

ISSUE
01
OCT
2011

The Labour Market in Lebanon

Najwa YAACOUB
Lara BADRE



We are here to help you!

Should you require any help or assistance about this publication, please email us at **social@cas.gov.lb**

Or give us a call at **+9611 373 164**

You can also visit our website **www.cas.gov.lb** where you can download free available statistics and indicators about Lebanon.

Suggested Citation: The labour market in Lebanon, Statistics In Focus (SIF), Central Administration of Statistics, Lebanon, Issue number 1, October 2011.

This publication is free of charge and can be found at the following link: http://www.cas.gov.lb/index.php?option=com_content&view=article&id=58&Itemid=40

Designed by: Khodor Daher – Central Administration of Statistics, Lebanon



This publication was prepared within the EU Twining project to support the Central Administration of Statistics in Lebanon

Within the context of the EU Twinning Project between the Central Administration of Statistics (CAS) Lebanon and the Northern Ireland Statistics and Research Agency (NISRA) Northern Ireland- UK, CAS has the pleasure making available to user the first issue of the Statistics In Focus (SIF), a series of publications on Social Statistics, entitled 'The Labour Market in Lebanon'.

This issue of the SIF contains key indicators and figures on the Labour Market in Lebanon; it is based on official statistics and can be considered as a reference for users who are looking for general statistics and information about the topic.

The Central Administration of Statistics wishes to thank the persons who contributed to this publication.

Dr. MARAL TUTELIAN GUIDANIAN

Director General
Central Administration of Statistics

The Labour market in Lebanon

The Central Administration of Statistics (CAS) in Lebanon is launching «Statistics In Focus» (SIF), a series of publications on several social and economic indicators about Lebanon.

This issue of SIF looks briefly at the labour market key indicators and figures available from a number of surveys conducted by the Central Administration of Statistics (CAS) in Lebanon in recent years.

Its objective is to provide users with

important information on the Lebanese labour market enabling them to understand the current situation and to compare Lebanon to neighbouring countries.

To answer our user needs we are using the most recently available data from the Multiple Indicators Clusters Survey, Round 3 (MICS3) conducted by the Central Administration of Statistics (CAS) in 2009 in partnership with the UNICEF-Beirut office. However, for some indicators we may use other sources but we will tell you about it.

INSIDE THIS ISSUE:	
Introduction	2
Structure	3
Employment	4
Unemployment	9
Inactive	13
Good to know	14
Regions of Lebanon	16
Lebanon compared	17
Definitions & sources	18

Disclosure notice:

In this publication the use of [*] in tables and graphs indicates that numbers were below 25 persons, and [n.n] indicates that numbers were between 25 and 50 persons. Those figures should be considered with caution.

General notice:

Figures will sometimes not sum to 100 % that is because of the rounding.

In the Graph number 11 (unemployment rate by region) page 10 and Graph number 19 (Household inactive persons by region) page 13 are the using the following categories for regions

Remaining Mount Lebanon comprises the following districts: Jbayl, Kesrouane, Matn, Baabda, Aaley, Chouf.

Remaining North Lebanon comprises the following district: Zgharta, Koura, Bcharreh, Batroun

Remaining Bekaa comprises the following districts: Zahleh, West Bekaa, Rachaiya

Introduction

The economic activity rate of the population of Lebanon slightly increased during the past seven years. The highest rates were found among the young population. Despite the fact that women represent half of the population in the country, only 21% were economically active. This was three times lower than men's activity rate of 66%. Some of the reasons behind women's low activity rates include child bearing and being occupied with household responsibilities.

A slight rising in employment figures were observed in the previous two years. It is evident that the private sector takes up a larger share of the employment in general. With regard to gender differences in the labour market, it was noticed that women's activity reached its peak before the age of 35, and men remain active even after official retirement age. Among the older working population (65 years and above) both women and men are mostly occupied with agriculture jobs, specialists (such as lawyers, teachers, doctors, engineers ...) or general and corporate managers. (Including grocery, shops ...)

Differences in paid salaries from work were also noticed between women and men; women's average salary was lower than men's salaries. Women median salary, was 50 thousand LBP less than men's median salary each month. Regional disparities with regard to salaries were also noticed, Beirut was ranked with higher salaries in general for both women and men while average salary was generally lower in the South.

It is widely acknowledged in Lebanon that employment is the best route to escape from poverty meaning that one has to take any given job opportunity, even if it does not match an individual's qualification level. For this reason we looked at the level of education of working people and found that a quarter had low qualification levels and another quarter were high skilled. Yet some people are highly qualified but have taken basic jobs, for instance some people are holding university degree but they are taking 'unskilled jobs' or jobs that require no qualification at all.

The same period also witnessed a decrease in the unemployment rates over all; however this rate remains high among young people and women. A closer look at the characteristics of unemployed people shows that women are most likely not to look for job despite the fact that they are really available to work if a job is offered. People with tertiary education suffer more from unemployment when compared to others with a lower level of education or no formal education.

One reason for a comparatively low unemployment rate in Lebanon could be the out-migration of high skilled young people pulled by better job opportunities abroad. Our statistics show that half of the Lebanese emigrants did not have a job before migration and, for the majority; the main reason for migration was to look for a job.

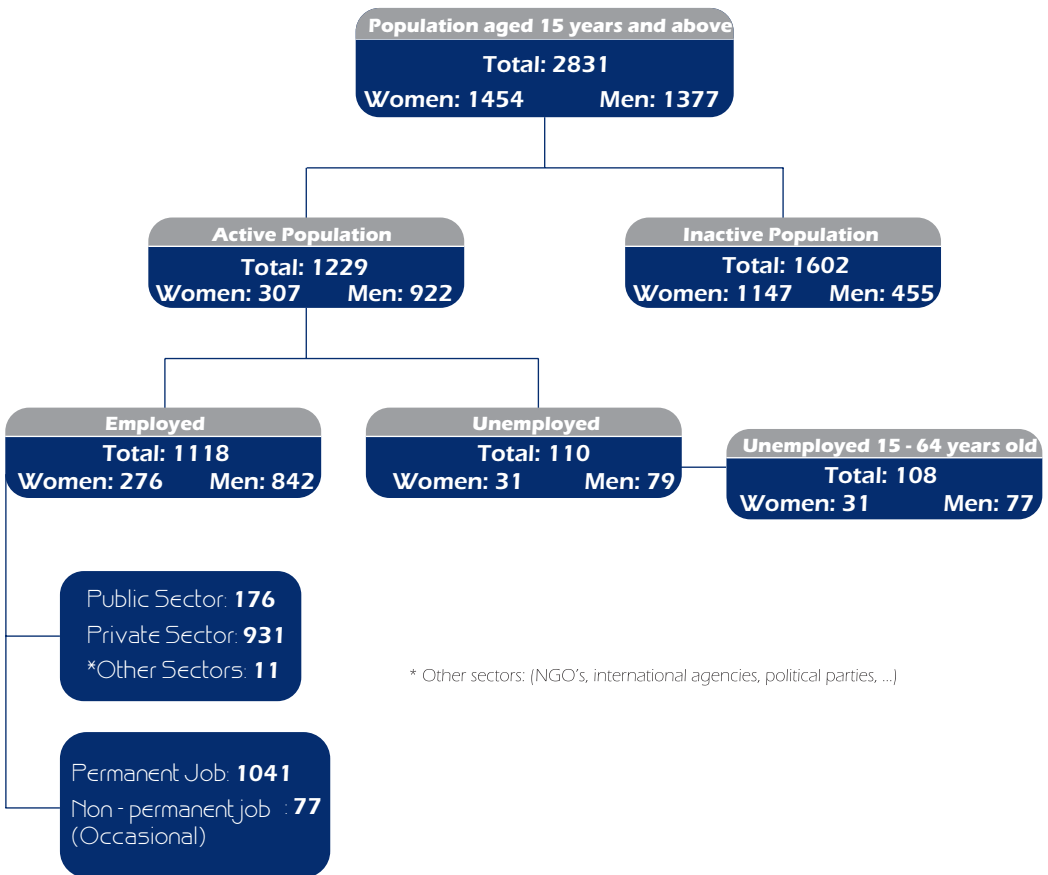
Nearly half of the working age population (15 years and above) were not in any employment, they were not considered unemployed and they were not seeking any job; those are inactive persons and are not attached to the labour market. In general those were either young persons (aged below 30 years), enrolled in education, or older than 30 years but declared as being inactive because they were economically satisfied, or retired, or just not able to work. Those were the main reasons keeping them away from engaging in any economic activity.

Sound understanding of the structure

The population can be grouped in two major categories; the first one being the economically active population comprising the employed and the unemployed persons. The second group will be in this case made of inactive persons.

Different age ranges are used in statistics, we usually use 15 years and above for employment statistics and 15 to 64 years for unemployment statistics.

Labour market structure (in thousands)



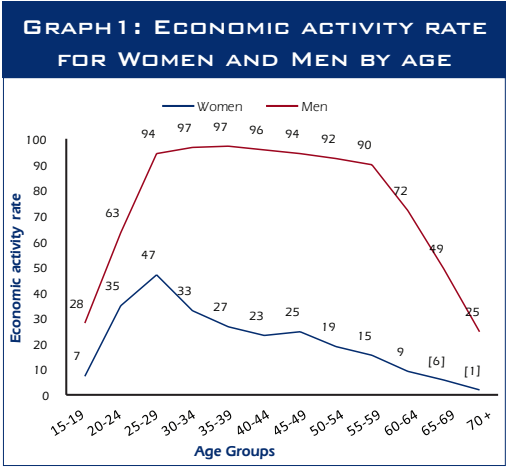
This diagram is based on the Living Conditions Survey 2007; conducted by the Central Administration of Statistics in 2007, for more information please visit http://cas.gov.lb/index.php?option=com_content&view=article&id=115&Itemid=2

Employment

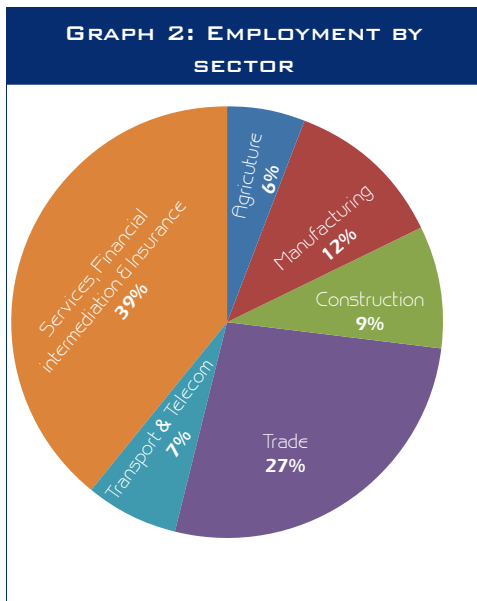
The economic activity rate (the proportion employed or unemployed), based on the population aged 15 years and above, reached **48%** in 2009. In other words approximately half of the population were working or available for work. More men were economically active (**73%**) and proportionally much fewer women were involved in economic activity. Women's economic activity rate increased slightly to **23%** in 2009 from **21%** in 2007.

Some **18%** of persons aged 15-19 were active, meaning they have joined the labour force very early.

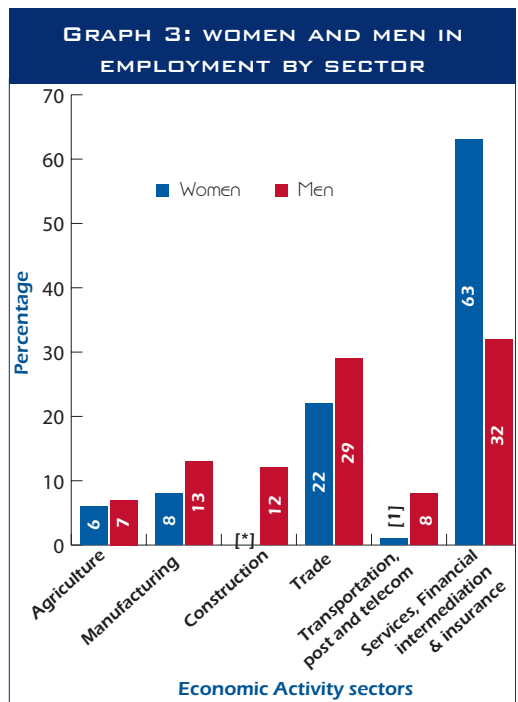
The activity rate for men aged between 25 and 60 was very high at over **90%**. The activity rate for women, however, peaks at just **47%** for those aged 25-29 and gradually declines thereafter for each subsequent age group.



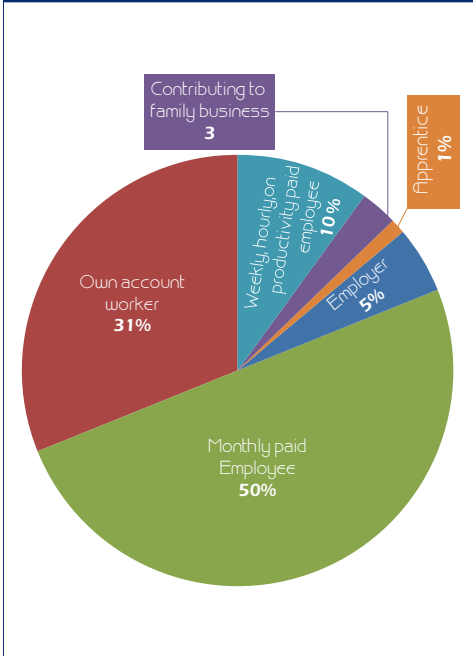
Where and what are they doing?



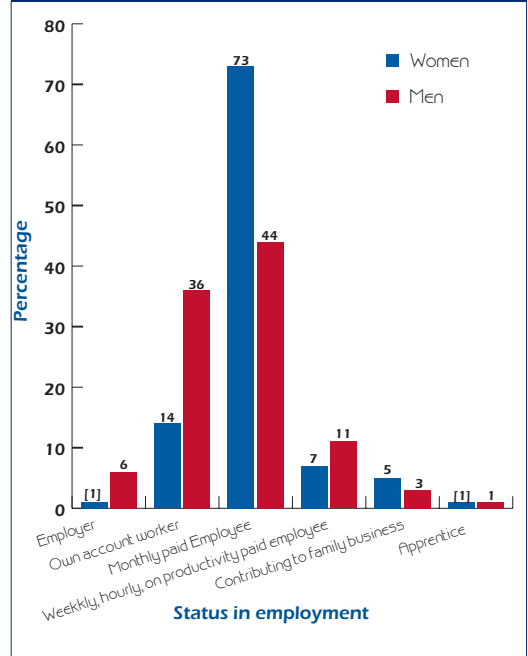
Clearly services got the biggest share of our economy, followed by trade and manufacturing.



GRAPH 4: STATUS IN EMPLOYMENT



GRAPH 5: STATUS IN EMPLOYMENT FOR WOMEN & MEN



50% of those in employment in 2009 were monthly paid workers, followed by own account workers at 31%. Next was the percentage of workers who receive weekly or hourly wages or those receiving wages according to their productivity at 10%. Employers accounted for 5% of all workers, followed by persons contributing to family businesses at 3%.

There are some notable differences in these proportions between the genders. Around 79% of working women were employees (monthly paid employees or weekly, hourly or paid according to production) while, for males, only 55% were employees. Conversely, only 15% of working women were business owners or self-employed compared with 42% of working men.

TABLE 1: WOMEN AND MEN BY OCCUPATION

	Women	Men	Women & Men
Legislators, senior officials and managers	7	16	14
Professionals	26	8	12
Technicians and associate professionals	12	5	6
Clerks	12	5	6
Services workers and shop and market workers	19	11	13
Skilled agricultural and fishery workers	5	5	5
Craft related trade workers	5	23	19
Plant, machine operators, assemblers, drivers	[*]	11	8
Elementary occupations	15	8	10
Armed forces	[*]	8	6
No response	[*]	[*]	[*]
Total	100	100	100

Looking at occupation, our statistics show that **19%** of jobs in Lebanon were craft related, and **14%** were dedicated to senior officials and managers in both the public and private sector. Service, shop and market workers account for **13%** of all workers. Although there were proportionately fewer women, than men, in employment in Lebanon, almost **26%** of working women were occupied in professional positions (such as doctors, teachers, engineers ...) compared with only **8%** of working men.

■ What about pay from work?

TABLE 2: AVERAGE SALARY FOR WOMEN AND MEN BY ECONOMIC SECTORS (THOUSANDS LBP)

	Women	Men	Lebanon	Gender pay gap %
Agriculture	[233]	295	288	21.0
Manufacturing	455	596	569	23.8
Trade	531	595	578	10.8
Transport, Post & telecom	[664]	1070	965	38.0
Services, Financial intermediation & Insurance	736	785	768	6.2
All Sectors *	660	702	690	6.0

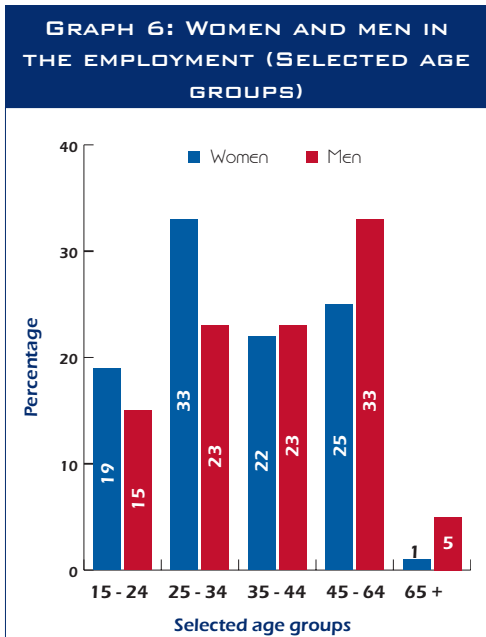
[] Too small for reliable estimate
 . USD 1= 1.507,5 LBP (source: Banque de Liban)
 . Minimum Salary in 2007 = 300,000 LBP
 * except construction

Yes, men are better off in terms of pay from work than women in all sectors. We calculated the average pay and found that on average the monthly salary from work for women was 660 thousand LBP and for men it was 702 thousand LBP. Clearly there is a low estimated gender based pay gap of **6.0%** at the national level.

However at the level of each sector, the gap becomes much larger than the national average reaching for instance **23.8%** in manufacturing. The reason behind this low national gap is the service sector, where most persons work and where we noticed low difference in pay between women and men.

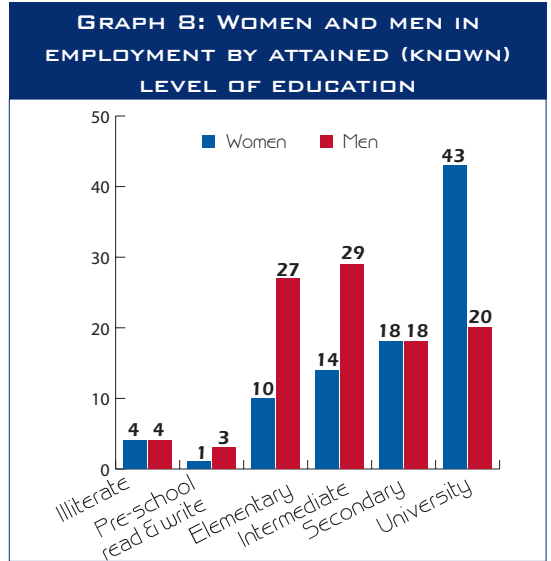
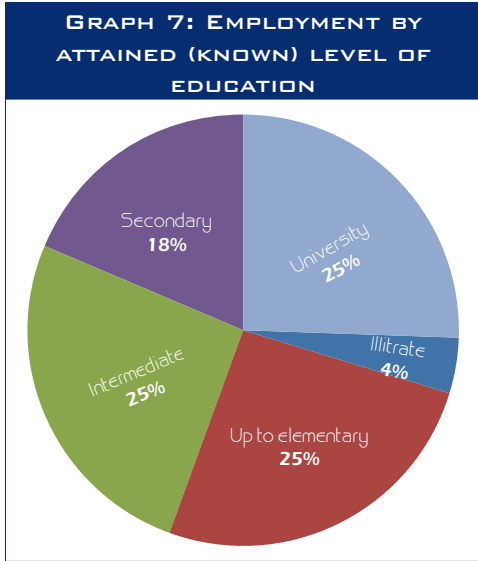
* Data used for pay are from the Living Conditions Survey 2007, Central Administration of Statistics Lebanon.

Who is working in our country?



Working women have a younger age profile than working men in Lebanon. Over **52%** of working women were under 35 years of age compared with around **38%** of working men.

■ Does the labour market consist of low or high skilled people?



The percentage of working people with no or basic education reached **30%** while the percentage of employed holding secondary or university degrees is **43%**.

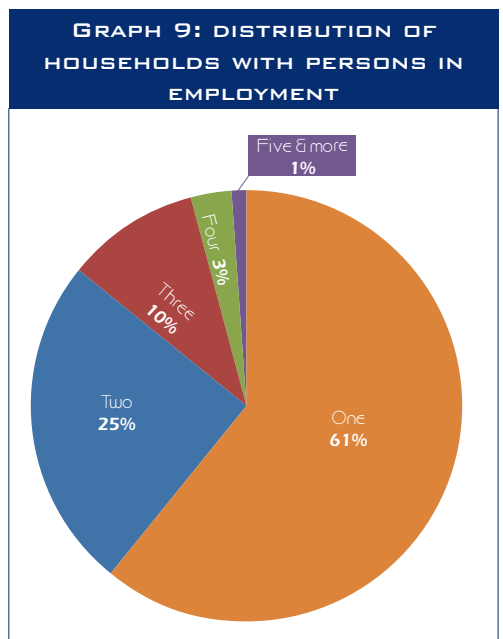
Focusing on skilled working persons, we found that **43%** of working women were holding university degree, while working men with university degree were **20%**.

■ Which households have at least one person in employment in Lebanon?

Some **61%** of households in Lebanon, with working persons, have one person in employment and **3%** are found to be with four persons in employment.

55% of Mount Lebanon households had at least one person in employment.

While only **5%** of Bekaa households had at least one person in employment.

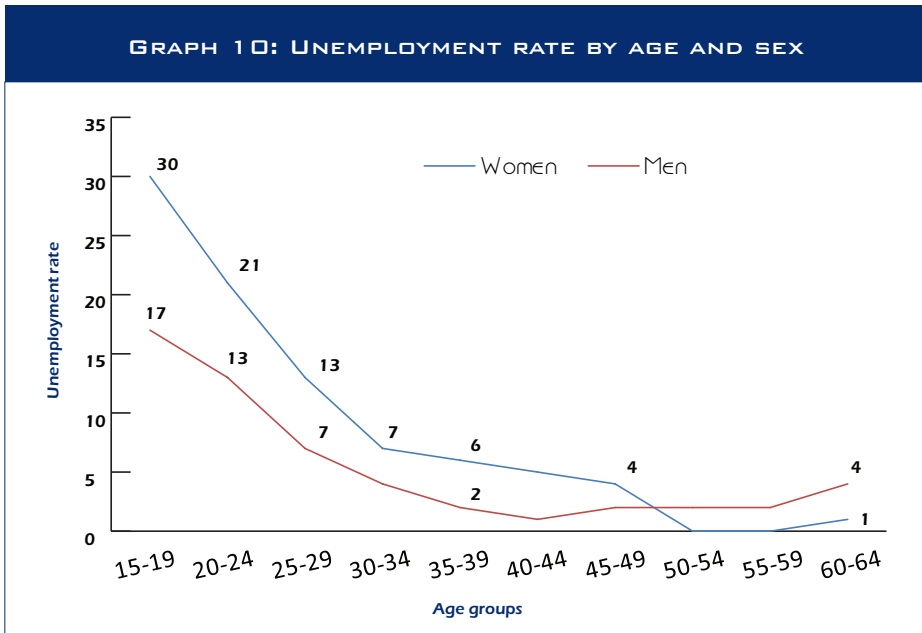


Unemployment

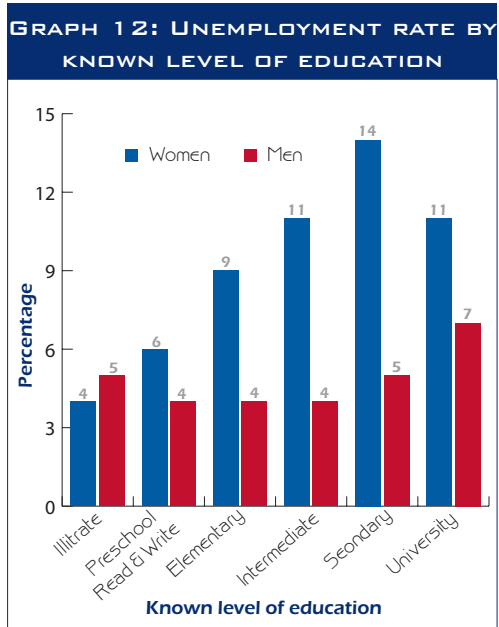
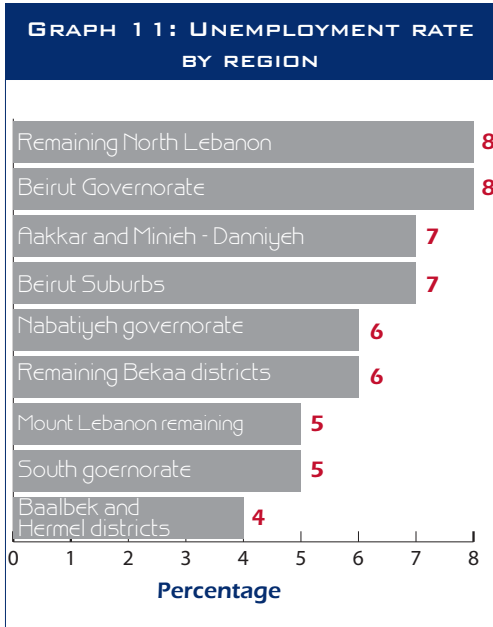
■ Do you know who is considered unemployed?

The definition of unemployment used in this section is based on the ILO strict definition of unemployment. That is, persons are classified as being unemployed if they were aged between 15 and 64 years; were not working during the reference period that is the week before the survey; but were

actively seeking and available to take up work. All three conditions combined together produced an unemployment rate of **6%** in 2009 at the national level. A closer look at unemployment indicates the rates were higher among women (**10%**) than men (**5%**).



The highest unemployment rates were recorded among young people (below 30 years), particularly women.

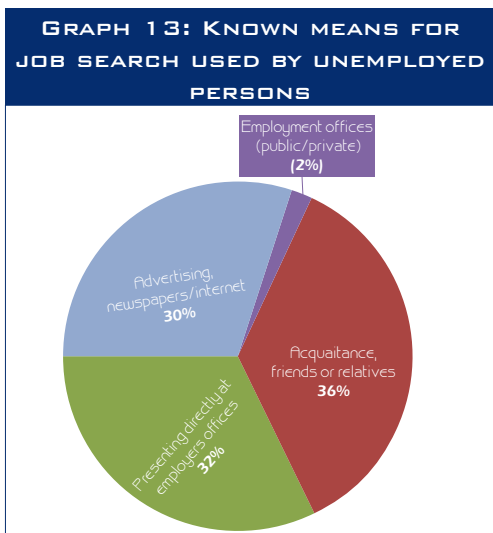


Beirut and the North recorded higher levels of unemployment rates (around 8%). Lower unemployment rates were found in south governorate and Baalbek and Hermel districts.

Unemployment rates are high among highly skilled persons in Lebanon, 9% for those persons who have already obtained their university degrees and 8% for persons with secondary level of education.

With the exception of 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.

■ Unemployed jobseekers, how do they look for a job?



It seems that employment offices (public or private ones) 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 the second and third most used means for job search.

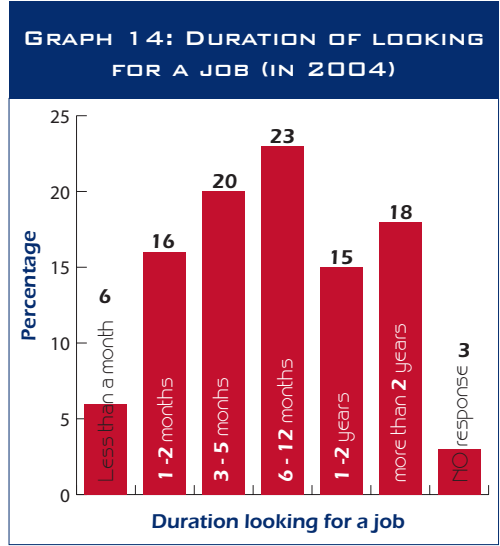
■ How long does it take to find a job in Lebanon?

If you are unemployed in Lebanon it could take some time to find a job.

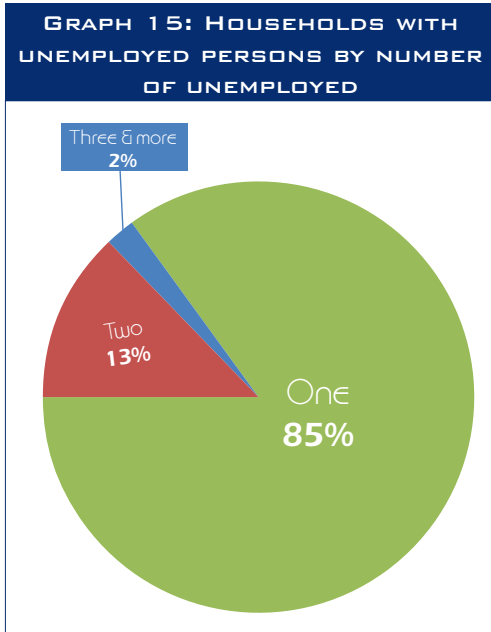
Our statistics show that **33%** of people unemployed in 2004, had spent more than one year looking for a job.

Around **20%** of the unemployed had been looking for a job for fewer than 3 months.

Graph 14 is extracted from the Living Conditions Survey conducted by the Central Administration of Statistics in 2004



■ The unemployed persons in Lebanon, Who are they?



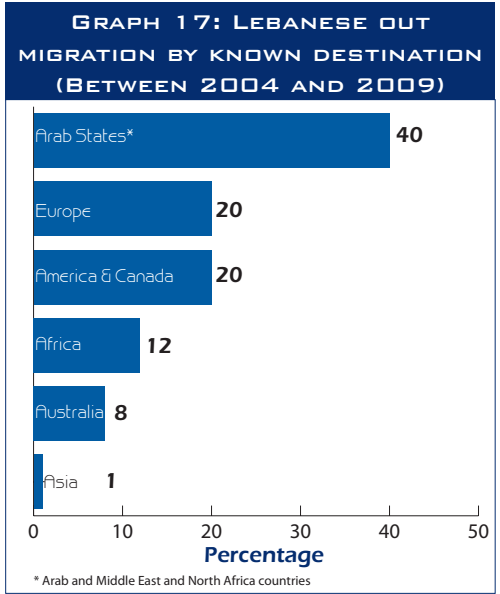
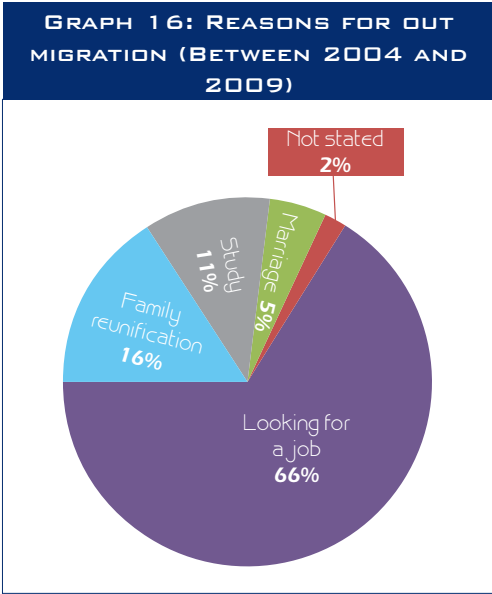
Survey results show that **7%** of the total households in Lebanon had at least one unemployed person.

Most **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 of them never worked before.

■ Beyond the unemployment, is it out - migration?



In general, **6%** of total households in Lebanon had at least one out- migrant during the period 2004- 2009

We noted higher unemployment rates among people holding university degrees, and those people are also pulled by other economies, mainly to the Gulf countries, Europe and America. The profile of migration can have a direct relevance on the labour market in any country.

Some key information from our emigration statistics include the following:

- over **48%** of emigrants during the period 2004-2009 had no job before migration.
- **44%** held university degrees.
- **66%** of migrants emigrated for the purpose of looking for a job in another economy.
- **77%** of all emigrants during the period 2004-2009, were under 35 years of age

*(data on migration is from the MICS 3 survey 2009)

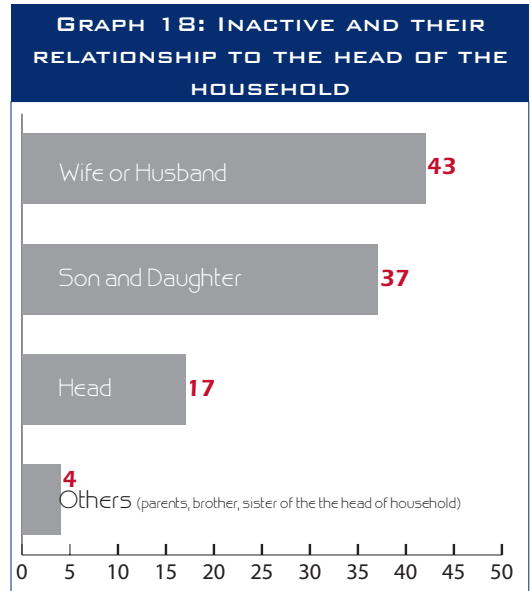
Inactive

52% of the persons aged 15 years and above are considered inactive; they are mostly women (74%), they are not working and not looking for any job. Half of the inactive persons are married (53%), a quarter of them have at least achieved a secondary level education (25%) and 34% of them were under 25 years of age.

Inactivity rates reduce as people get older; they drop down from 22% before the age of 19 years to 5% at the age of 60 years.

Who is inactive in Lebanon?

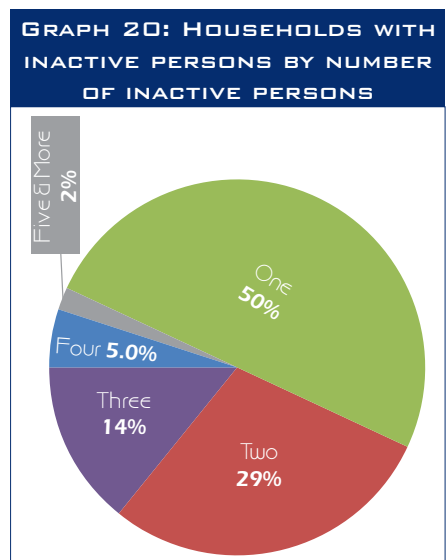
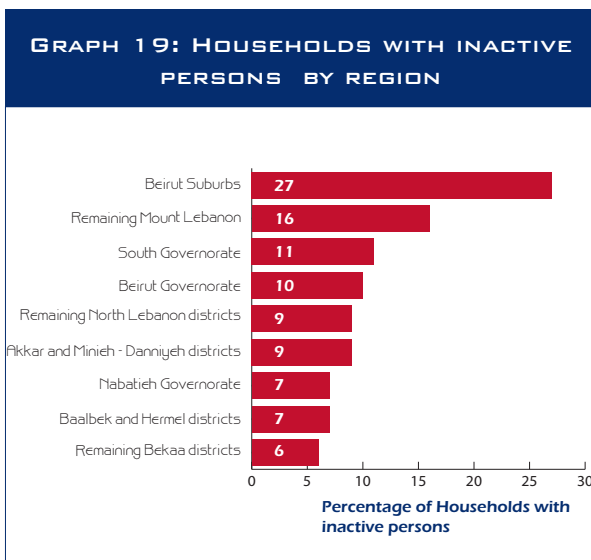
Almost 80% out of the total inactive persons in Lebanon are either wife or husband of the head of the household or their son and daughter.



On being inactive head of household

About 17% are head of household and inactive at the same time. Half of them (57%) are men (43% are women). 64% of them have worked before at some time and most of them (60%) are now aged 65 years and above.

Characteristics of households with at least one inactive person in Lebanon.

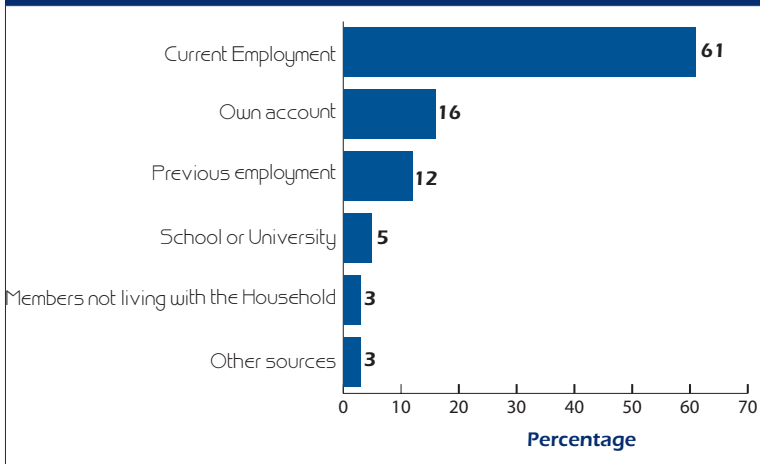


Good to know ...

■ How strong is the relationship between employment and health insurance?

48% of the total resident population in Lebanon benefited from some kind of health insurance in 2007.

GRAPH 21: RESIDENTS BENEFITING FROM INSURANCE BY SOURCE OF INSURANCE



Employment provided insurance for 73% of insured residents in Lebanon.

Current employment provided insurance for 61% of insured people (this may have been from their own employment or from the employment of any other household member living in the same household).

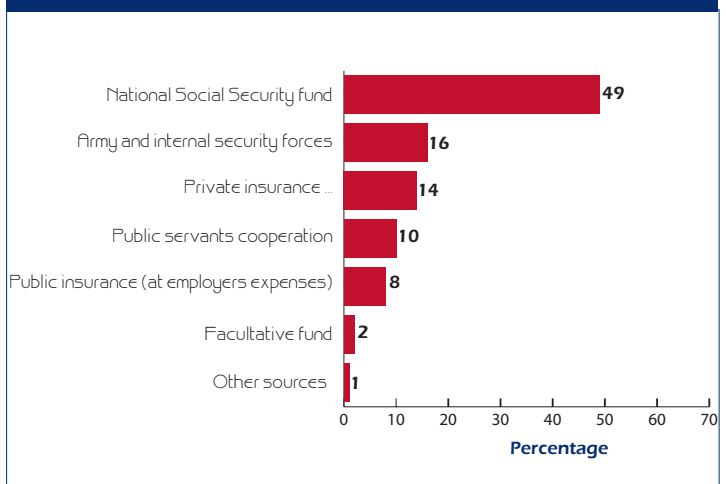
Around 12 % of insured people benefited from insurance from previous employment (again, either from their own previous employment or the previous employment of another household member).

However, around 48% of employed people in Lebanon were not benefiting from any kind of health insurance.

Of the employed people who did have health insurance, almost half (49%) of them were benefiting from the National Social Security Fund.

*Data on insurance are from the Living Conditions Survey 2007, Conducted by the Central Administration of Statistics Lebanon. For more information please visit http://cas.gov.lb/index.php?option=com_content&view=article&id=116&Itemid=70

GRAPH 22: EMPLOYED BENEFITING FROM INSURANCE, BY TYPE OF INSURANCE



■ Who else is contributing to our economy?

According to the Ministry of Labour, there were 145,684 valid work permits delivered in 2009 for non-Lebanese to perform economic activity in the country. Those permits account for **11%** of the labour force in Lebanon. Foreign labour immigration in Lebanon is mainly low skilled Asiatic or African women performing limited types of occupations such as female domestic workers (80% of total work permits delivered in 2009).

*source: CAS statistical yearbook 2009

Since 2004..

TABLE 3: ECONOMIC ACTIVITY RATE 15 YEARS AND ABOVE

	Women	Men	Lebanon
2004	20	69	44
2007	21	67	43
2009	23	73	48

TABLE 4: INACTIVITY RATE 15 YEARS AND ABOVE

	Women	Men	Lebanon
2004	80	31	56
2007	79	33	56
2009	77	27	52

TABLE 5: UNEMPLOYMENT RATE 15-64 YEARS

	Women	Men	Lebanon
2004	7	7	8
2007	10	9	9
2009	10	5	6

Regions of Lebanon

Figure 1: Unemployment rate in Lebanon in 2009

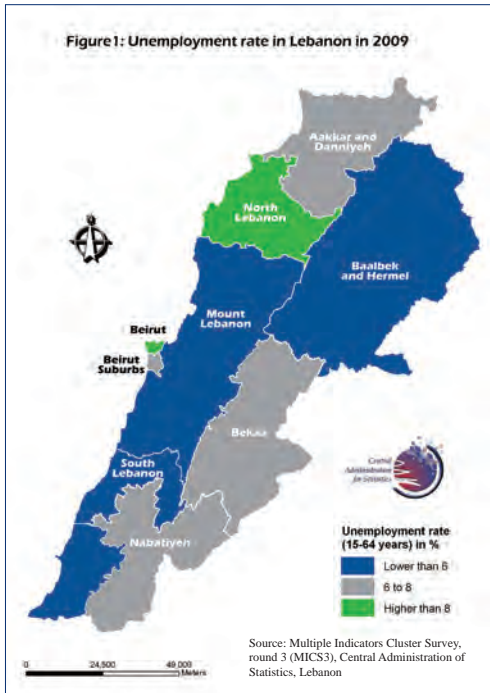


Figure 2: Economic activity rate in Lebanon in 2009

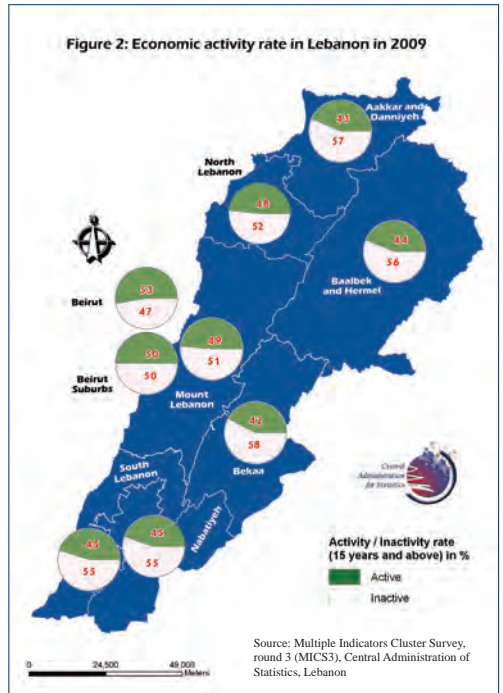
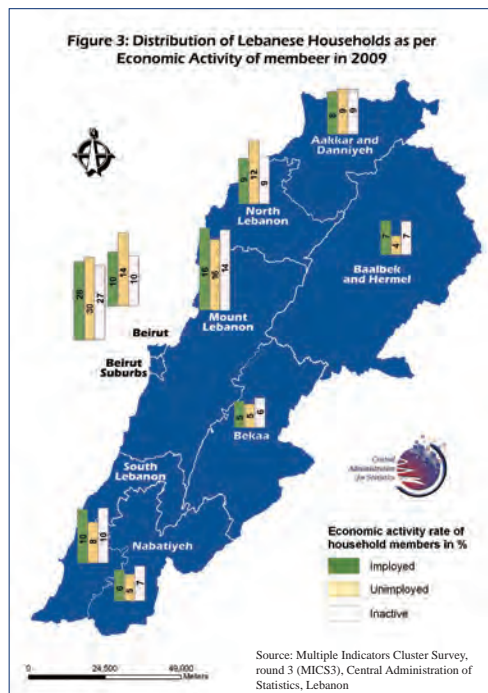
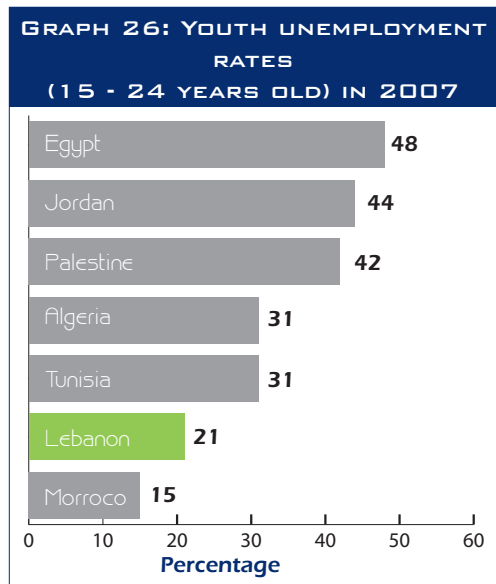
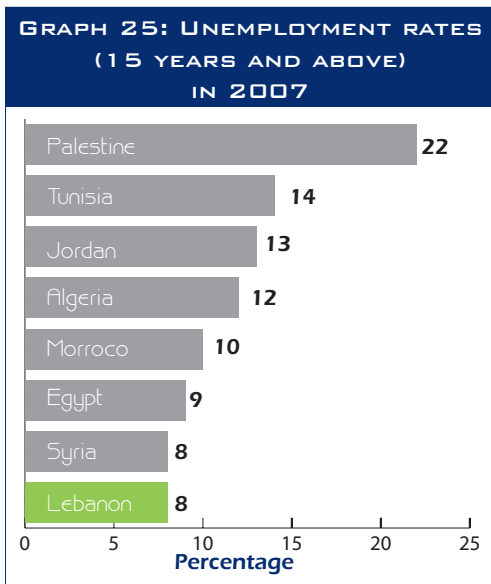
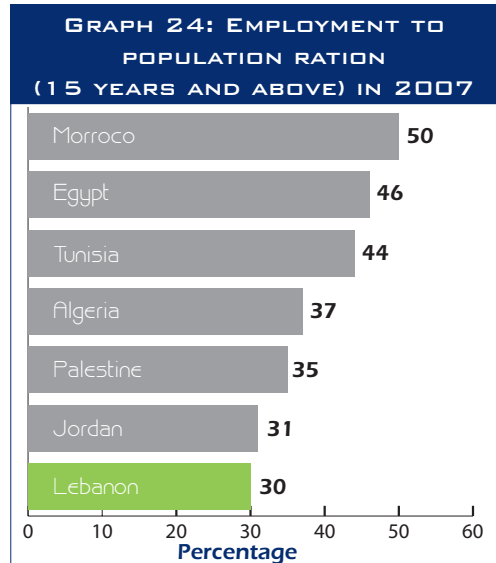
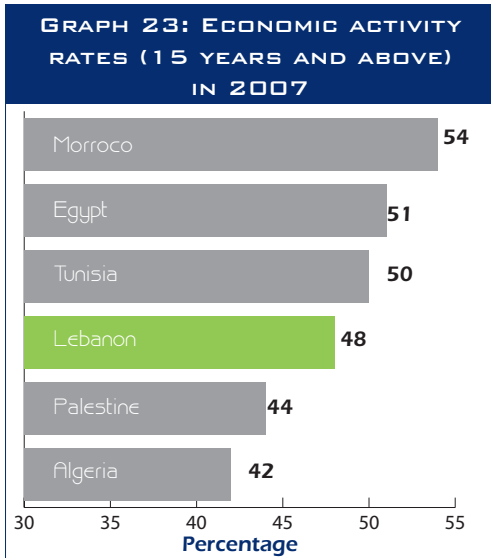


Figure 3: Distribution of Lebanese Households as per Economic Activity of member in 2009



Compared to neighbouring countries...

This section is dedicated to compare Lebanon to selected Mediterranean countries in 2007; it is based on MEDSTAT II program publication which provided comparable figures.



*Figures used in this section of the publication are from the MEDSTAT II program publication for 2009 which can be found at http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-DI-09-001/EN/KS-DI-09-001-EN.PDF. Some countries may be using earlier data or have used slightly different age ranges for calculating few indicators.

A quick reminder of definitions and concepts used in this publication

Based on international definitions and standards

Working age population : Is the population aged 15 years and above

Economic activity rate: Measures the proportion of the population who are active or potentially active members of the labor market.

Economically active includes people who are:

- Employed
- Unemployed, available for work and actively seeking work

The Economic activity rate is calculated according to the following formula:

$$\text{Economic activity rate 15 years \& above} = \frac{(\text{Employed 15 years \& above}) + (\text{Unemployed 15 years \& above})}{\text{Total Population 15 years and above}} * 100$$

Pay gap: Using the average salary, it is calculated according to the following formula:

$$\text{Pay Gap} = \frac{(\text{Average men salary} - \text{Average women salary})}{\text{Average men salary}} * 100$$

Unemployment rate: Is the percentage of unemployed people in the labor force aged 15-64 years, it is calculated according to the following formula.

$$\text{Unemployment rate 15 - 64 years} = \frac{\text{Unemployed 15 - 64 years}}{(\text{Employed 15 - 64 years}) + (\text{Unemployed 15 - 64 years})} * 100$$

Employment –to population ratio: Is the ratio of employed persons to total population with same age groups, it is calculated according the the following formula:

$$\text{Employment – to population ratio 15 years \& above} = \frac{\text{Employed 15 years \& above}}{\text{Population 15 years \& above}} * 100$$

■ Data sources

Multiple Indicators Cluster Survey, round 3 (MICS3), Central Administration of Statistics in collaboration with UNICEF, Lebanon, 2009. Survey results are available at the following web: http://www.cas.gov.lb/index.php?option=com_content&view=article&id=108&Itemid=115

Living Conditions Survey, Central Administration of Statistics in collaboration with ILO, UNDP and MOSA, Lebanon 2007. Survey results are available at the following link http://cas.gov.lb/index.php?option=com_content&view=article&id=115&Itemid=2

Living Conditions Survey, Central Administration of Statistics in collaboration with UNDP and MOSA, Lebanon 2004-2005. Survey results are available at the following link <http://cas.gov.lb/images/PDFs/Labor%20force%20and%20economic%20activity%20>

CAS statistical yearbook 2009, http://www.cas.gov.lb/index.php?option=com_content&view=article&id=100&Itemid=2

Lebanese Republic

Presidency of the Council of Ministers

Central Administration for Statistics

5th floor, Finance and Trade bldg,

Army Street, Kantary

Beirut -Lebanon

Phone/ Fax: +961 1373160

www.cas.gov.lb