables. Northern Lebanon and Akkar is the third most important region (accounting for 14% of business), producing plums and prunes, alongside various vegetables.

Key challenges faced by the sector include high production costs, the difficulty of developing economies of scale in a small market, low levels of investment in research and development, lack of strategic development and management within the sector, and restricted access to water and electricity. Major setbacks to employment, according to the UNDP, seem to be targeted towards semi-skilled labor posts⁴⁴.



³⁸United Nations Development Program. (2016). Mind the Gap - A Labor Needs Assessment in Lebanon.

³⁹Chlouk, G. (2016). Agro-food sector brief. FAO and UNIDO, for the Lebanon Development Forum.

⁴⁰The directory of exports and Industrial firms in Lebanon, 2015-16

⁴¹Agrofood Factbook. (2015). Investment Development Authority in Lebanon (IDAL)

⁴²The European Union's Assessment of the agrofood sector in Lebanon. (2015) ⁴³IDAL, 2014 Agro-Food fact sheet.

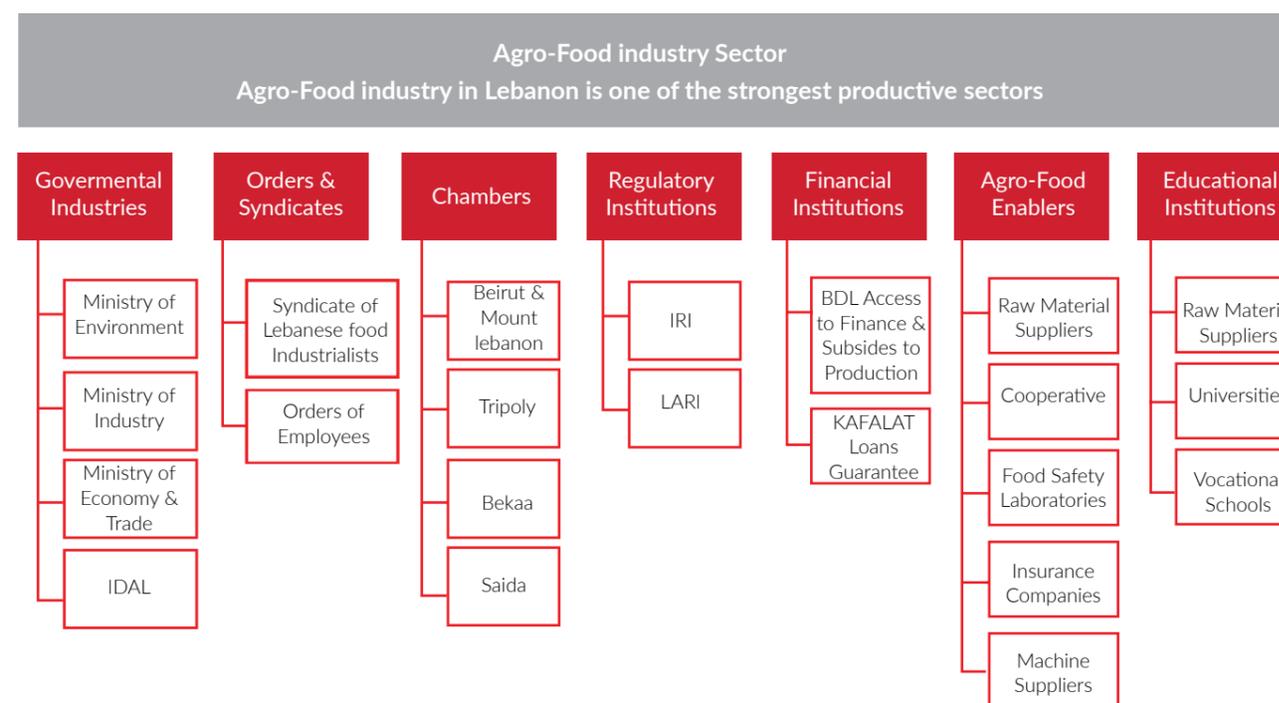


Figure 26: Agriculture and Agro-food industry Key Stakeholders

According to the Key Informant Interviews conducted with government representatives, Agriculture and agro-food are highly in demand in Barja, Tripoli, and Saida. Mr. Fawaz Hamidi, from the Business Incubator Association in Tripoli (BIAT), insisted that the allocation of resources towards Tripoli and the North for example, isn't based on a policy framework. This "no policy" strategy has left many resources untapped in Tripoli, Saida and Barja. One of these is the agriculture and agro-food sector. The focus is on the expansion of chestnuts, mushrooms, and truffles cultivation and production. Also, aquaculture farming is growing increasingly popular. Last, there is a need to build packaging and cold storage facilities to meet the Lebanese market demand by taking into consideration the industry's best practices and regulations⁴⁵.

2. Construction and Environment

The construction sector is an essential element of the Lebanese economy, accounting for 5.8% of GDP in 2011, and employing a larger share of the labor force⁴⁶. The Lebanese construction industry has an important outcome on the country's social and economic growth, through the position it holds in the nation's economy. It consists of over 35,000 operators employing 130,000 people in a multitude of roles⁴⁷. Yet despite the plentiful supply of labor, the construction industry has struggled in recent years. For example, registration fees for construction decreased in 2015 by 9.4%⁴⁸, and more recently, Construction Permits recorded a 2.3% year-on-year decrease in the first 8 months of 2016. Furthermore, outside of managerial and professional positions, a sizeable percentage of people working in this sector come from Syria and other countries. The centrality of this sector, and its labor force composition, make its development crucial for Lebanon's socio-economic stability.

The assessment of labor needs in the construction industry parallels findings for the agro-food industry in interesting ways. Most clearly, challenges that exist among management and support staff, for example in siting construction projects, resonate and become greater at the level of the professional and semi-skilled workforce. Also, management lacks industry-specific knowledge about siting, waste management and efficient business practices.

⁴⁵Lebanese Customs and Desk Research. (2017). Investment Development Authority in Lebanon.

Retrieved from <http://investinlebanon.gov.lb/Content/uploads/SideBlock/171010012459018-Agriculture%20factsheet%202017.pdf>

⁴⁶Green Jobs Kick-Off Workshop in Arab States, Lebanon case study. (2011). International Labor Organization.

⁴⁷Ibid. ⁴⁸The World Bank. (2016). Lebanon Economic Monitor.

Residential Construction Sector
absorbs a lot of manpower and enables a high level of job creation

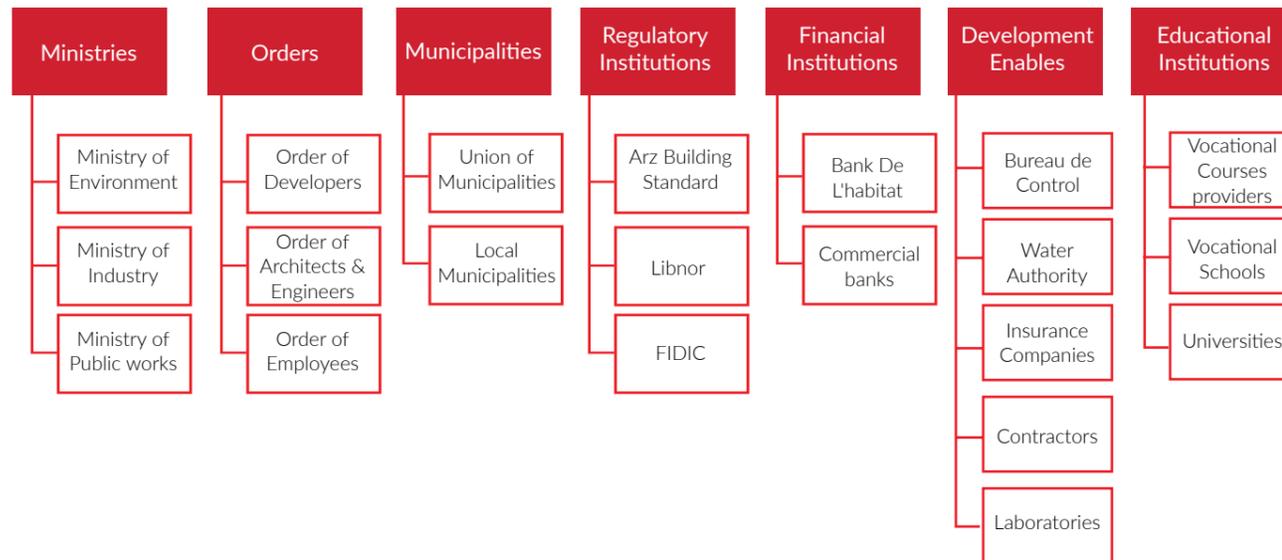


Figure 27: Construction and Environment Sector Key Stakeholders

The untapped market in the construction sector is related to the environment subsector. Considerable growth potential is especially found in a number of green activities, such as solar water heating and photovoltaic, organic farming and marketing, energy efficient building construction as well as recycling. Going green implies a structural shift from less preferable economic sectors, activities, and practices towards more environmentally sustainable ones. Though this will lead to a reduction of jobs in several environmentally unsustainable sectors, the overall long-term impact on employment in Lebanon appears to be positive, according to the International Labor Organization⁴⁹.

Out of the 801 businesses surveyed across all three areas, 42 belonged to the construction sector, and 4 to the environment sector. Moreover, out of the 8 Key Informant Interviews conducted in the three regions, 5 belonged to the construction and environment sector.

3. Banking and Finance:

The Lebanese banking industry is financially sound and stable. It plays key roles in the Lebanese economy where banks continue to dominate the financial system of the country and are major providers of credit to individuals and businesses.

Banks and other financial institutions in Lebanon fall under the jurisdiction of the Bank of Lebanon (BDL), the country's central bank and regulatory authority. The Bank of Lebanon controls entry into the banking industry, defines the scope of banking activities, and sets prudential regulations and codes of practice for banks.

The progress realized by the Lebanese banking sector over the last ten years or so could not have been possible without the appropriate and strong bank regulation and supervision undertaken by the BDL and BCC and the close cooperation of the ABL.

The banking sector is characterized by its diversity in sizes, nature, and ownership structure. There are also highly qualified human resources, which indirectly reinforces the compliance to international standards as well as sustainable growth and shock-resistance.

By the end of 2013, the number of employees working in banks operating in Lebanon reached 23,136 distributed as follows:

⁴⁹Green Jobs Assessment in Lebanon. (2011). International Labor Organization.
⁵⁰Human Resources in the Lebanese Banking Sector. (2013). Association of Banks in Lebanon.

21,629 employees in Lebanese commercial banks' (42 banks), 734 employees in branches of Arab and foreign banks (11 banks), and 773 employees working in investment banks (17 banks which all are Lebanese corporations SAL). According to the Lebanese databank, the percentage of employees whose age does not exceed 40 years constituted 58% (8.8% under 25 years of age and 49.2% between 25 and 40 years)⁵⁰.

This sector has been restricted to only Lebanese nationals, which is why it isn't of high importance to the study. It is vital to note that 202 business surveys were classified under the "other" category, many of them included insurance companies and other entities related to this sector. No KIIs were conducted with stakeholders in this sector due to the aforementioned reasons.

4. Healthcare:

Lebanon is one of the most dynamic healthcare markets in the Arab region. The country remains a regional leader in healthcare, with a world-class standard.

Spending on healthcare has improved by 8.5% in 2011, compared to the previous year, to reach a value of \$3.3 billion, or around 8% of GDP⁵¹. However, healthcare includes several types of expenditures, among which pharmaceutical spending. The latter constitutes a surprising 36% of total healthcare spending, an indicator of overspending. Reasons behind this high spending on healthcare and the large sales of pharmaceutical products lie first and foremost in the cultural prioritization of healthcare in the country, but other factors also contribute to the high healthcare bill. Since 90% of Lebanon's hospitals and pharmacies are held by the private sector, and as mark-ups are fixed on drugs, there is a tendency to prescribe high value pharmaceutical products. In addition, the existence of 50-plus pharmaceutical importers has reduced economies of scale and distributor competitiveness. The country remains almost completely reliant on imported pharmaceuticals in value terms.

The sector has vacancies for skilled professionals that are filled by unskilled and low-educated workers⁵². This problem results from the difficulties facing the nursing sector, which suffers from a shortage of workers due to low wages, the absence of a social security network and the unscientific classification and specializations of those working in the profession. Lebanon has presently an oversupply of doctors, while having a shortage in nurses and basic help staff. Services are in general specialized and advanced, and basic health services are underdeveloped, especially in rural areas. Lebanese public hospitals are unequipped and suffer from several deficiencies in terms of maintenance, quality, and inexperienced physicians and nurses. This gap could be an opportunity for intervention.

Out of the 801 businesses surveyed, 40 of them belonged to the healthcare sector. Also, one KII conducted was with a stakeholder in the healthcare sector.

5. ICT:

According to BLOM Bank Group, the knowledge economy in Lebanon is one, among others, hidden opportunity in the Lebanese economic sectors. The size of the ICT Market in 2016 was at 2.436 million USD and is expected to reach 3.543 million USD by 2019. Investments in the sector can be expected to bear fruit for three reasons. First, more than 60% of ICT related services are export-oriented and aim to tap more than just the Lebanese market.⁵³ Second, there are several powerful enablers who have identified ICT as a priority. Lebanon already has several successful technology incubators, which can help catalyze innovation, and the Central Bank of Lebanon has agreed to guarantee up to 75% of investments in the knowledge economy.⁵⁴ Accelerators and Incubators such as Berytech, UK Lebanon Tech Hub, Speed, and others provide hosting, coaching, access to finance, access to markets, and training in business management for newly established ICT companies. They promote the required culture and provide a hub for events, networks, and communities to form. Third, there are supportive general trends such as the increase in internet use from 52% in 2011 to 74.7% in 2014. Broadband subscriptions trebled in the same period to reach over 1.1 million persons⁵⁵. Combined with Lebanon's good rates of tertiary education, these factors have led the World Bank to conclude that Lebanon has 'an opportunity to develop a 'tech start-up ecosystem' where communities of entrepreneurs interact, becoming a viable source for high-skilled job creation. Ultimately, the hope is that this sector will create more than 2,000 new jobs for university graduates each year. Though these companies are heavily concentrated in Beirut, initiatives in Tripoli such as the Special Economic Zone have made it appealing for ICTs to

⁵¹Overview of the Healthcare Sector in Lebanon. (2012). BLOM Bank SAL.
⁵²Labor Market and Employment Policy in Lebanon. (2015). European Training Foundation.

⁵³IDAL. (2016). IT Sector Overview.
⁵⁴Circular 331. (2013). Banque du Liban
⁵⁵Mind the Gap. (2016). United Nations Development Program.

flourish without the burden of rent.

Lebanon is planning on becoming the hub for ICT in the Middle East and North Africa regions, considering the initiatives to tap into in-demand sub-sectors such as gaming, e-health, ad tech, enterprise software, and e-payment solutions. Yet, for that to take place, stakeholders will need to develop several technical capabilities to fulfill their potential. The greatest priority is understanding the needs of different user groups, followed by a need to gain skills in the field of virtualization and cloud computing, conduct training about the latest technologies, and manage internet security and risk effectively.

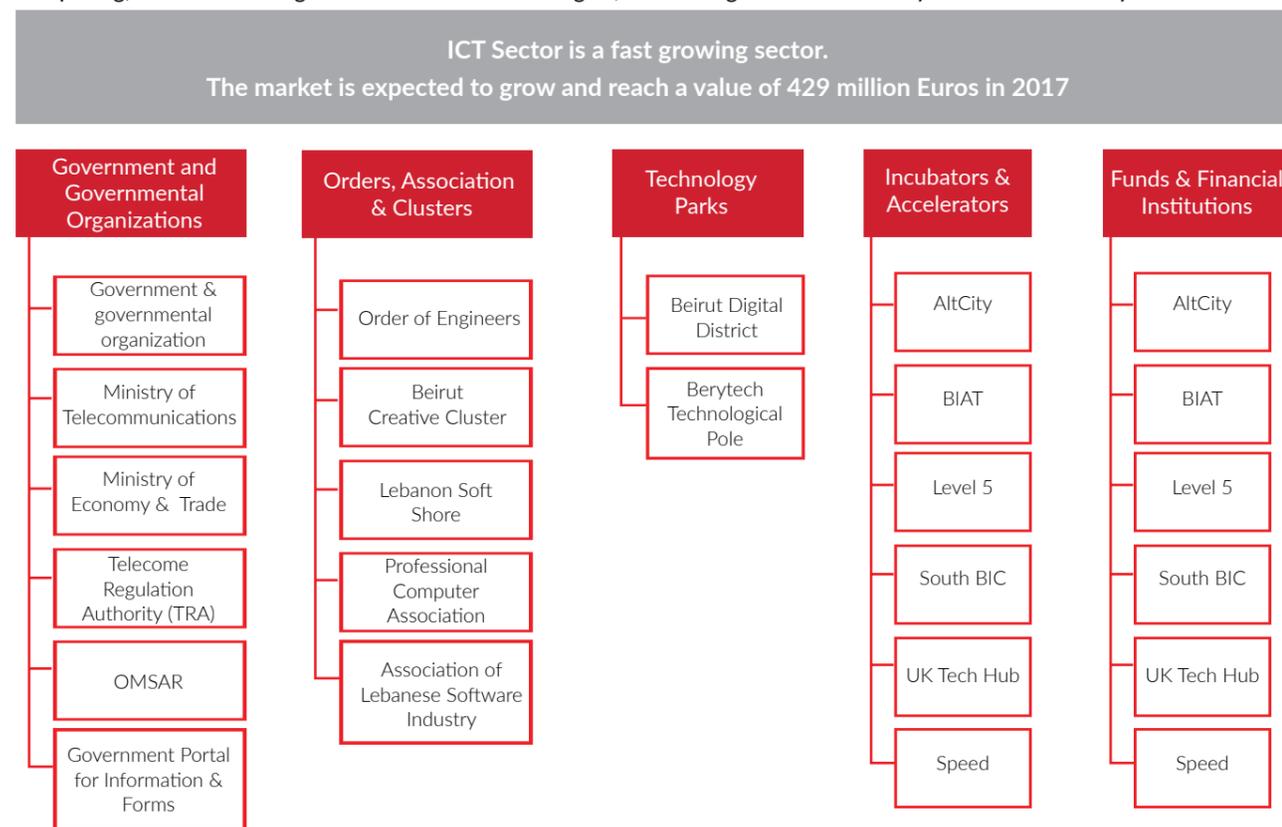


Figure 28: ICT Key Stakeholders

Out of the 801 businesses surveyed, 43 belonged to the ICT sector, yet no KIIs were conducted with major stakeholders.

6. Creative Industries:

Creative industries include “activities with origins in individual creativity, skill and talent, and have the potential for wealth and job creation through the generation and exploitation of intellectual property”.

It is worth noting that 104 businesses under this sector were surveyed out of 801. Nevertheless, no KIIs were conducted with stakeholders from this sector.

The biggest buck earner in this sector is the jewelry, fashion, and crafts sub-sector. The jewelry market in Lebanon is a large and competitive one, with few names leading the market. The size of the Lebanese jewelry market is estimated at 600 million USD⁵⁶. There are no barriers to entering the jewelry sector in Lebanon. Intellectual property rights are in place, if not always rigidly enforced. Tariffs are falling, there is no VAT imposed on jewelers. Jewelry, particularly pearls, precious stones and metals are considered among the main exported commodities in Lebanon. In 2015, exports were pegged at 407.26 million USD with a 15 percent share of the total Lebanese exports. Unlike the rest of the economic sectors, the jewelry industry preserved its shine, with its sales remaining resilient in the face of the global economic and political upheavals. Demand has been shifting towards diamond and other precious stones in the past 8 years, as it has become more fashionable than only

⁵⁶Lebanese Jewelry Industry: Radiant yet Opaque. (2016). BLOM Bank.

gold medallions.

There is a comparative advantage in producing jewelry in Lebanon, namely the low cost of production, coupled with the high expertise levels, and high purity of the product (diamond, emeralds, gold, etc.) compared to other countries.

Nevertheless, obstacles are still faced by jewelers in Lebanon. The Lebanese jewelry industry is highly unregulated and lacks transparency. A few jewelers mix diamond with zircon and sell the item as if it were made of only diamonds. Moreover, they sell diamonds to clients with a certificate indicating that its size is bigger than its actual size. In addition, as there are no barriers to entry, people with no prior education or experience concerning jewelry and the quality of precious stones, can join the market. Consequently, the industry is being flooded by copied items or by poorly manufactured trinkets, mainly exported from China.

It is important to note that craftsmanship is not only restricted to jewelry, but can range to basket making, perfumed soap, embroidery, woodwork, pottery, blown glass, and even weaving⁵⁷. Luckily, the hubs for these crafts are in rural (and touristic) areas such as Beddawi, Barja, Chhim, Baadaran, Al Mina, and Saida. Yet, these hubs have lost their critical mass or are no longer active. There is however a growing consciousness in favor of their revitalization, with rallying voices of academia, the private sector, development organizations, NGOs and civil society. While technical know-how is commonly recognized to be still available locally, marketing is identified as the crafts' main hurdle, which calls for the upgrading of designs (through stronger and more regular linkages between artisans and design professionals) and the enhancement of business skills⁵⁸.

7. Tourism and Hospitality:

The tourism industry is a key economic sector and remains a major source of revenue for Lebanon. Tourists support several industries including hospitality services, restaurants, bars and catering, wellness and spas, business events and exhibitions, travel agents, etc. According to World Travel & Tourism Council, the travel and tourism sector's contribution to GDP in Lebanon fluctuated over the period 2010-2015 to reach USD 9,861 million in 2015, increasing from USD 9,840 million in 2014 amid regional political tension and local security issues. During 2015, tourism's direct contribution to GDP slightly increased by 2% reaching USD 3,606 million, while tourism's indirect contribution to GDP witnessed a slight decrease of 0.6% to reach USD 6,255 million⁵⁹. As such, the total contribution of tourism to GDP has merely increased by 0.2%, displaying stability within the sector.

Moreover, over the period 2010-2015, the share of tourists coming from the Gulf region have been significantly affected by the deteriorating regional developments and its underlying effects on the security climates. The share of Saudi Arabian tourists witnessed the largest decline of 52.4% over the same period from 21% in 2010 to 10% in 2015. Similarly, tourists from Kuwait and Jordan declined as well from 11% and 31% in 2010 to 6% and 16% in 2015, respectively⁶⁰. Nevertheless, tourist spending has relatively increased, benefitting the clothing and retail sector the most⁶¹.

Internal tourism, on its part, has been gaining momentum, especially following the political turmoil in neighboring countries. According to BLOM Bank, it reached \$1.19 billion, compared \$1.17 billion to in the year before⁶². According to the World Travel and Tourism Council, this trend is likely to extend to \$2.35 billion by 2027 where domestic tourism expenditures would. In fact, domestic tourism is expected to have grown by 4.8% in 2017 and to rise by a yearly 4.3% by 2027. As tourism is highly affected by the internal conflicts and economic environment in Lebanon, it is unsafe to direct any potential youth towards this risky market at the moment.

Out of 801 businesses surveyed, 74 fell under the tourism and hospitality sector. Out of the KIIs conducted, Kasr Al Hallab was the only stakeholder interviewed belonging to this sector.

⁵⁷Lebanese Handicrafts, Keep Lebanon in your mind. Ministry of Tourism.

⁵⁸MedCulture Technical Assistance Newsletter. European Union. Retrieved from: <https://www.medculture.eu/country/lebanon/documents/934>

⁵⁹World Travel and Tourism Council.

⁶⁰Analysis of Lebanon's Travel and Tourism Sector. (2016). Bank Med SAL.

⁶¹Global Blue Lebanon

⁶²Lebanese Tourism Sector: 2017 in Review. (2018). BLOM Bank.



ANNEX IV . ASSESSMENT OF SECTORS

ANNEX IV. ASSESSMENT OF SECTORS

a. Agriculture and Agro-food

Growth Status: Agriculture in Lebanon has great potential for growth, as it still has not reached its expansion limit. In addition to the country's ideal climate and landscape, other factors such as skilled labor, devoted research (8 agricultural colleges established across the territory), and good export opportunities to the Middle East, also make investments in this sector highly attractive. On another level, the persistent dependence on imports signals that the market is far from being saturated. With demand greatly exceeding local supply and local conditions favoring agricultural activity, Lebanon's diverse and rich agricultural sector makes it eye-catching for future investments. According to the Key Informant Interviews conducted with government representatives, Agriculture and agro-food are highly in demand in Barja, Tripoli, and Saida.

Nationality Restrictions: Lebanese, Palestinians, and Syrians are all allowed to work in the agriculture and agri-food sectors under Lebanese law.

Gender Consideration: Women in agriculture are estimated to comprise 40% of the labor force, with an income gap between men and women of 21.0%⁶³. It is difficult to project accurately on the involvement of women in agricultural activities, in terms of both number and type of work. But some FAO and UNDP estimates indicate that in certain labor-intensive agricultural sectors (e.g. Tobacco plantation) and household-based productions women actually constitute the absolute majority. They are typically not included in national statistics.

Legal/Social Considerations: Mr. Fawaz Hamidi of the Business Incubator Association in Tripoli (BIAT), insisted that the allocation of resources towards Tripoli and the North is not based on a policy framework. This "no policy" strategy has left many resources untapped in Tripoli, Saida and Barja. One of these is the agriculture and agri-food sector.

b. Construction and Environment:

Growth Status: The construction sector has been in a constant struggle recently. For example, registration fees for construction contracted in 2015 by 9.4%. Construction Permits recorded a 2.3% year-on-year decrease in the first 8 months of 2016. Nevertheless, the environment subsector is perceived as an untapped market, with many investors shifting their focus towards solar energy and recycling. Out of 46 businesses interviewed in this sector, 24 responded positively when asked about growth prospects (52%).

Nationality Restrictions: Lebanese, Syrian, and Palestinians are all allowed to work in the construction and environment sector, according to Lebanese law. However, Syrians mostly fill positions for low-skilled and semi-skilled labor, as there is a lack of Lebanese labor willing to perform these tasks.

Gender Considerations: Women find it difficult to integrate into the workflow in this specific sector, since it is male-dominated. Especially in rural areas, where the culture is more conservative and does not allow interactions between men and women, and where family members are influential on women's choices. Hence, women tend to shy away from working in this sector.

Legal/Social Considerations: Employment in this sector is usually very informal, and contract agreements are short-termed. This informality exposes low-skilled workers to major safety and health risks. Employers can often use the legal informality in this sector to their advantage and exploit the low-skilled employees by exposing them to major safety and health risks.

⁶³Gender Profile, Lebanon. Institute for Women's Studies in the Arab World.

c. Banking and Finance:

The Lebanese banking industry is financially sound and stable. It plays a key role in the Lebanese economy where banks continue to dominate the financial system of the country and are major providers of credit to individuals and businesses. This sector has been restricted to only Lebanese nationals, which is why it is not of high importance to the study.

d. Healthcare:

Growth Status: 24 out of 40 businesses interviewed (60%) anticipated growth in the upcoming year.

Nationality restrictions: Under Lebanese law, Syrians and Palestinians cannot take on most of the professions in this sector. Nevertheless, Palestinians are allowed to work as nurses according to the nurse syndicate (Annex).

Gender considerations: In general, there are no cultural restrictions on women regarding this sector. That being said, the business surveys did not show any preference for the employment of women over men in this sector.

Legal/Social considerations: Work in this sector is highly in demand, due to the scarcity of technical and vocational expertise present. However, earning a vocational certification in this sector cannot be done through short-term training. Similarly, employment in this sector requires a formal procedure. The informality of employment is almost non-existent, which can exclude a majority of youth.

e. ICT:

Growth Status: The ICT sector is fast growing in Lebanon, and it is predicted that the country will become the technological hub of the Middle East. Investments in this sector are abundant; the hope is that this sector will create more than 2,000 new jobs for university graduates each year. Nevertheless, the ICT sector is fast paced. According to the KII conducted with Mr. Fawzi Hamade from BIAT, only 8% of startups are successful. This statement can be approved through the employers' responses in the business surveys. Out of the 43 businesses surveyed on growth status, half of the responses were positive, and the other half were negative.

Nationality restrictions: Opportunities in this sector are restricted to Lebanese nationals only.

Gender considerations: Work in this sector does not require manual labor and is mostly attributed to desk work. This makes it easier for women to access jobs in this sector.

f. Creative Industries:

Growth Status: Creative industries are a large sector with many subsectors. Some of these subsectors are growing (namely graphic design, fashion design etc.). Others (such as jewelry and crafts) are stuck in a stalemate. Out of the 104 creative industry businesses surveyed, 50 of them responded positively to growth prospects.

Nationality restrictions: Syrians and Palestinians cannot work in this sector under Lebanese law. However, many Syrians and Palestinians still work as jewelers and craftsmen in their refugee camps and settlements. Some also work from home and sell their crafts online⁶⁴.

Gender considerations: As the industry does not require arduous labor, and can be done from home, women tend to migrate towards professions in this sector. Women specialize in beauty, hairdressing, makeup art, and nail art at TVETs, and even take short-term courses on entrepreneurship from home⁶⁵.

Legal/Social considerations: The legal framework for entering this sector is flexible and tolerant (Annex). Moreover, the hubs for craftsmanship are located in touristic rural areas, which are convenient to youth living in Barja, Saida, and Tripoli.

g. Tourism and Hospitality:

Growth status: The tourism sector is interconnected with many subsectors such as hospitality, retail, travel etc. Since 2015, there has been no significant increase or decrease in touristic activities. However, the rising phenomenon of “internal tourism” has contributed to the growth of businesses in this sector (see Annex). Out of the 74 businesses surveyed, 39 responded positively when asked about future growth prospects.

Nationality restrictions: This sector is highly restricted to Lebanese nationals only. Business owners in the sector would not consider hiring Syrians or Palestinians, as they deal with many tourists who want to live “the Lebanese experience”. In touristic areas such as Tripoli, and Saida, employers avoid employing non-nationals for the sake of their reputation with tourists⁶⁶.

Gender considerations: According to the three debriefs with the MC youth volunteers, many restaurant and hotel chain managers stated that they would prefer hiring women over men on the front desk, as cashiers, or as waiters, because they are more approachable and bring in more business.



⁶⁴TVET key informant interview with UNRWA Director.

⁶⁵According to male to female enrollment ratio in beauty majors at TVETs.

⁶⁶SME key informant interview with Hallab Sons.

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