

# Labor Market and Education in Lebanon: The Missing Link

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## Abstract

The Lebanese labor market is suffering from low activity and high unemployment rates. The Lebanese government formulated several policies, strategies, and roadmaps to trigger growth and reduce unemployment. However, economic growth will help reduce the cyclical unemployment while educational reform is essential to reduce the structural type. This study describes the labor market and education sector in Lebanon and their interaction. The researcher decided to adopt a mixed approach using qualitative as well as quantitative data and to rely upon primary (interviews) and secondary data. The study concluded that Lebanon does not have any established labor market information system and that the education sector is not able to measure its own relevance to labor market needs. The researcher provided several recommendations to help solve the problem.

**Keywords:** labor market, structural unemployment, education, technical and vocational education, skills, Lebanon

## 1. Introduction

### 1.1 Problem and Relevant Scholarship

The Lebanese economy is service oriented, comprised mainly of business services, hotels and restaurants, health and education services as well as financial services. The service and banking sectors accounted for more than 80% of GNP in 2017, industrial sector 13% and agriculture 4%. In the last few years, the Lebanese labor market is suffering from low activity and high unemployment rates.

In order to help increase labor demand, the Lebanese government formulated or initiated the formulation of several policies, strategies, and roadmaps focusing on boosting various productive sectors, namely a strategic and operational plans for the industrial sector, a framework for the agricultural sector, a strategy for rural tourism, another strategy for the SMEs and finally a national economic vision (Note 1-7). Such documents are expected to increase the economic growth thus reduce unemployment.

However, unemployment is of several types namely; cyclical and structural. Economic growth will help reduce the cyclical type. Educational reform, on the other hand, to match labor supplied skills to labor demand is essential to reduce the structural type.

Free primary education was introduced in Lebanon in 1960, yet private schooling remains an important element of education for a large segment of Lebanese children. Lebanon has the highest literacy rate (93.9%) for men and women youth among Algeria, Egypt, Syria and Tunisia in 2015. Lebanese value education a lot and parents invest huge efforts to offer their children with the best input possible. However, the Lebanese education system faces a challenge in generating sufficient numbers of graduates in fields required for the 21st century workplace (Note 8).

### 1.2 Research Question and Hypothesis

The problem could be restated as follow: Lebanon suffers from unemployment; to solve this problem, the State needs not only to increase labor demand through actions that trigger economic growth but also to refrom the education sector to match the labor syplled skills to demand.

The aim of this study is to answer the following questions: Does Lebanon have any established labor market information system? Is it possible for the education sector to assess and measure its own relevance to labor market needs?

The researcher proposes the following hypothesis:

- The labor market in Lebanon is chaotic and lacks data.
- More collaboration is required between the education sector and the labor market.

### *1.3 Importance of the Problem*

The study is important since Lebanon suffers from unemployment. The research suggests that organizing the labor market and linking the education outputs to the market demand is a must to reduce the problem beside triggering growth. Exploring and describing the actual situation in both the labor market and the education sector is necessary to be able to suggest proper solutions.

### *1.4 Research Design*

To answer the research question, the researcher will rely on both *secondary* and *primary* data. A review of existing publications, mainly recent national and international report describing the actual situation, is necessary to understand the current problem. To further explore the situation, primary data is collected through interviewing key stakeholders. International experiences are useful to formulate recommendations.

### *1.5 Research Sections*

The research is subdivided into an introduction, a methodology section, a literature review, a section describing the findings about the labor market challenges in Lebanon, another section explaining the findings about the education sector in Lebanon and its interaction with the labor market, a conclusion with recommendations followed by the bibliography.

## **2. Methodology**

To answer the research questions, the researcher decided to adopt a mixed approach using qualitative as well as quantitative data to serve the research needs. The research is descriptive in nature. It describes the education and labor market in Lebanon and their interaction.

The study was carried out through a combination of primary and secondary data capitalizing on the extensive work that has been done in the past few years in terms of covering education and the labor market as well as tapping into the knowledge and expertise of key stakeholders.

An extensive desk review was done of existing education and labor market and economic studies published in Lebanon in the past few years. Desk research was carried out to identify and use all key information and insights in the analysis and formulation of recommendations. Sources include published reports by national and international organizations, banks, corporations and market intelligence companies.

Moreover, eight key informant interviews were done with key stakeholders including key players in the education and labor market including those holding a national perspective and a broader view of employment throughout the country and not in a specific region or sector. Respondents included:

- 1) Al Majmoua- for microfinancing
- 2) The Center for Educational Research and Development (CERD)
- 3) The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - currently offering support to the Directorate General of Technical and Vocational Training in Lebanon.
- 4) The International Bank for Reconstruction and Development (IBRD)
- 5) The Labor Union (CGTL)
- 6) The Ministry of Economy and Trade (MoET)
- 7) The Ministry of Labor (MoL)
- 8) The National Employment Office (NEO)

## **3. Literature Review**

### *3.1 Theories of Unemployment*

Various theories of unemployment suggest that there are several variables to increase employment and reduce the rate of unemployment (Note 9).

According to the classical theory (Note 10), the demand for labor is a negative relation between real wages and quantity demanded whereas the supply is a positive relation between the two variables explained by the choice of the worker between work and leisure. At equilibrium, unemployment, except frictional, does not exist.

According to Schumpeter (Note 11) in his theories of economic development and business cycle, innovation creates more jobs compared to job destruction and is the basic drive to reduce unemployment.

Keynes (Note 12) considers that unemployment is an involuntary phenomenon. Capitalists hire workers and invest when their expectations about the future are positive. If these expectations are supported by reality, investment and employment rises, if not they invest and employ less. The equilibrium is not always at full employment and cyclical unemployment exists.

According to Chatterjee (Note 13), unemployment rise when the growth of the inputs (due to technology) is slower than the growth of the output productivity.

The Standard Microeconomic theory (Note 14) attributes the change in unemployment to innovative marketing techniques that will increase the product demand which will in turn increase the labor demand.

### *3.2 Structural Unemployment*

Theories distinguish three major categories of unemployment namely; cyclical, frictional, and structural. The structural type is caused by a mismatch between the skills offered by workers in the labor market and the skills demanded by employers, also known as the skill gap. Technological change is a main cause of structural unemployment because it renders some of the workers' skills obsolete. Reducing this type of unemployment takes time since it requires re-training to acquire new skills and education has a major influence in solving the problem.

There are three main approaches to the theory of structural unemployment; the causal, the structural maladjustment, and the policy oriented (Note 15). The causal approach focuses on the different types of structural change and their impact on structural unemployment. The structural maladjustment approach focuses on the adjustment mechanism of the labor market which is responsible for absorbing structural changes consequences. The policy oriented approach focuses on the effectiveness of various policies in reducing structural unemployment.

The concept of structural unemployment becomes generally a topic of interest when unemployment remains high for relatively long periods of time and the analysis begins to address if there is a structural change occurring in the economy that deserves to be studied.

## **4. The Lebanese Labor Market Challenges**

The Lebanese labor market is mostly characterized by low activity and high unemployment rates. There is low contribution of women in the labor force, a large informal sector, a large mismatch of skills, a high influx of foreign workers and a large number of skilled Lebanese people seeking and obtaining employment abroad. The youth spend a lot of time searching for jobs when entering the labor market and face challenges related to finding permanent work and fair wages. The average length of unemployment is one year, what is internationally classified as long-term unemployment.

### *4.1 Main Facts and Findings*

Labor market data are scarce, incomplete and outdated. Moreover, there is contradiction in some of the figures available. The unemployment rate is estimated at 25% by the ministry of labor in 2017 versus 6.7% by the World Bank. The youth unemployment is 37% in 2017 according to the ministry of labor compared to 21.3% in 2016 by the World Bank.

The labor force participation rate was 49.2% according to the Central Administration of Statistics (CAS). The labor market is male dominated with 67.8% male participants and 25.6% female participants (one of the lowest female activity rates in the world). This is attributed to social, cultural and economic reasons. Unemployment rates are mixed with the World Bank figure at 6.7% in 2016, CAS 10% in 2012, Ministry of Labor and the National Employment Office 25% for 2017.

Youth unemployment is high. The National Youth Policy Document states that youth unemployment rate is 35% and unemployment is higher among the higher-educated youth; 21.8% for secondary graduates and 36.1% among university graduates.

The informal sector is quite large in Lebanon, which the World Bank estimated the level of informality to be 36.4% in 2011 with 66.9% of employees not contributing to any social security system. Informality ranges from farmers to high-level self-employed professionals.

The jobs created in the economy in recent years have been concentrated in low productivity sectors, hiring low skilled workers. Meanwhile, the demand for skilled labor remains lower than supply, creating a significant

mismatch in the labor market. According to the World Bank, 41% of wage earners perform jobs that are not in their scope of education and skills. Moreover, employers claim that employees lack certain skills and technical abilities that are needed to perform their jobs.

#### *4.2 Brain Drain*

Lebanon has the highest level of brain drain in the Arab region. Since education and the cost of life is expensive, graduates expect and demand higher wages than those being paid and thus resort to seeking and obtaining work outside of Lebanon, widening the gap between job seekers and job givers. It was found that nearly 40% of the college-educated population in Lebanon emigrated, twice the rate of Morocco and Iran, who ranked second in 2000.

Lebanon exports high skilled workers and imports low skilled ones. Remittances were 7.4 billion USD in 2012, accounting for 17% of GDP (Note 16). Migrant workers are not covered by social and health insurance schemes and are therefore low cost to employers and represent unfair competition to Lebanese workers.

Between 2004 and 2009, 48% of Lebanese emigrants did not have a job prior to leaving the country and the main reason for the majority of them was to look for a job (66%). Of these, 44% have university degrees. 77% of these emigrants were under 35 years of age.

Liberal professions such as lawyers, doctors, engineers, dentists and pharmacists are the most common professions due to their social value and status. With more people working in these fields than what the market needs, some of these people find themselves facing low incomes with new graduates increasing each year and a small number of people retiring.

Lebanon has abundant skilled human resources, yet not enough available jobs for them. For every 20,000 new entrants to the labor force, only 4,000 new jobs are created. Consequently, this has led to the top 50% of Lebanese citizens in terms of average income who have received an expensive education, to emigrate and work elsewhere.

One in every five Lebanese citizens, mostly professionals and skilled workers left the country due to the civil war and about 250,000 emigrated permanently.

#### *4.3 Syrian Crisis*

The influx of Syrian workers has congested an already weak labor market, the poor job climate has affected the youth the most, the skills gap remains the main obstacle preventing economic growth and job creation (Note 17). Lebanon needs to create six times more jobs than the current situation to absorb the 23,000 yearly labor market entrants. There is a shift to the low-skill sector with a small wage increment between primary, secondary and tertiary education, with a low return on education, further stimulating brain drain. SMEs (over 90 percent of firms in Lebanon) place a major role in the Lebanese economy, yet need major support.

Since early 2011, the international community is mainly concerned with the Syrian crisis and is working through several humanitarian actors on addressing the humanitarian needs of the Syrians both inside and outside Syria. As the Syrian refugee crisis aggravated, the main concern of the Lebanese government was to secure international funds to help with humanitarian assistance. The response of the government to the crisis came late and not comprehensive through a policy paper in 2014. Three priorities were set in the paper to manage the Syrian displacement into Lebanon namely: to reduce the number of refugees, to address the increasing security concerns, and to share the economic burden by expanding the humanitarian response to include a more structured approach benefiting Lebanese institutions, communities and infrastructure (Note 18).

In order to respond to the crisis and help the host community in Lebanon – who is still coping from previous wars – UN agencies rely mostly on contributions from governmental and inter-governmental donors. Some of the main donors are: KFW and LRF (Germany), DFID (UK), DANIDA (Danish), EU, USAID (USA), Japan, Italy, SIDA (Switzerland), Australia, Belgium, Kuwait, etc (Note 19).

Some donors focus on the Lebanon Host Communities Support Project (LHSP), others on the Peace Building in Lebanon; hence, they cover different sectors, such as Protection, Child protection, SGBV, Health, Education, Basic assistance, Energy and water, Livelihoods, WASH, Social stability, and Shelter. The donors covered and still covering all the 3 phases of the crisis (Emergency and basic needs support, Recovery and Development) since the start of the Syrian crisis till moment.

Some of the most prominent programs focused on job creation include:

USAID- Lebanon Enterprise Development Project (LED)

DFID - Subsidized Temporary Employment Program (STEP)

DFID- Improved Networks, Training and Jobs – INTAJ program

World Bank- Creating Economic Opportunities

Lebanese Council for Development through UNDP- Support to the Economic and Social Fund for Development

#### *4.4 Outdated and not Enforced Labor Law*

The labor law regulating the Lebanese labor market dates back to 1946. Moreover, Lebanon has no specific employment strategy or action plan for employment (ETF, 2015). Its labor market is described as being chaotic and data about it is scarce, outdated and sometimes contradictory. The problem is not only in a labor law that dates back to 1946, it is also in that the law is not being enforced especially regarding the restrictions to hire foreign labor.

The Ministry of Labor drafted a new labor law in 2012 and submitted it to the parliament although the law has never been ratified. Although the law was negotiated with both workers and employers organizations, both still have remarks concerning some issues (Note 20, 21). Employers consider that the new law represents a barrier to hiring new workers and aspire for more flexibility in terms of hiring and firing procedures provided it preserves the rights of workers in working hours, leave, health and safety (Note 22).

The minimum wage policy in the public and private sector is set by the government and was last raised in 2012. A new salary scale which applies in the public sector was approved in 2017. Adjustments of the minimum wage have consistently been followed by inflation in prices of goods which cancelled out the gains made.

#### *4.5 Social Protection*

The social protection system does not provide sufficient coverage. The National Social Security Fund (NSSF) provides health insurance, an en-of-service indemnity and family allowances to formal workers in the private sector only. Although the Informal sector constitutes a large percentage of the labor market, be it employees that are unregistered and even businesses that are unregistered.

The current national social security system in Lebanon provided by the NSSF does not cover all population groups. Approximately 50% of the population does not belong to any social security plan.

Moreover, because the youth, especially new entrants to the labor market, face a long period of unemployment Decree N.8691 was issued by the Ministry of Labor providing incentives for employers to recruit first-time jobseekers such as covering the social security contribution and providing some tax reductions. The decree is not implemented.

Moreover, the New Entrants to Work (NEW) Program launched in 2012 by the Ministry of Labor, to be managed by the National Employment Office (NEO) and funded by the World Bank, to improve the employment prospects of first-time jobseekers was suspended (Note 23).

#### *4.6 Labor Market Policies and National Employment Office (NEO)*

Lebanon lacks a labor market information system that produces regular official labor market needs analysis reports to identify the market demanded skills and match it to supplied skills. It is mainly the international donors, the ILO in particular, that are funding the existing surveys.

The last labor market needs analyses have been conducted in 2004, although international organizations and donors - among them the ILO and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) have conducted labor market and sector studies within the frameworks of their projects (Note 24).

The Ministry of Labor has a National Employment Office. The office is supposed to conduct studies and research to formulate employment policies for Lebanon. It is also supposed to help job seekers find a job and to offer new entrants to the labor market accelerated vocational training to improve their employability.

However, the office does not have enough resources or institutional capacity to fulfill its mandate (Note 25). Only 27 vacancies out of the 108 foreseen employees are filled, out of which 12 positions are purely administrative. Therefore, the office is basically not meeting its objectives in assessing market skills demanded and matching it to supply.

To conclude this section, Lebanon suffers from a chaotic labor market. It is therefore difficult for the education sector to evaluate its own relevance to labor market needs, and many graduates enter the labor market with inappropriate qualifications. To reduce the high rate of unemployment, boosting economic growth is not enough. The State needs, not only to increase labor demand by triggering growth, but also to match the labor supply to

demand. This requires the creation of a labor market information system and the reform of the educational system.

## 5. Education

The educational structure in Lebanon consists of the general education, vocational and technical education, and higher education. Generally speaking, the general education curriculum all across dates back to 1997 and does not reflect the current trends in technology and teaching techniques anymore.

In terms of access to education, there are no reported gender gaps in Lebanon. The ratio of girls to boys in primary education is 0.97, in secondary education 1.10, and 1.16 in tertiary education. In the TVETs, female students account for 46% of the total body of students. At the tertiary level, female students account for 53% and outnumber males (Note 26). The percentage of the population aged 15 or above that is considered literate is 93% and is above the MENA region average (79%).

Education in Lebanon is compulsory from the age of 6 to 14 and students learn English or French with Arabic from early years in schools. It is divided into 5 cycles:

- Pre-school cycle
- Primary cycle I (EB1, EB2, EB3)
- Primary cycle II (EB4, EB5, EB6)
- Complementary cycle (EB7, EB8, EB9)
- Secondary cycle (secondary, baccalaureate 1, and baccalaureate 2 or final)

According to the Center for Educational Research and Development (CERD), the total number of students enrolled in schools in Lebanon for the academic year 2016-2017 was 1,065,940 distributed among private schools (52.5%), public schools (30.8%), private free schools (13.4%) and the UNRWA schools (3.3%). The total number of schools was 2,871 (1,257 public, 1,177 private, 370 private free, and 67 UNRWA). In 2016/2017, the total number of technical students was 85,244 students (CERD 2016-2017, online report).

### 5.1 Higher Education

Historically, Lebanon has been the home of several higher education significant institutes. Currently, there are 42 higher education institutions in Lebanon, most of which were legalized in the late nineties. However, they most offer similar majors and direct government spending on higher education does not go beyond 0.5% of the GDP and only part of it is dedicated to fund researches. This percentage is below the average of 1% in OECD countries. The direct government spending is channeled mainly to the Lebanese University, the Ministry of Education and Higher Education, the National Council for Scientific Research and to financing some bilateral programs with foreign countries.

There are 200,748 students enrolled in both private and public universities in Lebanon in 2016/2017 academic year. 62% of these students are enrolled in private universities and 38% at the Lebanese University (only State University).

To get an idea about the students' distribution according to majors, the below is the example from the Lebanese University (CERD 2016/2017 online report): Faculty of Letters and Human sciences - 25%, Faculty of Sciences - 20%, Faculty of Law and Political and Administrative Sciences- 13%, Faculty of Economics and Business Administration- 10%, Faculty of Social Sciences - 6%, Faculty of Public Health- 5%, Faculty of Fine Arts and Architecture- 4%, Faculty of Engineering- 3%, Faculty of Pedagogy- 3%, Faculty of Information- 2%, Faculty of Medicine- 2%, Faculty of Technology- 1%, Faculty of Agriculture- 1%, Faculty of Dental Medicine- 1%, Faculty of Pharmacy- 1% , Faculty of Tourism and Hospitality Management- 1%, and PhD students in all majors- 2%.

### 5.2 Complementary and Secondary Education

Students in Lebanon sit for 2 official exams: the first at the end of EB9 to obtain a *brevet* certificate and the second at the end of the 3<sup>rd</sup> year of the secondary cycle to obtain a Certificate of General Education. Those who have successfully completed EB7 have the option to follow professional education and after 2 years obtain a *Brevet Professionnel* (BP certificate).

At the Secondary level, students can follow the general education or the technical/vocational education. Holders of a BP certificate or a *brevet* certificate may continue to technical education and obtain a *Baccalaureate Technique* (BT) or the Dual System (DS) certificate after sitting for an official examination.

Both the BT and the general education certificate allow students to follow higher technical education. It takes two years and end in the title of *Technician Supérieur* (TS). The *Licence Technique* (LT) takes one more year of studies and an official examination.

Poor infrastructure and bureaucracy in many public schools is reflecting on the quality of education and driving students away towards private schools which are rather expensive. Moreover, public schools are under pressure from the increasing number of Syrians who have been integrated either in regular school hours or during afternoon shifts.

### 5.3 Technical and Vocational Education and Training (TVET)

Approximately 85,244 students were registered in the 2016–2017 academic year in TVETs in Lebanon. There are 163 public and 398 private TVET schools (Note 27) many of which have a low enrollment rate. There are a large number of small and not adequately equipped schools which often leads to education in these schools taking a more theoretical approach. Moreover, teachers are often under qualified and not well trained. This has reinforced negative perceptions of TVETs among Lebanese youths and families, and a tendency to always choose universities rather than technical education.

In terms of students, males exceed females at the BT level mainly because most professions taught in vocational education are perceived by the society as male-oriented. However, in the (TS) and (LT) levels, females exceed males (57.8% compared to 42.2% (Note 28).

The largest percentage of students enrolled in technical and vocational education (30%) is in Beirut suburbs, followed by 27% in the North, 14% in Beqaa, 9% in the South, 6% in Mount Lebanon, and only 4% in Beirut.

The majority of TVET institutions (71%) are private and subsidized by NGOs or private religious groups or completely fee supported. Only 29% are public. However, the centrally coordinated diplomas oblige that teachers partially follow curricula that have not been revised in many years (Note 29).

The majority of students (66%) opt for private TVETs institutions despite the fact that it is expensive because of the difference in quality between private and public education (Note 30).

### 5.4 TVET Strategy

The vocational and technical education has traditionally received less attention and funds than general education in Lebanon. This reduced its potentials and ability to offer graduates relevant skills to compete in the market.

The strategic framework issued in 2018 confirms the Government's commitment to build a TVET system that provides graduates with the skills required to find a job and allows firms to recruit the labor they need to grow.

The strategic framework has 8 outputs to be implemented between 2018 and 2022, although it is still missing a concrete action plan and next steps (Strategic framework 2018-2022).

These outputs include the following:

- 1- Inclusion: TVET system accessible to all, in particular the inclusion of marginalized groups, refugees, and women.
- 2- Human resources: improve the human resources management system to insure a better quality of the service.
- 3- National qualification center: on a competency based approach to better signaling of graduate skills to firms.
- 4- Quality assurance: for evidence-based planning and budget allocation.
- 5- Life skills to improve the study to work transition of students
- 6- Updated equipments and material to allow trainee to acquire practical skills that look like the workplace.
- 7- Relevance of training: involve employers and workers' representatives in the training processes to improve the market relevance of training program.
- 8- A diversified financing framework based on multiple partnerships to make the most of available opportunities.

### 5.5 NGOs, Incubators and Micro-Financing

To reduce the skill gap between the labor demand and supply, NGOs, incubators and micro-financing agencies are offering assistance (Note 31). Humanitarian intervention in Lebanon covers a wide range of social and economical issues. Several sector working groups are established to coordinate the work of the actors engaged in these issues (Note 32). We will focus on the Livelihoods working group – considered as the main group focusing on job creation and providing long-term income generation for vulnerable groups with around 30 participating agencies.

The goal for 2019 as per the “Glossary and reporting guide of the Livelihoods sector response plan and log frame 2019” is to reach the 3 high level outcomes as below:

- Stimulate local economic development and market systems to create income-generating opportunities and employment.
- Improve Workforce Employability.
- Strengthen policy development and enabling environment for job creation.

Actors are mainly international organizations with few local ones; unfortunately, local actors are not currently a primary party to the humanitarian system, despite all the given arguments proving their capacities and facts supporting their genuine role in humanitarian response.

SMEs in Lebanon constitute 93% to 95% of companies and they are the main source of employment (Note 33). In order to support the ecosystem in Lebanon, the main key actors are the Incubators, Mentoring, Coaching and Networking organizations, universities and online support platforms (Note 34). Currently, there are 8 incubators/accelerators in Lebanon providing support to start-ups in different sectors (Note 35). These incubators are all tech-focused and mainly focused on Beirut, leaving the startup ecosystem outside of the city underserved. These incubators/accelerators offer companies assistance in terms of: mentoring and coaching, business advisory, access to markets & soft landing, training workshops, hosting, incubation and acceleration, networking, HR support, legal support, and access to funding.

In addition to incubators/accelerators, Micro-Finance Institutions (MFIs) play a major role within the ecosystem and their absence is critical for start-up businesses. Some of the main MFIs in Lebanon are: Al Majmou'a, Emkan, Ibdaa microfinance, VITAS s.a.l, Makhzoumi, ADR (Association for Development of Rural Capacities), and AQAH (Al Qard Al Hasan). Moreover, AL KAFALAT a Lebanese financial company with a public concern considered as a credit guarantee is also helping SMEs to access commercial bank funding by providing loan guarantees (Note 36). Some of these institutions provide not only access to finance but also technical assistance and training.

The online support platforms do exist also and present to SMEs owners and entrepreneurs information resources, template business plans, and interactive training tools. The main actors are: Wamda, BLC Bank' SME toolkit and Alice (Note 37).

In addition to all this, university centers are also aiming to promote entrepreneurial culture by identifying and supporting individuals with potential through mentorship, networking and training such as: American University of Beirut (AUB) and Beirut Arab University (BAU) (Note 38).

## 6. Conclusion and Recommendations

The examination of the secondary data as well as interviews revealed that the Lebanese labor market is chaotic and lacks thorough market information and statistics. It suffers from high unemployment especially among the youth and the brain drain level is high. The informal sector is large and the social protection system is poor. The labor law is outdated and not well enforced. There is a high concentration of labor forces in liberal profession and a shortage in qualified technical workers. Moreover, the situation is made worse after the Syrian crisis and the influx of refugee to Lebanon.

The market lacks career orientation and the universities offer similar specialization, this increases the mismatch between the labor demanded and supplied skills. The educational system offers outdated curricula and the number of TVET schools is large but most are small and not sufficiently equipped, people, therefore, perceive the sector negatively.

Therefore, and to briefly answer our research questions, we accept our hypothesis that Lebanon does not have any established labor market information system and that the education sector is not able to assess and measure its own relevance to labor market needs.

The researcher concludes the study with the following recommendations to help solve the problem:

- Empower the National Employment Office (NEO) to be able to fulfill its role efficiently and develop a market information data portal or research department at NEO in charge of collecting and gathering all labor market data.
- Develop a new curricula based on sector priorities and market needs / assessments in order to fill the gap and match specialties taught with jobs available.
- Introduce a new licensing system for universities limiting the opening of more institutes and of similar



specialties.

- Introduce career orientation early on at school, and create a national career orientation center.
- Re-structure the TVET system to have fewer, yet better equipped and more advanced schools catering to a greater number of students, train teachers, and initiate an awareness campaign to attract students to the TVET sector.
- Benchmarking to international experiences for best practices:
  - ❖ In Australia, an Industry and Skills Committee was created to give industry a formal, expanded role in policy direction and decision-making for the vocational education and training sector. The new model enables industry to prioritize the development and review of training packages based on industry demand for skills, now and into the future, and technological and regulatory changes (Note 39).
  - ❖ In Europe, the council of Europe developed a strategy for training at the local government level to plan the training activities. The identification of training expectations is based on establishing training expectations among specific audiences then finding the most suitable and efficient ways to satisfy them.
  - ❖ Some Arab countries namely; Jordan, Egypt and Tunisia developed the Economic Research Forum Labor market panel surveys in cooperation with the respective National Statistical Offices to provide robust and reliable data on the labor market to allow for in-depth investigation of current employment characteristics as well as analyses of broader labor market dynamics (Note 40).

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