



# LEBANON

EDUCATION, TRAINING AND EMPLOYMENT  
DEVELOPMENTS 2017



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## KEY EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS IN LEBANON

The current political internal and external context, together with the protracted conflict in Syria, continue to dominate Lebanon. Attention is focused on security issues and on providing a solid response to the Syrian crisis, which is putting tremendous socioeconomic pressure on the country. Registered refugees currently represent over one-quarter of the population, affecting local communities and the already-weak public finances and infrastructure, which contribute to poverty and unemployment.

The ambitious governmental plan to restart job-rich growth by 2020, estimated at USD 11 billion, has not yet reached the country's international commitments. The Brussels Conference on Supporting the future of Syria and the region (April 2017) acknowledged the need to encourage the economic development of both Jordan and Lebanon to address the impact of the Syrian crisis. Opportunities for Syrians to secure their livelihoods are given significant attention. Enhancing access to vocational training for refugees and host communities, accompanied by skills matching programmes, are among the actions to be taken. In this regard, the Government of Lebanon committed to a strategy on youth, including vocational training, closely aligned with the needs of the private sector and targeted 500,000 young people at risk. At the same time, Lebanon will benefit from international financial support. Grants and preferential loans are aimed at supporting *inter alia* infrastructure, health care, education and employment for the benefit of both Lebanese and refugee communities. Lebanon is negotiating a Mobility Partnership with the European Union (EU), however no agreement has yet been reached and the negotiations have been delayed.

The political and economic uncertainty and weak business activity hinder job creation, and labour market trends are not promising. Moreover, there is still no specific employment strategy or action plan to improve labour market performance. The lack of recent data and information on labour market needs and developments hamper efforts to build labour market and skills development policies. Despite several attempts by Lebanon to develop a strategy for vocational education and training (VET), no agreement has yet been reached. Therefore, there is no framework that would enable the national authorities to define intervention priorities, an efficient allocation of resources or accountability of results. The Ministry of Labour has recently expressed its willingness to put in place concrete measures that would facilitate the access of Lebanese (young) people to the labour market. One such element would be to design and implement a national employer's survey.

Following a two-and-a-half-year impasse, Lebanon elected a new president in October 2016 and appointed a prime minister in December 2016. Parliamentary elections should take place by May 2018, based on a new electoral law. The recent resignation of the Prime Minister, Saad Hariri, on 4 November 2017 and the escalation of regional tensions bring additional elements to the already unstable Lebanese political scene.

## 1. Key demographic and economic characteristics

Estimations of the current size of the Lebanese population are divergent. The national statistics office's (Central Administration of Statistics (CAS)) most recent data estimated the country's total population to be 3.7 million. However, the United Nations Development Programme (UNDP), which includes the Palestinian population living in refugee camps and displaced Syrians who have reached the country, estimates the population increase to almost 6 million in 2016.<sup>1</sup> The unprecedented influx of refugees from Syria (around 1.2 million Syrians registered with the Office of the United Nations High Commissioner for Refugees (UNHCR))<sup>2</sup> and around 40,000 Palestinians), has had an impact on the already-changing demography of Lebanon. Syrian refugees in Lebanon are generally young - approximately 65% of all registered Syrians are under the age of 25.

Separating the impact of the Syrian crisis, the youth population in Lebanon (15 to 24) could be estimated at almost 30% of total population. However, due to the previous conflicts and the current situation, Lebanon is also an emigration country. Well-educated Lebanese tend to look for employment opportunities in the region, primarily in the United Arab Emirates, Qatar, Saudi Arabia and Kuwait. Remittances play an important role in the Lebanese household budgets, as almost half of them receive money or in-kind transfers. They are mostly used to cover basic needs such as food, health care and increasing housing costs, but they are also essential to cover education and university fees.<sup>3</sup>

Lebanon is a middle-income country with an open and largely service-oriented economy. It has a strong commercial tradition of domestic free trade and investment policies. The service sector accounts for 80.8% of the country's gross domestic product (GDP), followed by industry (14.7%) and agriculture (4.5%). Small and medium-sized enterprises (SMEs) remain the main form of business organisation, particularly micro and small enterprises.<sup>4</sup> There is also a large informal sector in the country. Economic growth was high in previous years (up to 8% or 9% although mostly a jobless), but has dropped significantly since 2011 (1.8% in 2016). In fact, economic growth is still slow due to geopolitical instability and a slow recovery from the global financial crisis. Moreover, there is limited public and private investment, particularly in the productive sectors affecting the limited international and domestic competitiveness (Lebanon dropped from 89th place in the Global Competitiveness Index 2011 to 101st in the 2015-17 editions). At the same time, government expenditure incurred in response to the crisis is constantly increasing, reaching 144% of GDP in 2016 and this trend is expected to continue.

The economic forecast for the coming years very much depends on the geopolitical context and institutional capacity. The resolution of the Syrian crisis and more regional stability would help to restore the population balance and significantly boost Lebanon's economy by gaining stability and restoring commercial relations. The trends in international trade show that exports have decreased dramatically since the beginning of the Syrian crisis in 2011. However, the IMF's projections<sup>5</sup> estimate a higher growth in trade, including growth in exports, which still remained stable (at 2.4% of the GDP) in 2016. Negative foreign investments inflows are not, however, forecast by the IMF to recover in the near future, despite positive government estimations. Industry, agriculture, agro-Industry, tourism, information communication technology, and the media are the sectors with a growth potential.<sup>6</sup>

The EU supports Lebanon through the implementation of the Partnership Priorities and EU-Lebanon Compact, adopted in November 2016, which focus on counter-terrorism to foster growth and job creation, in particular for women and youth, strengthening the rule of law and democratic governance and working on migration and mobility. The EU has allocated more than EUR 1.2 billion to Lebanon since the start of the Syria crisis, across different instruments. The support, which includes bilateral aid

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<sup>1</sup> UNDP, World population prospects, 2016

<sup>2</sup> With more than 1.2 million Syrian refugees registered by UNHCR, Lebanon is the country with the highest number of refugees per square km and per capita in the world. The number of refugees is estimated to be even higher, reaching around one third of local population, as the registrations were stopped in 2015.

<sup>3</sup> FEMISE Research directed by Choghig Kasparian: L'impact des transferts des émigrés sur le niveau de vie des ménages : étude comparative entre le Liban, le Maroc et l'Algérie

<sup>4</sup> Microenterprises, which employ less than 10 workers, represent 80% of all companies, with a further 16% being made up of small businesses

<sup>5</sup> International Monetary Fund, Lebanon Executive Board Assessment – Conclusions of the Article IV consultation, January 2017

<sup>6</sup> Investment Development Authority of Lebanon (IDAL) [www.investinlebanon.gov.lb](http://www.investinlebanon.gov.lb)

as well as assistance to address the impact of the Syrian crisis, has benefited both host communities and the refugee population, in the areas of healthcare, education and infrastructure.

## 2. Education and training

### 2.1 Trends and challenges

Traditionally, Lebanon retains high education standards, despite difficult periods of instability. Public expenditure on education was estimated at 2.56% of GDP in 2013 and 8.6% of total public expenditure.<sup>7</sup> Private education features strongly in the education system, with the enrolment rate higher than 50%. Vocational education and training (VET) used to show the same pattern, but the trend seems to have been reversed in recent years. While VET is perceived socially as a second chance, there is a reluctance to pay high fees for the private VET education. The gross enrolment rate in secondary education was 68.2% and 57.9% in upper secondary education in 2013 (latest available data). In the same year, the share of VET students was 14.8% of secondary enrolment and 27.3% of upper secondary enrolment. The number of students in upper secondary VET has increased following the increase in population, but the proportion has decreased over time.

The VET system does not respond to skills shortages and youth unemployment. It suffers from limited public investment as the VET budget accounted for 0.5% of the total government budget in 2009<sup>8</sup>. In addition, links with the labour market are weak, which has led to a growing imbalance between the overall supply of and demand for labour, leading to unemployment of VET graduates. The system also suffers from an uneven geographical distribution of schools across the country. The increase in the number of schools does not seem to be directly linked to local labour market and skills needs but rather to political and religious considerations which have also been influenced by the Syrian crisis in recent years. On the positive side, VET education has a good infrastructure with exams held at the end of each year at the same time in both, public and private institutes. Moreover, entry conditions to VET education system are transparent, but the process of advancing to higher education is not smooth and often perceived as restrictive by VET graduates wishing to continue their studies.

Vocational training (mostly informal and donor-led) is currently seen as a means to increasing the employability of youth and adults relatively quickly. Although this increased attention to non-formal VET is positive, there are no measures to increase enrolment in the formal VET system, nor are there attempts to change the negative perception of the Lebanese public towards the effectiveness of VET.

There is some progress in curriculum development, but the upgrading or updating of curricula is not done on a competency basis or in consultation with the private sector. Additionally, not all the teachers involved have the capacity or experience to work on such issues, and further support from the governmental and non-governmental institutions is needed. Work-based learning is limited to the dual system, which was introduced by GIZ (German Development Agency). This is now one of the streams offered by the VET system, although it provides a different type of qualification to that provided by other education institutions. The EU funded project implemented by GIZ, started in February 2017, currently supports practice orientation and work-based learning in VET provision in Lebanon.

The dramatic increase in the number of Syrian students in the Lebanese formal education system in the last years poses additional challenges. In July 2015, the Ministry of Education and Higher Education introduced an Accelerated Learning Programme targeting Syrian children aged 9 -17. At the end of January 2016, over 472 000 Syrian refugee children between 3 and 17 were registered with the UNHCR in Lebanon. Of these, 157 984 were enrolled in formal education for the 2015/16 academic year in grades 1 to 9, mainly thanks to double shifts. In July 2016, however, Human Rights Watch reported that more than 250,000 Syrian refugee school-age children were still not in the formal education system. Older children are particularly affected: out of the 82 744 registered Syrian refugees aged between 15 and 18 as of August 2015, less than 3% enrolled in public secondary schools during the 2015/16 school year. Noticeable efforts have been made by the Ministry of Education and Higher Education and education sector stakeholders to respond to the Syrian crisis in the last four years. These were structured via the Reaching All Children with Education (RACE) Response Plan 2013-16. RACE is the umbrella emergency plan designed to ensure coordination among donors. With a core vision to provide education opportunities to all children in Lebanon who have been affected by the Syrian crisis, RACE I (2014–16) was developed from the “No Lost Generation initiative”. RACE II will

<sup>7</sup> UNESCO Institute for Statistics

<sup>8</sup> ETF, *Mapping vocational education and training governance in Lebanon*, 2014

seek to build on the success of RACE I and will be structured around three pillars: access, quality and system strengthening. The RACE II Strategy (2017-21) is being developed, however it will highly depend on the political developments and the Syrian crisis resolution. As the Ministry of Education and Higher Education and education partners acknowledge, existing systemic resources and capacity gaps may continue to widen; thereby affecting access to, and the quality of social and protective services for vulnerable children, youth, and their families.

Lebanon participated for the first time in 2015 in the PISA exercise. Underachievement is substantial in all the tested areas: reading 70%, science 60.2% and maths 62.6%. Another conclusion from the study is that Lebanon has a very unequal and inefficient education system. A large share of 'advantaged' students (16 %) have repeated a grade and there are considerable gender gaps, e.g. the difference between boys and girls in mathematics performance (22 percentage points) is among the highest among the participating in PISA.<sup>9</sup> Not much information on refugees can be obtained from the results. On the one hand, the number of Syrians in secondary education is very low. According to the PISA sample, the students with an immigrant background is 3.4%. It does not seem to cover the Palestinians in UNRWA schools either. Overall, PISA results show the need to focus on tackling the issues behind underperformance and to address dropouts and those struggling with school performance from earlier grades. A revision of pedagogical methodologies and practices, of the curriculum contents and approaches and excellence in pre-service teacher training and in the recruitment of teachers, is key.

The PISA results may trigger efforts on data collection, as the lack of information hampers the development of the system in the right direction. Most of the available data is provided by CAS or donor databases. Official data mostly refer to 2009 and no later figures are available. In addition, the data available on education and employment are widely considered to be controversial. As no monitoring or evaluation systems are in place, it is difficult to assess the progress and the overall impact of training programmes on skills development and employability. The high level of fragmentation and the lack of a coordinated strategy or approach also impacts on the efficiency of the training programmes.

## 2.2 Education and training policy and institutional setting

The National Education Strategy Framework and related Education Sector Development Plan (2010–15) has not been followed by a new strategy covering 2016 onwards. The VET action plan was approved in 2011 and still not fully implemented because of the current socio-political instability and limited resources (both financial and human). TVET faces in Lebanon challenges at various level including the lack of progress in strengthening partnership with the private sector and in implementing quality standards in education provision. Currently the international community has made a great effort to develop a joint TVET vision that should create the basis for relaunching the dialogue on TVET reforms well as ensure a common approach between all the different actors involved in TVET.

VET is primarily the responsibility of the Ministry of Education and Higher Education under the Directorate-General for VET (DG VET). Additionally, the Ministry of Agriculture is the additional ministry engaged in formal VTE through the technical agricultural schools. The DG VET is responsible for both initial and continuing VET (IVET and CVET). In addition to standard VET courses, the DG VET organises short courses (as part of the Accelerated Learning Programme). These courses are organised in existing VET schools in the afternoons or evenings. However, in reality, the CVET offer within the DG VET is limited. The DGVTE also has responsibility for the large private training sector.

A number of ministries/government agencies are responsible for provision for unemployed and other specific target groups. The main body offering adult education and continuing training courses is the National Employment Office (NEO), which operates under the auspices of the Ministry of Labour. The Chamber of Commerce also offers training courses through its own centres.

Training offered by the NEO are the main form of active labour market programme provided in Lebanon. It is outsourced to private providers and non-governmental organisations (NGOs) and is aimed at unemployed, with a focus on disabled people. In addition, there is a new phenomenon of proliferation of private accelerated training service providers. Those are NGOs or companies, which have their own curricula and training schemes, and thus are not connected to or directly supervised by the DG VET.

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<sup>9</sup> <http://gpseducation.oecd.org/CountryProfile?primaryCountry=LBN&treshold=10&topic=PI>

A quality assurance system for Vocational and Technical Education (VTE) is still lacking. With the exception of accelerated vocational training, for which the Directorate General of Vocational and Technical Education (DGVTE) accredits VTE providers and programmes through a dedicated commission that checks the implementation of official programmes, premises and equipment. Private VET providers need DGTVE accreditation to operate and must follow DGTVE programmes. Students in public and private VTE must take the national examinations endorsed by DGVTE. Minimum quality assurance procedures are in place for qualifications. However, they do not take account of occupational profiles or skills needs analysis and curricula do not fully incorporate educational and quality standards. The curricula for the Licence Technique and Technicien Supérieur have been upgraded and the one for the Brevet Professionnel is underway, but the upgrading or updating is not done on a competency basis or in consultation with private sector representatives. Therefore, since these qualifications remain largely based on theoretical subjects with little or very limited practical skills, most VET graduates move – whenever possible – to higher education and do not enter the world of work.

Moreover, there is no proper and efficient coordination between public and private sector, especially in linking education to the employment. Some positive steps have been however taken in the form of Decrees, which monitor the cooperation between Ministry of Education and Higher Education, civil society and private education institutes. 33 schools are currently under such decrees and have partnership with governmental agencies (mainly Ministries of Health, Transportation and Tourism), trade unions, and international and civil society organisations.

The main challenge for Lebanon remains the implementation of the reforms. The decision-making system is closely linked to the established balance of powers between religious groups at all levels of the system. Therefore, while society and the business community could move more swiftly and respond to the changing socioeconomic environment, governmental structures remain slow and in some cases paralysed. This specificity of Lebanon also influences the education reforms and the education system.

Given the current situation, the education system is in a difficult position to establish a reform agenda or to consider proposals from the international community, which could support this very much needed reform process. An attempt to address the above challenge is the joint initiative that UNICEF and ILO are conducting to support TVET in Lebanon and to promote enrolment. This initiative aims to improve the formal and non-formal technical and vocational education and training system in Lebanon through an in-depth policy and technical review of the status of the TVET system with relevant Ministries. The review should serve to develop a TVET Strategic Paper and Roadmap to guide programming in this type of education and training that ultimately leads to better linkages with the labour demand market requirements and the aspirations of youth aged between 12 and 20 years. The EU support to VTE includes also the practice oriented component of the Connecting Long and Short Distance Networks for Efficient Transport (CLOSER) project with the aim of improving the quality, relevance and responsiveness of the public Lebanese VTE system to the needs of the labour market with the specific purpose to promote and strengthen planning, coordination and implementation for a more practice-oriented VET. The civil society (Non-Governmental Organisations, NGOs) are in the front lines of education development projects in Lebanon. The country is gradually undergoing political and social transformations, addressing internal conflicts that have arisen with increased diversity and meeting influxes of refugees with different forms of humanitarian aid. What is deficient in this field, however, is the provision of any formal training or written qualification for emerging professionals and experts in the domain of education development.

### 3. Labour market and employment

#### 3.1 Trends and challenges

The main challenge to assessing the labour market developments in Lebanon is the lack of data and information. International sources provide estimations and projections, however their reliability is also limited. In this challenging context, the most recent national official labour market data relates to 2009.

A very much expected Labour Force and Household Living Conditions Survey (LFHLCS), financed by the EU and implemented by the Central Agency of Statistics (CAS) with the technical support of the International Labour Organisation (ILO) will be the first to produce estimates at the national, governorate (mohafaza) and subnational district (caza) levels. It should provide regional disparities and characteristics, which will be crucial for further policy making and human development planning. The outcome of the survey was scheduled for 2016, however due to the difficult situation it is delayed

and the results are now scheduled to be released in 2019. In past years, the ILO had supported the NEO in establishing a labour market information system, although the resources allocated were insufficient for the office to fulfil its mandate and the project has not achieved the expected results. All analyses for the moment need to be based on international projections or studies until the new LFS is available.

According to the available data<sup>10</sup>, the Lebanese labour market is characterised by low activity (38.7%) and employment rates (44.9%) and a large informal sector. It is challenged by a low participation of females (employment rate of 66.9% for males and 25.3% for females; activity rate of 55.4% for males and 23.5% for females) and high youth unemployment (18% for males and 20.4% for females). The low employment and low activity rates of females can be attributed to social, cultural and economic factors. Traditionally, female entrepreneurs have been numerous in Lebanon (i.e. 10% of own account workers in early 2000<sup>11</sup>). In addition, the country is affected by huge migration flows in terms of a high influx of foreign workers and a large number of skilled Lebanese people seeking employment abroad.

According to Eurostat, the total unemployment rate was 9.7% in 2012; 7.7% for males and 13.8% for females). The World Bank indicates a slightly better figure for the same year (6.2%), and a stable trend up to 2014 (6.4%). Unemployment rates seems to be particularly high among university graduates, which may indicate a high reservation among this group to uptake any employment experience, but also a mismatch between labour supply and demand. In fact, the increasingly higher educational attainment of the labour force does not match the needs of micro and small enterprises, which means that despite high levels of tertiary education, Lebanese companies complain about not finding the skilled labour they need and about the lack of commitment of Lebanese youth. Approximately 12-15,000 new jobs have been generated annually in the last 10 years but this has not been enough to satisfy the new entrants to the labour market (approximately 23,000 per year). The majority of jobs created were in trade, services and construction, most of them in low-productivity sectors, according to the World Bank. High expectations among young graduates, a lack of relevance of qualifications and weak labour market governance structures also play a role in exacerbating graduate unemployment. Enhancing the technical skills, on-the-job-training and improving the communication and language skills (English in particular) are cited as the most important actions for employers.<sup>12</sup>

The labour market is also affected by the large size of the informal sector while the share of self-employment as a percentage of total employment has decreased in recent years from 36.9% to 28.9% (in 2009 and 2012 respectively). In addition, the share of the labour force that does not contribute to social security is very high - 66.9% among all workers in 2011.<sup>13</sup>

At the same time, sluggish economic growth, coupled with decreased investment as result of insecurity, has made enterprises unable to absorb more employment. This has resulted in reduced job opportunities and their quality, pushing down salaries. These factors have also accelerated the already existing wave of emigration of skilled Lebanese seeking better opportunities abroad. A slow path of progress in the formal VET education contributed through the years to a considerable skills mismatch in the Lebanese labour market. Additionally, geographical disparities in access to education further dampen the mismatch and inequality between rural and urban areas, and thus less opportunities to access the labour market.

### 3.1 Employment policy and institutional setting

Despite a clear need, Lebanon has no specific employment strategy or action plan and employment policy is fragmented. There are various institutions in charge, with limited coordination mechanisms and limited resources to fulfil their mandates. The Ministry of Labour is responsible for labour-related legislation and policies, including employment conditions, labour relations and labour inspection. However, its role is quite limited, also due to the lack of resources. The Ministry is currently planning to upgrade its capacities with a number of new staff, which should join by end 2017. Yet this process is still ongoing without clear planning for the new staff. The Ministry of Labour has recently committed to launching a national employers' survey in a close cooperation with the ETF, which is assisting the ministry and relevant counterparts in all the preparatory phases before the launch, including capacity building measures.

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<sup>10</sup> Eurostat Labour market data refer to 2012, reliability and consistency may be limited

<sup>11</sup> ILOSTAT, 2004, 2007

<sup>12</sup> Mercy Corps (EU project), Labour Market assessment South Lebanon, January 2015

<sup>13</sup> World Bank, *The challenge of informality in the Middle East and North Africa*, 2011



The National Employment Office (NEO) is the main body that delivers labour market policies. According to its broad mandate, it should offer job matching and counselling services and deliver vocational training by subcontracting NGOs and other relevant institutions. It should also carry out labour market research.<sup>14</sup> Nevertheless, it does not have the capacity to be fully operational. It suffers from severe staff shortages, limited budget availability (the budget has not changed since 2005) and very few offices throughout the country (Beirut, Tripoli and Sidon)<sup>15</sup>. The NEO was supposed to receive a number of new staff in 2017, yet this process is currently blocked with no clear timeframe. Laws regulating the NEO have not been reviewed since the 1970s and its financing has been heavily impacted by shortages in funding. The NEO would need comprehensive reform in order to adapt its services to the labour market, use anticipation and matching tools to link its training provision with the labour market needs and ensure a proper career guidance system. The Ministry of Labour is now willing to reactivate the NEO's functions and its offices and is currently preparing a dedicated plan with the support of the World Bank. As only outdated information on the labour market is available, the office is largely unable to present relevant responses to labour market challenges in terms of skills provision and the matching of demand and supply. The main form of the ALMP are training courses organised through the NEO and provided to unemployed and disabled people. Another government institution involved in the provision of training-related ALMPs is the Vocational Training Centre, which operates under the auspices of the Ministry of Labour and the Ministry of Social Affairs. It provides short vocational training programmes in 58 of its social development centres. Most of the training programmes are supply-driven and partially disconnected from private sector needs. To a large extent, programmes are based on in-class training and rarely involve on-the-job training or internships. They happen to overlap in content and differ in duration. However, their added value to the labour market is unknown.

Private employment agencies are increasingly gaining ground in Lebanon, mainly offering services to migrant workers coming to work in Lebanon. There were some attempts to regulate these agencies, especially those dealing with domestic workers, but Lebanon has not yet ratified the ILO Convention 181 on Private Employment Agencies (1997) nor the Convention 189 on Decent Work for Domestic Workers (2011).

Passive labour market and social protection policies are also underdeveloped. The current national social security system provided by the National Social Security Fund (NSSF) covers approximately only half of the Lebanese labour force. The NSSF mostly provides end-of-service indemnity, sickness and maternity insurance, and family and education allowances. It has 35 offices throughout the country and inspects enterprises and work sites to verify that companies contribute to social security.

Information on labour market developments is not updated regularly, thus it also lacks reliability. There is no framework for skills anticipation and matching. Matching tools, such as enterprise surveys and anticipatory mechanisms, are used on an ad hoc basis. Most of the existing surveys and analyses are performed with the financial support of donors and are not repeated over time. At present, there are no systematic school-to-work transition surveys. Hence, the system lacks the instruments needed to gain an understanding of the problems associated with the transition from education to work and the real needs of the economy. Small steps have been made as a part of the Governance for Employability in the Mediterranean (GEMM) initiative, funded by the EU and implemented by the ETF, where Guidance Employment Offices (GEOs) in six Lebanese public schools were established. They focus on supporting the transition from school to work for VET graduates, practice orientation and work-based learning in VET. This model is currently replicated and expanded through the Technical Assistance project for a 'More practice oriented VTE in Lebanon' funded by EU and implemented by GIZ.

The Lebanese population is generally well-educated, however the economic structure is weak. It is characterised by a predominance of micro and small enterprises, a lack of innovation and simple repetitive processes. In addition, MSMEs cannot afford to pay high salaries to hire and retain qualified staff.<sup>16</sup> They also face particular challenges to expanding their production, sales and export capacity. This gap means that, instead of exporting specialised products and services, the country tends to

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<sup>14</sup> The NEO's objectives include conducting studies and research to formulate employment policies for Lebanon; improve the employability and skill level of new entrants to the labour force through accelerated vocational training; find job opportunities for jobseekers through the employment office in order to reduce unemployment rates; and build the capacities of people with disabilities in order to increase their employability.

<sup>15</sup> A total of 108 positions exist, only 27 vacancies are filled; 12 of these positions are purely administrative.

<sup>16</sup> Mind the gap, A strategic labour market assessment for Lebanon, UNDP 2016

export specialised manpower and therefore generating little added value for the economy, apart from remittances.

The labour market integration of migrants and displaced people poses additional challenges (see *below*). In this context, according to Decree 197 (December 2014), Syrians can only work legally in the agricultural, construction, and domestic service sectors. In addition, financial and administrative requirements for establishing legal residency are impeding access for the most vulnerable Syrians.

The limited dialogue with social partners and the business sector in particular remains a key problem for the planning and delivery of programmes addressing the skills mismatch. There has been little progress so far in developing a clear policy framework for the concrete and structured involvement of business representatives in educational governance. The Chamber of Commerce, Industry and Agriculture implements specific sector and market surveys at national level, but there are only very limited mechanisms in place to feed this information into the design of active labour market programmes, job placement and matching services.

The government presented international donors with a project proposal of interventions to create 300-350,000 jobs, of which 60% would go to Syrian refugees. Job creation would be encouraged in labour-intensive sectors through the Subsidised Temporary Employment Programme (STEP), which provides incentives for small and medium-sized enterprises to invest and expand their workforce. It is estimated that this would generate a further 100,000 jobs. Nevertheless, so far, the capacity to develop and implement coherent economic and labour market policies and develop appropriate institutions appears to be limited. This is related to the current weaknesses of the Lebanese administration, which has been in a state of quasi-paralysis in the last years. Similar challenges relate to the development of human capital. Defining and implementing policies could be more effective in partnership with the active business community in Lebanon, which is usually willing to contribute to these processes. Unfortunately, limited dialogue with social partners and the business sector remains one of the key problems in addressing skills mismatch and in fostering skills development. The awareness of the importance of cooperation between businesses and education is increasing, but there has been little progress so far in developing a clear policy framework for the concrete and structured involvement of business representatives in educational governance.

## Migrant Support Measures from an Employment and Skills Perspective (MISMES) in Lebanon

Lebanon is an immigration destination, particularly for low-skilled labour from the Middle East, Asia and Africa. The arrival of a huge number of low-skilled Syrians has enormously increased the already large community of foreign migrants looking for jobs in sectors with low paid and low levels of protection. On the other hand, Lebanese emigration is generally medium to high-skilled: almost 50% of emigrants have at least secondary education and 25% have tertiary education. The ETF's MISMES inventory in Lebanon identified measures targeting Lebanese emigrants and returnees, foreign labour immigrants and refugees in the country.

The Lebanon Crisis Response Plan (LCRP) 2015–16 was developed specifically to deal with the Syrian refugee crisis. Led by the Ministry of Social Affairs (MoSA), the LCRP was designed to ensure humanitarian assistance and protection for the most vulnerable refugees from Syria and the poorest Lebanese citizens. However, Lebanon does not have a strategy or policy framework to deal with migration. The institutional set-up is very fragmented and Lebanon has not yet signed a Mobility Partnership with the EU.

Although MISMES is a marginal tool in migration management, there is an increasing number of MISMES for refugees, especially for Syrians, with a growing tendency to link more and more assistance to develop sustainable solutions and durable interventions. However, the sustainability of MISMES results and achievements is hampered by the dominance of a project-based approach (rather than government-led interventions).

**Key recommendations of the study refer to launching a national policy dialogue on migration** to provide support to emigrants and immigrants throughout the migration cycle, including national authorities, international organisations, social partners and civil society actors, in order to embed emigration policy interventions into national policies. More attention is needed to the skills and employability dimension of migration in partnership between education and training and labour market actors, through a combination of different measures in one package (e.g. the combination of coordinated language and pre-departure training, adequate and cost-efficient qualification recognition and job matching, work-exchange programmes and on-the-job training). Specific job-intermediation tools would be beneficial to support potential Lebanese emigrants and immigrants, tapping the potential of the diaspora and returnees for local development and job creation, developing alternative schemes for remittances, setting up dedicated migrant support services and conducting public campaigns to avoid abusive working conditions, as well as an anti-racism campaigns. In addition, there is an urgent **need to elaborate a clear national policy on refugees**, focused on:

- **promoting skills-development and job-counselling** programmes for refugees, alongside emergency interventions, in order to increase their employability in those sectors where they can be lawfully employed in Lebanon (agricultural, construction, and domestic service) and to help them to prepare for resettlement in third countries and return.
- **profiling refugees through early skills assessment and develop programmes that enable the recognition of non-formal and informal learning:** more efforts should be made at an early stage by the government and the international community to identify the skills and potential of refugees. This can be backed by the Skills Profile Tool for Third Country Nationals, which is currently under development in the EU in line with the New Skills Agenda.
- **integrating refugees into the national VET system**, as the magnitude of the Syrian displacement in Lebanon makes it necessary to allow a more structured integration into the Lebanese VET system (both formal and non-formal). There is an increased need for non-formal education and accelerated vocational training for rapid integration into the labour market.
- **strengthening the links between VET and the labour market** in view of reducing skills mismatch, especially in some sectors such as IT, agro-food and construction, could allow more sustainable development, particularly for small and micro enterprises, enhance the productivity provide tools to support their transfer from the informal to the formal economy.

Furthermore, conducting regular labour market and skills needs analysis to inform national education, skills and employment policies, not only for nationals but also for foreigners residing in the country is highlighted. This could be supported by strengthening collection, analysis and dissemination of information on migrants and refugees and regularly collect (and disseminate) MISMES outcomes to better coordinate different initiatives. Strengthening actions at municipal level and within local communities, as well as promoting UNRWA good practices in VET and employment are recommended.

# ANNEXES

## Statistical annex Lebanon

This annex reports annual data from 2011 and 2016 or the last available year

Indicator		2011	2016	
1	Total Population (000)	4591.7 <sup>(1)</sup>	5988.2 <sup>(1)</sup>	
2	Relative size of youth population (age group 15-24) (%)	29,5 <sup>(1)</sup>	27,9 <sup>(1)</sup>	
3	Youth Dependency ratio (%)	34.7	34.5	
4	Old-age Dependency ratio (%)	12.2	12.2	
5	Global Competitive Index	Rank	89	101
		Score	3.9	3.8
6	GDP growth rate (%)	2.0	1.8	
7	GDP per capita (PPP) (current international \$)	15683.6	13995.7	
8	GDP by sector (%)	Agriculture added value	4.1	4.5
		Industry added value	16.1	14.7
		Services added value	79.7	80.8
9	Poverty headcount ratio at \$2 a day (PPP) (%)	M.D.	M.D.	
10	Gini index (%)	M.D.	M.D.	
11	Educational attainment of adult population (aged 25-64 or 15+) (%)	Low <sup>(2)</sup>	64,3 (2009)	66,5 (2012)
		Medium	17.3 (2009)	15.3 (2012)
		High	18.2 (2009)	17.9 (2012)
12	Gross enrolment rates in secondary education (%)	76,1	61.2 (2015)	
13	Share of VET students in secondary education (%)	17.2	15.7 (2015)	
14	Gross enrolment rates in upper secondary education (%)	68,8	55.2 (2015)	
15	Share of VET students in upper secondary education (%)	31.6	26.2 (2015)	
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A.	70.4 (2015)
		Mathematics	N.A.	60.2 (2015)
		Science	N.A.	62.6 (2015)
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	M.D.	M.D.
		Male	M.D.	M.D.
		Female	M.D.	M.D.
18	Early leavers from education and training (age group 18-24) by sex (%)	Total	M.D.	M.D.
		Male	M.D.	M.D.
		Female	M.D.	M.D.
19	Activity rates by sex (aged 15+) (%)	Total	35.8 (2009)	38.7 (2012)
		Male	53.9 (2009)	55.4 (2012)
		Female	17.3 (2009)	23.5 (2012)
20	Employment rates by sex (aged 15+) (%)	Total	44.6 (2009)	44.9 (2012)
		Male	69.2 (2009)	66.9 (2012)
		Female	20.4 (2009)	23.7 (2012)

Indicator		2011	2016
21	Unemployment rates by sex (aged 15- 64) (%)	Total	6.4 (2009) 9.7 (2012)
		Male	5 (2009) 7.7 (2012)
		Female	10.4 (2009) 13.8 (2012)
22	Unemployment rates by educational attainment (aged 15+) (%)	Low <sup>(3)</sup>	4.6 (2009) 8.1 (2012)
		Medium	7,7 (2009) 13,9 (2012)
		High	8,8 (2009) 11,4 (2012)
23	Youth unemployment rates by sex (aged 15-24) (%)	Total	16.8 (2009) M.D.
		Male	14.6 (2009) M.D.
		Female	22.3 (2009) M.D.
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	M.D.	M.D.
25	Long-term unemployment rate (aged 15+) (%)	M.D.	M.D.
26	Incidence of self-employment (%)	36.9 (2009)	28.9 (2012)
27	Share of the employed in a public sector (%)	12,3 (2009)	M.D.
28	Employment by sector (%)	Agriculture	6,3 (2009) 4.5 (2012)
		Industry	21,0 (2009) 19.3 (2012)
		Services	72,7 (2009) 76.3 (2012)
29	Employment in the informal sector	M.D.	M.D.
30	Proportion of people aged 15–24 not in employment, education or training (NEETs), by sex (%)	Total	21.3 (2007) M.D.
		Male	16.0 (2007) M.D.
		Female	27.3 (2007) M.D.
31	Public expenditure on education (as % of GDP)	1.65	2.56 (2013)
32	Public expenditure on education (as % of total public expenditure)	5.7	8.6 (2013)
33	Skill gaps (%)	55.5 (2009)	15.3 (2013)
34	The share of SMEs in GDP (%)	M.D.	M.D.
35	The share of SMEs in employment (%)	M.D.	M.D.

**Last update: 05/09/2017**

**Sources:**

Indicators 1, 2 - UNDP\_WPP15, Medium Variant estimates for 2016.

Indicators 3, 4, 6, 7, 8 – World Bank, World Development Indicators

Indicator 5 – World Economic Forum

Indicators 11, 19, 20, 21, 22, 23, 24, 25, 26, 28 – EUROSTAT. Data for 2012, low reliability.

Indicators 12, 13, 14, 15, 31, 32: UIS UNESCO

Indicator 16 - OECD

Indicator 27 – National Statistical Office of Lebanon (CAS)

Indicator 30 - ILOSTAT

**Legend:**

N.A. = Not Applicable

M.D. = Missing Data

**Notes:**

<sup>(1)</sup> estimations

<sup>(2)</sup> Includes no schooling

<sup>(3)</sup> ISCED 0-1

## Annex: Indicator definitions

Description	Definition
1 Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, legal or registered residents can be considered.
2 Relative size of youth population (age group 15-24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3 Youth Dependency ratio (%)	The ratio of younger dependents (people younger than 15) to the working-age population (those in the 15–64 age group).
4 Old-age Dependency ratio (%)	The ratio of older dependents (people older than 64) to the working-age population (those in the 15–64 age group).
5 Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape providing inside into the drivers of countries' productivity and prosperity. It expressed as scores on a 1 to 7 scale, with 7 being the most desirable outcome.
6 GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.
7 GDP per capita (PPP) (current international \$)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population, and converted to international dollars using purchasing power parity (PPP) rates.
8 GDP by sector (%)	The share of value added from Agriculture, Industry and Services.
9 Poverty headcount ratio at \$2 a day (PPP) (%)	The percentage of the population living on less than \$2.00 a day at 2005 international prices.
10 Gini index (%)	Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11 Educational attainment of adult population (25-64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group.
12 Gross enrolment rates in secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
13 Share of VET students in secondary (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET)
14 Gross enrolment rates in upper secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
15 Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET)
16 Low achievement in reading, maths and science – PISA (%)	The share of 15-years-olds falling to reach level 2 in reading, mathematics and science.
17 Participation in training/lifelong learning (age group 25-64) by sex (%)	The share of persons aged 25–64 who stated that they received education or training in the four weeks preceding the (LFS) survey.
18 Early leavers from education and training (age group 18-24) by sex (%)	The percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the (LFS) survey. Lower secondary education refers to ISCED 1997 level 0–3C short for data up to 2013 and to ISCED 2011 level 0–2 for data from 2014 onwards.
19 Activity rates by sex (aged 15+) (%)	Activity rates represent the labour force as a percentage of the population of working age.
20 Employment rates by sex (aged 15+) (%)	Employment rate represents persons in employment as a percentage of the population of working age.
21 Unemployment rates by sex (aged 15+) (%)	Unemployment rate represents unemployed persons as a percentage of the labour force.
22 Unemployment rates by educational attainment (aged 15+) (%)	Educational levels refer to the highest educational level successfully completed. Three levels are consider: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level

Description	Definition
	5–8)
23 Youth unemployment rates by sex (aged 15-24) (%)	Youth unemployment rate represents young unemployed persons aged (15-24) as a percentage of the labour force (15-24).
24 Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25 Long-term unemployment rate (age 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26 Incidence of self-employment (%)	The share of self-employed as a proportion of total employment. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27 Share of the employed in a public sector (%)	The share of employed in a public sector as a proportion of total employment.
28 Employment by sector (%)	The share of employed in Agriculture, Industry and Services.
29 Employment in the informal sector	Share of persons employed in the informal sector in total non-agricultural employment.
30 Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group and sex who is not employed and not involved in further education or training.
31 Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
32 Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
33 Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34 The share of SMEs in GDP (%)	The share of GDP contributed by small and medium sized businesses.
35 The share of SMEs in employment (%)	The share of persons employed in small and medium sized businesses.

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