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EMPLOYMENT AND SUSTAINABLE DEVELOPMENT IN LEBANON

TOWARDS A NATIONAL STRATEGY FOR EMPLOYMENT PROMOTION

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The opinions expressed in the various parts of this book are those of the authors and do not necessarily reflect those of the cooperating entities

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PREFACE

It gives me pleasure to introduce this important document prepared by a group of specialized experts on the national strategy for employment promotion and sustainable development in Lebanon.

As this strategy is considered one of the urgent priorities on the levels and directions of development in Lebanon at the present time, a Multi-disciplinary National Committee was nominated of representatives from the Central Statistical Administration, Council for Development and Reconstruction, Educational Center for Research and Development in addition to the concerned Ministries and Offices as well as to a representative each of the International Labour Organization and the United Nations Development Programme as per the Council of Ministers Decision number 36/97.

The Committee held two meetings at the premises of the Ministry of Labour whereby a Group of Experts was designated with the objective of preparing the strategy. This Group made use of the services of a number of researchers to prepare in-depth sectoral studies covering the components of the overall policy pertaining to sustainable development. Based on the sectoral studies, the Expert Group prepared the components of the strategy and its future work plan.

In view of the importance of this document, which reflects new horizons, and since the development path of Lebanon requires the availability of well-defined indicators on what is to be implemented at the intermediate and long term, I am pleased to put at your disposal this strategy, which took a great deal of efforts and time to be prepared.

In this context, I would like to put on record my thanks and appreciation to the Group of Experts composed of Dr. Nabil Khoury, Mr. Moussa Gedeon, Dr. Najah Abdallah, Dr. Hala Nawfal Rizkallah, Dr. Michel Abs, and Mr. Nicolas Chammas who have exerted tremendous efforts to prepare the draft of this important document.

By the same token, I should like to present my thanks and appreciation to the International Labour Organization and the United Nations Development Programme who have supported this important national undertaking from the beginning. I am certain that their support will continue in the future, particularly with regard to the implementation of the strategy.

The strategy was presented and approved by the Council of Ministers during the session held on 4/11/1998.

Asaad Hardan
Minister of Labour
Beirut, 6 November 1998

INTRODUCTION

The strategy to stimulate employment and sustain the development process comprises basic guidelines for a comprehensive plan that would ideally cover the expansion of employment opportunities, restraining unemployment and reducing poverty, in addition to all emerging situations which the government could face in its employment policy, now and in the future. The overall approach consists of seeking selected policies that would stimulate employment, help to invigorate the economic sectors and reduce unemployment through coordination between the creation of employment opportunities and demand for labour in the labour market in accordance with a strategy that deals with all problems and cases that could destabilize the situation, spread unemployment, or create serious inequalities in income distribution.

Employment issues occupy a distinct place in labour market considerations. There are the workers who are seeking work but do not find the jobs they desire, or at least they do not find them on acceptable terms; moreover, some categories in the potential labour force, though qualified, may not be able, or may not find it useful, to search for work openly. The result is the existence of general and disguised unemployment. Also, some employers may be unable to find the work force that they desire to employ, or they are obliged to hire a work force that has no productive use, the outcome being vacancies or superfluous employment. The employment problem is further complicated by the high degree of fragmentation of the labour market. The number of skilled workers is small relative to the demand for them, which is constantly rising, while available labour lacks experience and skill, leading to the appearance, side by side, of open and disguised unemployment, vacancies and superfluous employment. Thus, clarifying this perplexing dilemma, now and in the future, and reconciling employment and jobs within or across the sectors of economic activity, is the issue constantly besetting the employment strategy in Lebanon. To resolve this problem, the point of departure should be the labour market as it now exists, including aspects of non-adjustment and institutions and mechanisms of response. This will assist in understanding the need for the possibility of influencing demand from and supply of categories of the labour force and sectors of economic activity with varied specific characteristics, with the help of carefully selected labour market policies. This approach appears inevitable in view of the nature of the employment problem in Lebanon, at present, and in the foreseeable future, which resides in the reconciliation between supply and demand, quantitatively and qualitatively. The creation of jobs, in general, could become a problem in the future, though it is not conceivable that this should render reconciliation between employment and jobs a secondary issue.

The exiting situation in the labour market is not well known. Similarly, the domestic labour supply, the size of the foreign labour force, and the effect of investments on employment, are matters that have not been determined with accuracy. It is also known that reducing unemployment helps in eradicating poverty, which began to assume serious proportions in recent years. And with the exception of the labour force survey, which was prepared by the National Employment Office in 1997, available information on the labour market is not accurate and does not provide a comprehensive picture of the dynamism and structure of the market.

The devastating war which Lebanon witnessed has had direct negative effects on the labour sector and on the mechanism of labour supply and demand. The reconstruction of the country necessitated an early implementation of the basic infrastructure as well as the rehabilitation of the electricity, water, telephone and roads. The undertaking of such work has led to an expansion on labour demand, in general, and on the skilled technical manpower, in particular, especially in the vital sectors which have suffered a great deal as a result of the increasing volume of immigration, particularly among the youth and the skilled, and as a result of the continuing economic crisis in the context of the decreasing level of education and training and the scarcity of skilled technicians and managerial cadres. In addition to the above, the labour sector is characterized by the non-homogeneity between the requirements of the labour market and of the basic economic sectors which have suffered a great deal from the drastic decrease in the level of wages and salaries, and the diminishing social benefits, which were previously a major supplement to salaries and wages.

If we take an international comparison of wages, we note that the average salary in Lebanon has had a sharp decrease, particularly in the public sector. This has made the Lebanese salary system approaching, from its characteristics and levels, other salary systems prevailing in the majority of developing countries. The labour force survey of 1997 has shown that only one third of the total population is economically active, or 1,326,000 persons, and that the average monthly salary is L.L. 561,000 and that two out of three active people are getting less than L.L. 500,000 in terms of a monthly salary. If the survey was processed on the basis of regional characteristics, it would have reflected, without any doubt, that the social ills are observed among the lower strata of the people. In addition, the compensation and other incentives that are being paid, on top of the basic salary, cannot introduce any major improvement to their living standards since its total volume does not reach 19% of the total paid salary. Nonetheless, the survey has shown wide differences from one sector to the other; for instance in the information, communication and finance sector, the compensation reaches the levels of 42%, 31% and 32% respectively. By contrast, the leather, wood and machine sectors are characterized by low level of compensation since these are normally below 10% on average.

The survey has further revealed that the distribution of workers by profession is in essence through "learning by doing" since only one worker out of four has resumed the studies in the area of his/her profession. This reflects primarily the weak linkage between the educational and training systems and the labour market requirements in Lebanon. Likewise, it has been observed that at least half of the higher Lebanese administrative and managerial cadres have acquired their experiences through practice,

which, in turn, create another worry for the future at a time where this level of administration is requiring superior specializations and high technology.

The above characteristics reflect the non-homogeneity between the supply of and the demand for the labour force, which is well observed in fulfilling the needs of employers and entrepreneurs as a result of the decrease in the number of jobseekers. The analysis of the survey, on the basis of professional and sectoral characteristics, reflects extremely useful information such as the agricultural sector is not of any interest to the youth, and there is no indicator which is going to save this sector from deterioration. As for the workers in the handicrafts, printing and other modern but small industries, which are geared for export, the situation is alarming as a result of the steady decrease in the number of jobseekers. The educational sector, on the other hand, which has witnessed the beginning of a recovery, is suffering from a severe lack of highly skilled professionals. However, the middle level workers, like receptionists, cashiers, and others, who are not being seriously considered by their respective employers, reflect such sectors that have lost their vitalities and their real values.

The phenomenon of unemployment, which Lebanon is witnessing, is due primarily to the low level of economic growth. The abolition of a number of professions, which the survey has revealed, is reflecting, at the aggregate level, the trend of the various economic phenomena. The results have shown, without any doubt, that at least one out of two workers has lost his/her job for "economic reasons" which is the term utilized in the survey to reflect one of two cases: either that the employer has closed down the business, or that the worker was fired on the basis of reducing the number of the workforce. We have observed that 60% of those that have been included in the survey are unemployed due to economic reasons, compared with 35% that are still working on a permanent basis. The small business enterprises, that are considered like gold mines for creating employment during high economic growth, these enterprises suddenly change directions and become real mechanism for the reduction of employment opportunities when the conditions change. Lebanon, unfortunately, is reflecting this latter situation. It is not certain that the growth of the loan programmes for small business, which is by itself a positive initiative, will in any way reverse the situation due to the structural obstacles confronting economic growth, particularly during the last few years.

The great challenges which Lebanon will face at present in the context of the country's effort for reconstruction and development is in the non-homogeneity between what is expected in terms of steady demand of the local market for labour, particularly for the skilled and high technicians, and the system of salary and other social incentives. Likewise, Lebanon does not have at present any planning for its human resources policies, and it is not sure that if the solution for such complicated problems, if left to only the labour market mechanism, will help Lebanon overcome the bottlenecks inherent in its local market, which is also hindering the growth of the labour force and its balances in the absences of a large scale programme of training and rehabilitation of the labour force, in addition to the necessity to create incentives for the return of the skilled labour force that have left the country.

All the above will reflect the necessity to formulate a national strategy for employment and sustainable economic development in which all actors will participate, be it in the public or private sectors. At the same time, this strategy should include the directives for educational improvement, which should take a course opposite to the present one, otherwise Lebanon will lose its basic and essential resources for good.

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Chapter 1

BASIC ISSUES IN EMPLOYMENT PROMOTION

The employment issue in Lebanon goes beyond a sectoral issue and raises the question of the economic and social future in its totality; hence, the need to include the problem of employment as part of the current economic recovery plan, should be seriously considered in the context of a comprehensive and integrated economic and social plan that rests on two basic axes:

First Axis: which focuses on a balanced development of the economic sectors, based on a strategic –futuristic vision of the economic role on Lebanon at the regional and international levels, in light of its potential and resources.

Second Axis: which focuses on the development of human resources, considering that Lebanon is a small country and lacking in natural resources.

Practical Proposals to Achieve the Objectives

The overall growth of the Lebanese economy attained high rates in the years that preceded the events in 1975. However, a careful analysis of the structure of the Lebanese economy shows clearly that these high growth rates were not the positive outcome of the contribution of all sectors and regions, but rather a result of the good performance that some economic sectors and regions recorded at the expense of other sectors and regions in the country.

The events in Lebanon did not alter this course, which the Lebanese economy has taken at the sectoral and regional levels, but rather accentuated it and rendered these sectors unable to provide employment opportunities to cope with the successive waves in the number of those entering the Lebanese labour market. Hence, the need to study this situation, which characterizes economic activity in Lebanon at the level of agriculture, industry or at the level of services, is of primary importance, especially that the annual number of new entrants to the labour market varies between 35,000 and 40,000, which necessitates the creation of a similar number of employment opportunities to keep unemployment at its present levels.

This has implications for the legislative and monetary policy of the country, which must assist in finding sources of finance and must also assume bigger tasks in the light of new developments and economic transformations, with a view to laying

down realistic and solid foundations for the entire Lebanese economy. This requires a comprehensive developmental policy and efforts by all the Lebanese society.

Embarking on the rehabilitation and reconstruction of the infrastructure in devastated Lebanon is an essential part of development policy in a country which is emerging from under the rubble, and for reactivating and invigorating the sectors damaged as a result of the war. This is not adequate, however, as evidenced by the state of the Lebanese economy which continues to suffer from acute stagnation. There has been no illusion that the economy will pick up momentum once damage to the electricity network was repaired and new power stations were built, roads expanded and new tunnels and bridges constructed, and communication systems developed and expanded, etc. However, the stagnation which the economy is experiencing, and which is felt by citizens and businessmen alike, is a reality that should be dealt with at the national level.

The internal and external circumstances surrounding Lebanon render the role of the state in adopting clear policies incontestable and necessary. While recognizing the importance of private initiative in the context of a free economic system, and of giving it positive flexibility and dynamism in certain circumstances, such as those experienced by Lebanon before the civil war, in other circumstances this could lead to different results and cause more harm than benefits. It has been observed that in the case of some sectors the state has failed to provide supportive measures. The role of the state could have been direct and indirect, but effective in both cases. Hence, the development policy which Lebanon needs should go beyond building the infrastructure to embrace the overall economic and social policy in the country, without undermining the foundations of the free economic system. This highlights the role of the state in planning, guidance, stimulation and effective control. In the developed countries, which adopt a free economic system, the state exercises the right of control and to revoke decisions by economic establishments which could harm the overall orientation of economic policy. In the face of regional and international economic groupings and blocs, and the adoption of open economic policies vis-à-vis the rest of the world, the Lebanese economy and society can not be left on their own. This makes it imperative that the formulation of the political decision of the state be done by inciting the involvement of the various segments in the Lebanese society, and the elaboration of an overall economic and social policy that all sectors can function under. In agriculture, emphasis should be put on activities that are sustainable and able to compete, and the creation of alternative circumstances and substitutes to existing ones and which inflict heavy losses on the Lebanese farmer. In industry, efforts should focus on promoting and expanding those industries that contribute to the growth and expansion of the sector which, in turn, as in agriculture, would help to increase employment. Any positive expansion in these two sectors, and in others, would impact favourably on employment.

Similarly, each of the other sectors is to be guided by a subsidiary policy under the general policy framework. In this sense, the state would have a single overall policy, and detailed policies related to the role, productivity and importance of each sector; and the responsibility to coordinate and control these different policies in accordance with the general policy. In this way, the state would assume another responsibility, namely, that of effective control. At the same time, the state would not

be confiscating the role of the private sector, nor robbing it of its essence; it would not also be undermining any of the principles of the free economy, but would be working to reconcile the safeguarding of the prevailing spirit of individualism with the transformations that must be taken into account to keep abreast of developments. This makes it incumbent on the state to assist in finding solutions to the problems and difficulties that obstruct the development of the economic sectors. There is also the task of developing the institutions that gather information related to production and marketing, and all that serves the national economy. This would be in contrast to the existing situation where information is lacking or scattered among different pockets, each withholding the information from the other for various reasons.

The state would have also to establish relations with other countries and international companies to obtain information on market opportunities and external prices for the benefit of domestic firms and companies, when drawing-up their production, marketing and competition policies. In this connection, the state would, for example, play a positive role by exempting raw materials, which constitute a basic ingredient in manufacturing, from customs duties in support of this sector, thus reducing costs; in addition to customs protection or reciprocal treatment with respect to imports into Lebanon. Moreover, the modernization of machinery and equipment in the productive sectors would contribute to increase productivity and lower costs. This raises the issue of financing which is a focal issue in any productive process and, consequently, thrusts on the state the responsibility of introducing laws and financial legislation that require banks to contribute a set portion of their deposits to finance these sectors at low and long-term interest rates.

The competitive position of Lebanon in the region, and even internally, has become difficult, and employment constantly shrinking as a result of the difficulties encountered by production firms. From this perspective, the subsequent sections will deal with the more important aspects that, together, constitute the core of the strategy, namely:

- 1- Complementarity between the various economic sectors and their ability to compete.
- 2- The unemployment problem.
- 3- Labour productivity.
- 4- Human resources development and management.
- 5- Integration of women in the development and production process.
- 6- Relation between information and communication technology and the labour market.
- 7- Protection of the environment and its impact on employment.

Chapter 2

STATE OF THE PRINCIPAL SECTORS IN THE LEBANESE ECONOMY AND ABILITY TO COMPETE

Attention ought to be given to the promotion and development of the productive economic sectors, as this constitutes the main approach for promoting and stimulating employment and reducing unemployment levels in the country. As the link between production and employment is very close, it is inevitable that there should be an overall policy to link different sectors with labour of diversified and varied skills. As a result, it would be possible to concentrate attention on those sectors that are characterized by high value-added and, thus, could contribute to the reduction of the trade deficit or the budget deficit, or limit the stagnation in overall economic activities. The link between the agricultural sector and the development of food-processing industries, for example, becomes very useful, whether to achieve self-sufficiency, or for export, or to increase employment and raise the standard of workers. This will not be enough if it were not linked to external trade which is facing difficulties as a result of competition from Arab countries. Such a link would provide outlets for domestic products and earn hard currencies, prevent slumps and help to activate the production cycle. The production sectors are closely dependent on the availability of finance which should be provided by local banks in different currencies, especially the local currency, and at low interest rates and for long or medium-term durations, according to the needs of each sector. This is a matter which the state should assist in planning for with the help of a supportive policy.

Similarly, the tourism and services sectors, which complement one another, assume an important role in complementing the other sectors, whether in terms of economic return or in the role that the latter plays as part of the infrastructure needed for the development of all sectors.

Integration between the different sectors in Lebanon, under state supervision and legislation, has become necessary in the present circumstances, and in the context of competition within the Arab market. It will become increasingly pressing and necessary in the frame of a just and comprehensive peace, with all the difficulties and challenges that this could carry for Lebanon, be it at the level of the economy, employment or social security.

Agriculture

There is need to adopt an effective agricultural policy having a well-conceived strategy and appropriate technical means at the level of production and marketing, and for providing new employment opportunities in the various aspects of agricultural activities to induce people to remain attached to the land and prevent vacating the rural regions of their population. Agricultural policy could evolve around the following main objectives:

- Halting the deterioration in agricultural production, and ensuring economic and social development in the agricultural sector which is balanced with that in other sectors;
- provision of agricultural commodities needed for processing;
- provision of food products to the population at appropriate and competitive prices, taking into consideration the harm that subsidization of some commodities could cause;
- ensuring food security in a manner which is consistent with production capabilities;
- ensuring that the agricultural sector contributes to reducing Lebanon's trade deficit and food dependency;
- raising agricultural income levels, and enabling the rural community to be viable and live comfortably;
- protection and improvement of the environment;
- enabling the agricultural sector to contribute to the absorption of qualified labour and reducing unemployment; and,
- ensuring proper agricultural guidance and orientation, especially in the direction of expanding the production of commodities with high value-added, and in particular seedlings and tropical fruits.

Industry

- Rehabilitation of the industrial sector, technically and financially, and with respect to manpower, to keep abreast of developments by defining a strategy that focuses on the particular characteristics of Lebanon;
- provision of appropriate infrastructure;
- adoption of measures that lower industrial production costs, which have become very high so as to restrict the ability of Lebanese industry to compete;

- ensuring the availability of medium and long-term credit at low interest rates, attracting private capital, and the existence of an effective financial market;
- studying and executing manufacturing, chemical and other industrial projects, and linking the industrial sector with the agricultural sector by promoting industries that produce intermediate commodities;
- establishing and spreading technical institutes to train a qualified labour force;
- ensuring the marketing of output and the conclusion of economic cooperation agreements; and
- concentration on products with a high value-added, and in particular on cluster products that complement one another.

Services

- The energy and water resources sector should be developed, given its indirect impact on employment opportunities in other sectors;
- the need to rehabilitate manpower in the construction sector to meet the shortage and reduce the number of foreign workers;
- import-substitution could increase employment opportunities and absorb part of the labour force, since any decline in the volume of exports means a decline in output and, consequently, the dismissal of an important part of the work force;
- the rehabilitation and expansion of the transport networks, modernization of seaports and the airport, and operating railways provide many employment opportunities;
- transforming tourism to an advanced industry creates new horizons for the labour force;
- the adoption of an appropriate housing policy, to resolve the housing crisis and the socio-economic problems associated with it, contributes to the creation of new employment opportunities in the housing and construction sectors;
- the development of banking operations and expansion of financial services, specialization by financial institutions and introducing services that cater to the needs of the local and regional market, create vast employment opportunities; and,
- the formulation of a comprehensive health policy, and developing the basic structures of the health system, to provide for domestic and regional needs, contribute to the reorganization of medical and health expertise and improve its exploitation and contribution to employment.

While each of the economic sectors in Lebanon faces difficulties that are peculiar to it, there is a group of difficulties which is common to most sectors and, consequently, can be considered to be general and basic difficulties. These can be summarised as follows:

- Research and availability of information;
- modern equipment and technology;
- international commercial relations;
- finance;
- lack of specialization in competitive production lines;
- family ownership; and,
- financial and tax legislation.

These difficulties affect the various sectors differently depending on the specific situation of each. But the end result is stagnation in these sectors and an increase in overall production and capacity utilization difficulties. This would raise production costs and make it more difficult to market Lebanese products, given that the cost of production is a basic determinant of marketing ability.

The Lebanese believe that sector-specific difficulties can be surmounted and overcome. However, a concerted effort is needed to deal with the common difficulties. The aforementioned difficulties are basic and common and related to the issues of financing and the socio-economic policy of the state. These two issues are closely and directly-related.

The persistent and growing annual trade deficit adversely affects the production cycle which, in turn, impacts negatively on the ability of firms to stay in business and to absorb labour, thus adversely affecting the overall economic situation.

It is a full cycle of difficulties that needs to be breached to find a solution. Finance constitutes the common and basic factor for escaping from the impasse reached. There are many firms which have closed their doors and ceased operations, and others that are preparing to do so, which the Ministry of Labour is dealing with and with their employees and workers. These firms are unable to find a source of finance and support to enable them to continue producing. There are some economists who believe that investing in treasury bills denominated in Lebanese pounds does not help, at present, in resolving the issue of financing the economic sectors, but rather tends to complicate the problem. Subscription in treasury bills, a policy which the Central Bank imposed on commercial banks several years back, has come to be viewed as a "voluntary" policy pursued by the banks themselves, after the Central Bank relieved them from obligations imposed earlier. Those concerned with financial matters agree that banks have found in treasury bills a safe and profitable outlet for investing their deposits, though they have used this unconvincingly as an argument to justify refraining from lending to the productive sectors.

Some economists, in addition to criticizing the treasury bills policy, criticize the policy of stabilizing the rate of exchange of the Lebanese pound, which is directly related to investing in treasury bills and also considered to be behind the stagnation of the economy and cessation of growth. The stabilization of the exchange rate of the

Lebanese pound, its gradual improvement vis-à-vis the United States dollar and the inconsistency of the rate with the real value of the pound, limit the growth of Lebanese exports. It also leads foreign importers with national or foreign currencies, whose effective rate of exchange relative to the Lebanese pound exceeds that maintained officially by a big margin, to import a smaller volume of Lebanese products than they would have done otherwise, or resort to importation of non-Lebanese products of the same quality but at lower price.

With lower exports the trade deficit widens, resulting in economic stagnation and inflation and creating the impasse and difficulties mentioned earlier. In their criticisms, the Lebanese point to the tax legislation which fails to take into consideration the difficult economic situation in the country, nor the facilitation of the task of firms and sectors by reducing their burdens.

Practical Suggestions

- Formulation of a comprehensive socio-economic policy by the Government in cooperation with concerned economic and social partners in the country;
- control of inflation and rationalization of expenditure;
- stabilization of the exchange rate of the Lebanese pound, while it leads to stability, on the one hand, reduces the ability of Lebanese products to compete and causes the trade balance to suffer an acute and permanent deficit, necessitating that this policy be reconsidered;
- activating government supervision of economic sectors and firms, and tightening it at the level of public administration; and reducing administrative bureaucracy to facilitate transactions instead of hindering them;
- formulation of a financial policy that serves to promote the interests of the productive sectors, expand the scope of their activities and increase their effectiveness;
- protection of agriculture and industry against competition, and providing them with the means to reduce production costs and improve quality;
- promoting external trade through active official and sectoral cooperation with countries and companies;
- requiring banks to allocate a certain percentage of their deposits to extend medium and long-term credit to the productive sectors, instead of relying only on voluntary investment in treasury bills;
- extending support to the tourism and services sectors to raise their ability to provide services and, hence, be able to compete with the surrounding countries and raising the standard of the touristic regions;

- financial legislation to facilitate borrowing by Lebanese citizens from banks to purchase a house, which should help to activate the real estate sector, where a large volume of investment is tied instead of benefiting other sectors in need; and,
- strengthening and supervising education and information, being two sectors that distinguish Lebanon.

Chapter 3

UNEMPLOYMENT

It is unrealistic to expect a quick and drastic solution to the unemployment problem, given the nature of the flaw in the labour market-manifested on the demand side by low growth rates, especially in the employment-creating sectors, and on the supply side by the nature of the output of the educational system. Accordingly, the proposals to deal with the unemployment problem are divided into two groups: one that deals with this problem in the short-term, and the other which considers unemployment from a medium and long-term prospective.

The results of the survey have shown that the distribution of population by sector is not even between male and females. While we observe more females among the unemployed as members of the household, we observe the opposite situation in the construction, industry, tourism, trade and the public sector with a predominance of males over females. This disequilibrium is due to the customs and traditions as well as to the preference of employers for the employment of males.

Proposals to deal with unemployment in the short-term

These proposals, which aim mainly to reduce the extent of the problem, are considered below under the following five axes:

- Elaboration of systems and programmes to provide intensive and rapid training in the professions and specializations where, as revealed in the labour force survey, demand is not being met neither quantitatively nor qualitatively.
- Adoption of a clear and firm policy with respect to expatriate labour so as to prevent it from competing with domestic labour. The measures that should be taken in this respect include:
 - to deal firmly with illegal labour that infiltrates into Lebanon, especially from some neighbouring Arab countries;
 - requirement to obtain a work permit;
 - strict application of prevailing laws and decisions which prohibit the hiring of non-Lebanese in a number of professions and specializations; and,

- extending to expatriate labour adequate social benefits and guarantees by employers.
- c) Adoption of a wage policy which guarantees stability and security of work, and a decent standard of living, to be achieved through two main approaches:
 - drawing-up unified wage structures based on job descriptions in both the public and private sectors, which offer, at the same time, sufficient incentives to perform the work in a productive manner; and,
 - raising the level of real wages in manner that takes into consideration the level of productivity, by means of a tax system that reduces the existing large differentials in the distribution of national income, on the one hand, and makes basic social services (education, health, transport, housing, etc.) accessible to salaried employees, wage earners and to those having limited incomes, on the other.
- d) Formulation of public work programmes to promote the development of the regions and absorb unemployment, especially in the poorer regions (Ba'albeck, Hermel, Akkar).
- e) Elaboration of programmes to provide vocational guidance and orientation for young people, and utilization of the various information media for this purpose.

Proposals to deal with unemployment in the medium and long-term

These proposals aim to provide a radical solution to the unemployment problem by means of sustained and accelerated economic growth which is based mainly on the restructuring of both demand for and supply of labour.

a) Proposals related to demand for Labour

Since demand for labour is mainly related to the achievement of sustained economic growth, which in turn depends on the availability of an adequate volume of investment, the creation of sufficient employment opportunities to absorb unemployment and accommodate the groups of young people entering the labour market will ultimately depend on the ability to secure an appropriate environment for investment. To ensure the conditions for such an environment, both domestic and external, the authorities must deal with a number of issues which pose a serious threat to economic and social stability and, in general, prevent securing an adequate volume of investment for the productive sectors. The priorities which the authorities must set for themselves in this respect can be summarised at present as follows:

- adoption of an appropriate policy to reduce the large deficit in the budget, and curb the rapid growth of the public debt;
- reform of the tax system in a manner that ensures balance between the requirements of economic growth and those of social justice;

- reduction of waste and rationalization of expenditure to make it more responsive to the requirements of growth and for securing basic social services to citizens, especially for the poorest and most deprived categories and regions;
- adoption of a monetary policy which balances the requirements of price stabilization, including that of the exchange rate of the pound, and those of investment in the productive sectors, which entails reconsidering in particular the current high interest rates;
- undertaking a serious reform of the public administration with a view to invigorate it and remove the superfluous labour, simplify and mechanize operations, wipe out corruption and secure qualified manpower resources;
- draw-up programmes to speed up the return of the displaced, and,
- reconsider the economic recovery plan so as to confine expenditure on infrastructure to pressing and vital projects at present, and concentrate in return on stimulating investment in the productive sectors;

If economic growth is considered to be a prerequisite for securing the desired level of employment, it is not, by itself, sufficient. International experiences during the past two decades have demonstrated that economic growth and high rates of unemployment and poverty can co-exist. Hence, the type of growth needed is one which is capable of creating sufficient employment opportunities, in terms of quantity and quality, to sustain the desired level of employment. Thus, the quality of investment (i.e. its scope and sectors) becomes as important, if not more important, as its volume. This issue acquires special significance in the case of Lebanon. The immense changes which have occurred at the regional and international level during the past two decades, especially at the economic level, have made it virtually impossible for Lebanon, after the devastating war it had gone through, to resume pattern of growth it knew before the war (i.e. growth based mainly on playing the role of the services intermediary for the Arab region). But even if such a return were possible, it should not be pursued in view of the deep and lasting distortions it caused, especially the distortions in the labour market. Accordingly, there is need in Lebanon to restructure the demand for labour, i.e. to restructure production. In this connection, economic policy in Lebanon should include the following objectives:

- abandoning the one-sided dependence on the services sector and concentrating on developing the agricultural and industrial sectors;
- developing new forms of services such as computer informatics, consulting, legal, accounting, information and advertising services, etc., and in general services requiring highly-qualified and technically-competent manpower;
- as Lebanon lacks raw materials, energy sources and a large domestic market, the development of industries such as the manufacture of electronic equipment and appliances, precision instruments, pharmaceuticals, chemicals and foodstuffs, requires also a highly-educated and technically-competent labour force;

- restructuring agricultural production and concentrating on high-yield new products, in addition to the existing ones whose yields could be multiplied, requiring in both cases highly-educated and technically-competent manpower;
- concentrating in general on the establishment of small and medium-size projects, shown by international experience to be capable of generating employment opportunities and absorbing, at the same time, new technologies; and,
- formulating programmes aimed at promoting handicraft industries and one-person productive projects, especially in rural areas.

In view of the characteristics which distinguished the private sector in the period before the war (seeking quick profits and avoiding investment in activities which have a long gestation period) as a result of historical evolution and favourable external circumstances, in addition to the huge burdens and difficulties which resulted from the war, the Lebanese private sector is not in a position at present to undertake alone the needed restructuring in its activities. It falls on the state to assume a very important role to assist the private sector to carry out this task. In this connection, it is not sufficient to confine the task of the state to building the infrastructure and ensuring monetary and financial stability, but it must, in addition, do the following:

First: and above all, to plan this restructuring and lay-down a time-table for its implementation.

Second: provide a vast array of incentives, assistance and services supportive of the private sector, including the following:

- offering financing facilities;
- facilitating the acquisition of appropriate technologies;
- reducing tax and social burdens;
- rehabilitating and training the labour force;
- offering training in the management of private business;
- providing technical assistance, especially in conducting feasibility studies; and,
- facilitating access to external markets.

b) Proposals related to the supply of labour

Proposals with respect to this issue must take into consideration two major concerns. The first is that the future trend is towards an increase in the labour supply, if not due to demographic growth it would be on account of the shrinking in external employment opportunities for the Lebanese, on the one hand, and the growing participation of women in economic activity, on the other. The second consideration relates to the trend towards further changes in the structure of demand for labour with respect to its occupational specialization and the level of educational and technical attainment. Based on this, the authorities will have to undertake the following tasks:

First: Formulation of a long-term policy to deal with the employment of foreign labour;

Second: elaboration of training programmes, to facilitate the entry of young people into the labour market, with the participation of employers' associations and training institutes;

Third: reform of the educational system at all levels such that its output is responsive to present and future needs of the labour market. There is no doubt that what has been accomplished in this field so far, such as the preparation of the "new structure of education in Lebanon" and the "draft plan to up-grade vocational and technical education", and their overall orientation and principles underlying them, provide a basis for the needed reform. However, attention should be drawn in this connection to the following considerations:

- Need to supplement these steps with a plan to up-grade the Lebanese University;
- implementation of these plans would require, contrary to what is happening at present, a substantial increase in the share of each of the Ministry of Education, Youth and Sports, the Ministry of Technical and Vocational Education, and the Ministry of Higher Education, in the general budget;
- elaboration of teaching and training programmes at all levels of education should be preceded by an in-depth and extensive study of the current and future needs of the labour market in various areas of specialization and skills; and,
- incorporation in the teaching and training curricula of subjects that seek to instil a sense of respect for vocational and manual work.

Fourth: In the area of education and vocational training:

- Strengthening the role of the Ministry of Vocational and Technical Education, to enroll an increasing number of students at the intermediate and secondary cycles;
- Linking the outcome of education of system with the actual needs of the economic cycle as well as strengthening the coordination with the Ministry of Labour and the National Employment Office to achieve this objective;
- Focusing on the continuous rehabilitation and training of the workforce in collaboration with the employers and the trade unions;
- Undertaking labour force surveys at regular intervals with a view to identifying ways and means to maintain an equilibrium between labour supply and labour demand;

- Applying an active and sustainable policy regarding vocational guidance which would strengthen the educational process and coordinate between personal preferences for a profession, on the one hand, and the national requirements of the economy, on the other.
- Identifying a mechanism to help the Ministry of Vocational and Technical Education to design educational policies with greater flexibility in collaboration with the concerned government departments and other social partners.

As Lebanon is suffering from a wide imbalance between the limited number of technicians and other professionals at the intermediate levels of management and the flow of the an over-required number of university graduates, this cannot but give to the educational and vocational training process its due importance if the country is to achieve actual economic and social growth and provide the basic requirements for employment promotion and sustainable development.

Chapter 4

PRODUCTIVITY

Labour productivity is one of the main indicators for economic and social development and the level of the standard of living of the population. The higher the productivity the more generation of income at the national level. Also the index of productivity is of more significance than other indices that are used for measuring development levels and trends.

Preliminary indicators of productivity increase are always associated with increasing investment in new equipment and modernization of existing ones and undertaking of large scale programmes of training and retraining.

Improving the productivity of the labour force entails undertaking a vast series of measures, which in part overlap with the measures needed to deal with unemployment, including:

- Heavy investment in physical capital using modern and labour-absorbing technologies. In this connection, the state must devote considerable effort and means to assist project owners to modernize their machinery and equipment, as well as their production methods;
- Heavy investment in human capital by reforming the system of education to achieve universal basic education, and expanding and strengthening the institutions of education and vocational and technical training. Investment in human capital, however, is not confined to investment in education. It should also be directed at improving the nutritional and health conditions of the labour force, because good health and an appropriate nutritional intake do not only make it possible to exert greater effort, but also increase the ability to learn. Thus, the need is obvious for improving the level of real wages and providing the services and social guarantees needed by the labour force;
- Need to modernize the labour law and for the strict application of existing legislation that protects workers' interests and basic rights at the workplace; to be carried out in a manner that ensures a minimum degree of flexibility in the labour market, and greater mobility for the labour force; and,
- Strengthen and protect syndicate activity because it affords workers a sense of security in the face of arbitrariness and exploitation, thus acting to increase productivity as demonstrated by some experiences in East Asia.

The Lebanese industrial sector has a tremendous prospect for strengthening the domestic production base and improve competition. In order to achieve this a number of measures would need to be undertaken in the immediate future including:

- Creation of such a climate to spread confidence and attract investment. The privatization of some public enterprises (MEA, INTRA, Electricity, Water, Telephone, etc.) is likely to have an important effect, particularly with regard to containing the huge debt problem;
- Improve the system of tax administration and compliance, particularly with reference to direct taxes;
- Implementation of a flexible exchange rate policy;
- Elimination of tariff barriers and introduction of tariff reforms;
- Encourage the undertaking of intense training programmes at all levels particularly in industries with high value-added products;
- Pay special attention to improve conditions in the informal sector; and,
- Preparation of projects to promote creativity and new and modern ideas.

The above measures, if seriously considered by the Government, would tend to have a major effect on productivity and the generation of revenues and job creation. At the same time, accelerating public investment and raising its efficiency will have a major effect on private investment, productivity enhancement and employment generation.

Chapter 5

HUMAN RESOURCES DEVELOPMENT AND MANAGEMENT

It is necessary, when assessing the wealth and resources of nations, to account for the human resources as the latter are considered an important part, if not the most important, in the social capital formulation in the process of production and development as well as in improving the standard of living and in enhancing social welfare.

It is also necessary to be aware that the country is not by itself capable of creating this social capital, or the concerned human resources, but it is the State which plays a major role in the formation of the human capital through the creation of the necessary enhancing environment.

Based on the above, what is the situation of the human capital in Lebanon? From the time Lebanon was founded, the country suffered from its limited surface area and narrow economic activities. It found itself in a state of mis-organization with regard to the size of establishments and the prospects for their development and growth and the ability to compete. In addition to that, we cannot confirm that Lebanon is rich with its natural resources to the expectations of its citizens except for the weather, nature and water, which are very important resources that must be utilized with the maximum efficiency.

The narrow scope of the domestic market and economic cycle - and the limitations they impose - has adversely affected the country's ability to absorb those of working age and, consequently, the management and orientation of manpower resources, so valuable to the Lebanese society.

Thus, this small country found itself exporting successive generations to all corners of the globe in search of better economic opportunities or openings to realize hopes and achieve self-fulfilment. Lebanese emigrants have succeeded in assuming prominent positions in various domains, while suffering in their home country from all sorts of socio-economic marginalization and from unemployment and deprivation.

On another plane, Lebanon has experienced since the collapse of economic structures at the end of the past century, and its entering into the international exchange network during the mandate period, an unprecedented occupational chaos reflected in extensive rural migration and rapid urbanization and specialization in production, until the share of services in the national product reached 70 percent in the 1970s. As a result of this transformation, Lebanon became a country of services and intermediation par excellence, witnessed unparalleled vertical and horizontal expansion,

and its professional culture became increasingly inclined towards advanced specializations such as medicine, engineering and the legal profession, in addition to commerce, intermediation and banking. All this has reflected negatively on the sectoral distribution of economic activity and rendered the Lebanese economy and society vulnerable to the slightest of political or economic crises, be they domestic, regional or international.

For a long time statistics did not exist in Lebanon in spite of some restrictive attempts which had been endeavoured here and there to give some indicators or data concerning human resources and other economic indicators. It is in this context that we find a limited number of parameters between the labour force survey which was organized by the Central Department of Statistics in 1970 and the Household Survey which was conducted by the Central Directorate of Statisticians in 1997.

Likewise, the 1970 survey has indicated that the number of the economically active population was 538,000 persons and the number of unemployed was 34,000 persons making a total workforce of 572,000 persons, or 27 percent of the total population.

Towards the end of 1987, a much smaller survey than the 1970 survey was undertaken. It indicated that the total workforce in Lebanon was 900,000 persons, or an increase of 55% over 1970, while the growth in total population was only 35% during the same period.

Some other researchers estimated the total population to be around 3.11 million in 1991 while other researchers estimated the workforce to have reached 1.1 million in 1994, and that the job seekers are being increased by an average of 50,000-60,000.

As for the distribution of the workforce, some people estimate that two third of the total workforce are from the limited income strata while those that are working in the service sector increased from 56% in 1970 to 65% in 1987.

In addition, the household survey of 1997, which was conducted by the Central Statistical Administration, has reflected a total population of Lebanese of 4,005,025 people of which 1,246,173 are economically active, and 116,085 are unemployed and 1,236,528 are students. The percentage distribution of the above figures are as follows:

	Percentage
Economically active	31.1
Unemployed	2.9
Total workforce	34.0
Students	30.3
Non-active	35.7
<i>Total</i>	<i>100.0</i>

We can conclude from the above, and based on available data, that total population increased between the two surveys of 1970 and 1997 by 88%, and that the active population increased by 130%. As for unemployment, the number increased by 240%. This reflects that the growth in the rate of unemployment was at its utmost while the growth of population was at its lowest. The survey of 1997 showed that unemployment is very high among the youth, particularly among those who are seeking work for the first time.

As for school enrolment, the proportion has decreased from 34.1% in 1970 to 30.3% in 1997. School dropout has also increased, particularly from the age of 15, which is the most appropriate age to direct the youth to vocational training or to continue specialized studies.

The 1997 survey has also reflected that 64.0% are engaged in the service sector while 26.7% are in the industrial and construction sectors with only 9.3% in the agricultural sector. These percentages confirm a great deal of the above indicators.

As for the limited income strata of the population, the survey has shown that their proportion has increased from 60.0% in 1970 to 63.8% in 1997, while the employers and the self-employed constituted 33.7%, which is a reasonable proportion, given the limited economic opportunities in Lebanon.

Based on the above data and indicators, it is evident that the human resource planners must take the role of a lighthouse to direct the labour force, both the already employed and those entering the labour market, to the areas of work and employment. Also, the human resource planners should have the basic responsibilities of directing the students and the youth to the requirements of the labour market, since the precise knowledge about the national production machinery is a very important element which also constitutes an essential step for projecting the dynamism of the production machinery which is linked to:

- Economic growth and its outcome;
- production and competition; and,
- technical advancement and mechanization.

Employment policy comprises the set of measures intended to stimulate and activate the creation of new jobs, improve the suitability of human resources to the needs of the economy, and ensure safety and fitness of the labour market.

Employment policy measures include a component directly linked with the labour force market, its mechanism and problems affecting it, and an indirect component concerned with the economy as a whole.

Employment policy also deals with a set of information which are needed for good planning, including:

- demographic information: gives the age and gender composition of the labour force, the rate of population growth and, consequently, the pace of entry to the labour market;
- economic information: rate of economic growth and increase in employment opportunities; and,
- social information: ratio and composition of the labour force and changes there in.

Based on this, employment policy can deal with three types of policies:

- A policy that targets directly the labour force such as education, teaching, guidance and training;
- a policy aimed at economic activity such as expanding employment opportunities, promoting the financing of projects, informing businessmen about investment opportunities, and facilitating investment activity; and,
- a policy aimed at reconciling supply and demand in the labour market such as making information available to the public, opening and encouraging the opening of employment offices, providing guidance to workers and assisting them to re-train to match skills with production needs. The recent opening of the Central Office for Employment within the frame of the National Employment Office is a major effort that will lead to distinct and positive results.

Vocational orientation, the labour market and the new curricula

It can not be said that Lebanon has an effective system of vocational orientation/guidance. The student remains, up to the stage of specialization, exposed to opinions from diverse sources: fellow-students, family and relatives and the school advisor, if there is one, and from the media at times; all of which contribute to increase its confusion.

Most of the orientation guidance revolves around existing fields of specialization, whether at a university or an institution that offers the specialization, with some hints at possibly available employment prospects but without directly linking the specialization to the needs of the labour market. Hence, students find themselves facing one disappointment after the other, when in the university or after graduation.

a) Vocational orientation

Given this situation, the plan to up-grade education has put emphasis in one of its objectives on achieving harmony and complementarity between education, on the one hand, and the needs of society and the labour market in Lebanon and the Arab countries, on the other. The new education structure stresses the need to link curricula to the labour market requirements and developments, and the continued development of this curricula to suit the evolving needs of the market. The plan also emphasizes the importance of assisting students to choose their future profession by activating the role of guidance and orientation.

The basic aim of occupation and orientation is to enable every individual to choose the occupation that suits his/her preferences and abilities, by providing information on occupations, fields of specialization and study possibilities at the higher level and in vocational and technical education; and to link this information to the current and future labour market situation.

Occupational orientation/guidance is concerned with the following categories:

- Students at all levels of general education;
- university students who wish to change their field of specialization; and,
- individuals seeking to find an occupation or shift to a different one.

Occupational orientation/guidance is a basic knowledge process in modern teaching and depends on informing which is a human right: "the right to be informed", to which is added "the right to know".

To embody this knowledge and this right, and in the context of forming people through education to arrive at the working citizen, the urgent need emerges for the establishment of a national center for guidance and vocational information to play a basic role in offering orientation and information to Lebanese students, especially that such centers exist in several countries since the 1960s and assume the main role in orienting students. Some of these countries have introduced in their curricula the subject of "work-oriented education". Included in the aims of this subject: promoting a positive attitude towards work and awareness of the importance of work for the general good; combining mental work with productive work by studying the basis of learning and the different aspects of work; training directed towards work and vocational preparation; productive work which is useful to society; vocational orientation; developing readiness to work in groups; and promoting a better understanding of the importance of services aiming to develop the group socially and culturally.

Vocational orientation is of concern to teachers, trainers, production specialists and those working in productive activities. Each of these categories has its own approach to vocational orientation. It is possible to introduce sections on methods of vocational orientation at schools to be linked to the National Center for Orientation and Vocational Information, which will organize the work of these sections within the overall orientation policy of the center.

Vocational training at all stages is careful, using various means, to get students used to the world of work and become acquainted with the different aspects of occupations (economic, social, psychological, etc.); as well as impart to them knowledge and skills.

Learning a profession can be included within the process of education, where secondary schools offer a preparation geared to the profession; and where students are trained in existing professions in light of the economy's needs for workers. To be effective, this process must take the following aspects into consideration:

- Continuity of vocational orientation;
- vocational techniques and illustrative inventories;
- vocational education information;

Based on the above, the new educational curricula has stressed as one of its objectives the realization of complementary and the integration between the civic and traditional education, on the one side and the requirements of the communities and the Lebanese and Arab labour markets, on the other side. Likewise, the new educational structure has confirmed the necessity between linking the curricula with the needs of the labour market and its development as well as the continuous improvement of the curricula in accordance with the labour market needs. Also, the plan highlighted ways and means to assist the educated people in the selection of their future professions through improving the role of vocational guidance and direction. Towards this end, the Educational Center for Research and Development has set up a committee for vocational guidance composed of representatives of the Ministry of National Education, Youth and Sports, Ministry of Vocational and Technical Education, National Employment Office, the Educational Center for Research and Development and UNESCO. This committee is responsible to set forth the components and basis for the work and mechanism of vocational guidance. In this respect, the Educational Center has issued pamphlets concerning the university and vocational specializations in Lebanon and is working at present on organizing a survey for such specializations.

This confirms the need for a national center for vocational orientation, provided that such orientation is considered as a main ingredient of an integrated education with national development as its objective.

b) Relation between the new curricula and the labour market

It is certain that the level and quality of education exert a big influence on the type of educated person obtained. The more the curricula evolve to accommodate the rapid progress taking place outside the class room, the more they can help to have a more balanced student. Education is the means by which the student attains his/her objectives, which is learning. At the end of each stage of education, the question is posed as to what has been learned; since the acquisition of knowledge and skills is more important than obtaining a diploma.

Examination plays a basic role in the educational process and every change in the curricula which does not involve a change in the examination is considered incomplete. The new educational curricula-whose application began in the current academic year 1997-1998 at the kindergarten level, and will be applied as of the coming academic year 1998-1998 at the first year of the three stages: elementary, intermediate and secondary - are promising. The content; new subjects introduced; the focus of the system of examinations on acquisition of skills; instilling critical thinking in students; introduction of modern teaching techniques; training of teachers; vocational orientation; and new areas of specialization at the secondary level (sociology and economics); all have their distinct place in the new educational structure and curricula.

There remains, however, the application aspect by which it is possible to evaluate these curricula to know where they went right and where they went wrong.

The relation between the new curricula and the labour market exists through vocational training, which undertakes to assist students to discover their preferences and abilities, introduce them to the different areas of specialization and occupations, and provide them with correct information on the needs of the market. Vocational orientation will not be able to perform the tasks assigned to it if it did not maintain close relations with the National Employment Office which will make available correct figures on the needs of the labour market obtained through the survey it conducted in this respect.

It should be mentioned, however, that neither academic education, nor vocational education, as such generate new employment opportunities. If large numbers of graduates were to become available, but no employment opportunities, the graduates will not be able to find a job. Education is only one of the many causes of unemployment problem and at the same time one of its solutions. Education serves to equip the competent student to act responsibly in discharging the functions entrusted to him/her; and the better the quality of education is the greater the opportunities are for finding suitable employment. In this connection, there is need to:

- Emphasize the need to incorporate applied aspects in the curricula, and at all levels, in addition to graduation programmes that bring students closer to practical life and to work and employment domains.
- Draw-up the necessary legislation to define the modality of contracts related to employment and occupational gradation, and contracts of reconciliation and rehabilitation - experiments which proved successful in the industrial countries, especially in curbing unemployment among young people.
- Apply the partial vocational training and formulate the mechanism for the speedy vocational training which would involve the following ministries: Labour, National Employment Office, Vocational and Technical Education as well as Employers and Trade Unions.

- Passing the necessary legislation which would force employers to deal with qualified workers and employees and holders of degrees.
- Ensuring the enrolment of students in training on completion of the second cycle of the basic education which was emphasized in the structure of the new curricula.

Chapter 6

INTEGRATION OF WOMEN IN THE DEVELOPMENT AND PRODUCTION PROCESS

Available information on the status of the residing population, in general, and that of women, in particular, while important, does not include the qualitative dimensions needed to know the extent of the contribution of Lebanese women to the development and production process.

The omission or neglect of information regarding the status of women and their participation in the development process can be traced to a number of factors, some of which are related to administrative routine and lack of awareness of the significance of such information, while others have to do with the concepts, definition and methodology that ensure the availability of information that actually reflect the status of women. These factors overlap with those related to the inherited notions of manhood and fatherhood which are upheld by all categories in society, including women, even though in degrees differing in their intensity and scope from one social group to another, depending on the social or geographical milieu.

The "working time" methodology, which has been adopted in specialized surveys in some Arab countries, has proven its usefulness in making it possible to assess the actual contribution of women to economic activity in general, and to household work in particular, and to estimate the time involved.

Based on these observations, any effective strategy for integrating women in the development and production process must be anchored in a careful qualitative and quantitative analysis of the relation which exists between the different indicators of development and the current distribution of female human resources and extent of their contribution in the various sectors.

Hence, it is suggested that the strategy to integrate women in the process of development in Lebanon include short-term and medium-term objectives:

a) Short-term objectives

- (i) Securing the objective and social circumstances conducive to a suitable work environment for women. This objective can be achieved by studying and analyzing the social and economic factors, with a view to diagnosing them and preparing proposals that would ensure a suitable environment consistent with

the nature of women's work. The following measures that would ensure such an environment may be mentioned:

- Provision of sufficient nurseries, close to the place of work, to care for the children of working women, especially in factories and public companies;
 - adaptation of local industries to reduce the often time-consuming and arduous household work, especially in the food and clothing sectors, and in a manner that conforms to local consumption tastes;
 - spreading self-service restaurants;
 - scaling the starting time of work in a manner that reduces congestion and facilitates travel to and from work;
 - emphasizing the productive value of women's work, irrespective of its nature, through education, spreading awareness and practice;
 - involving working women, depending on their position, in the decision-making process and taking their views seriously; and,
 - refraining from assigning managerial responsibilities to men in all fields, as women in some cases make better managers than men.
- (ii) Classification of functions and tasks, i.e. delineating areas of work in a manner that suits the physiological, psychological and physical nature of men and women. It is suggested to classify these functions and tasks into the following three groups:

Group One

Comprises difficult occupations and functions such as working in mines and on oil wells, cement and marble factories, etc. - occupations and tasks that are by their very nature restricted to men.

Group Two

Comprises occupations and functions that suit the making of women such as teaching, tourism, hotels, restaurants, selling, secretariat, librarians, arts and nursing.

Group Three

Comprises functions that may be undertaken equally by men or women, depending on specialization, qualifications and experience, and including all branches of administrative work, economics and engineering, and medicine, the sciences, literature and humanities.

- (iii) Preparation of job description, i.e. undertaking for every post or position a full description of the functions and tasks covered, methods of discharging them and the level of performance; in addition to the rights, obligations, qualitative responsibilities and the extent of forward and backward linkage it has with other

posts/position, as well as the time needed to perform the functions and tasks in question. Furthermore, the academic or technical qualifications, or the level of skills and experience required to occupy the post/position will also be defined.

The existence of such a comprehensive job description, which is still lacking in Lebanon, opens wide possibilities before women and helps to increase their participation in work; in addition to being a prerequisite for placing the right person in the right place.

b) Medium-term objectives

Elaboration of a labour force plan that takes into consideration the following factors:

- Ratio of the labour force to the total population, and its composition according to age and gender;
- composition of the labour force by economic sector and gender;
- availability of full job descriptions;
- extent to which the existing labour force and its various components are compatible with the needs of the national economy at the level of economic sectors and activities;
- follow-up on the pursuit of studies of different stages ending, with university education, in order to estimate the number of male and female graduates at the levels where their ages correspond to those of entry to the labour market;
- follow-up on the pursuit of studies by generations of students at intermediate institutes, technical secondary schools and vocational training centers in order to estimate the number of male and female graduates ready to start work;
- identification of areas of work for members of the two sexes of the labour force with reference to the aforementioned work groups;
- exerting influence, through general and specific measures at all levels of education and specialization, with the aim balancing supply of and demand for labour;
- attempt to influence internal and external training, to meet the required standards in each specialization, with the help of specific and partial plans within the framework of the labour force plan;
- elaboration of a unified procedure for hiring by the state and public sector which is consistent with the set objectives of the plan, and based on job descriptions and occupational groups; and,
- introducing new legislation, or amending existing labour legislation.

Evolving development plans that aim to integrate women in the development process requires the issuance of new legislation, or amending existing legislation, and the formulation of rules to establish general and basic norms based on specialization, experience, qualifications and skills, which would help women to assume their role in the process of economic and social development on equal standing with men.

Chapter 7

RELATIONSHIP OF INFORMATION AND COMMUNICATION TECHNOLOGY AND THE LABOUR MARKET

The world has been moving from an economic system supported by information to an informatic system with the economy as part of it. The developed countries, realizing the importance of information, undertook studies to elaborate national policies and strategies, and formulated plans and projects, to introduce information technology into their societies and institutions in pursuit of progress in all fields. Japan was the first country to start in an effort to take the lead in the age of information, by formulating in 1970 its famous document "Information Society in the Year 2000". Japan was followed by other countries and organizations which realized the significance of information for the development of their industries and economies and, thus, for their overall development. Today, societies which have succeeded in employing and utilizing information are advanced and dominant societies, while acquiescence and dependency has been the fate of societies which failed to grasp the importance of this sector and the returns on it in all aspects of life. This acquiescence has created a widening gap between the advanced countries and the less advanced ones, which could be labelled the technological gap. This is a wilful gap which contributes to activate development within societies, given the close relation between information and the different aspects of development. For these societies to come out of this state of acquiescence, it is enough that they evolve a well-conceived policy for the acquisition and utilization of technology, based on an in-depth study of the situation and needs.

Countries producing modern technology export the technologies that suit their interests, which could vary between projects and countries. Importing countries must, therefore, know what they are importing and their needs for such imports. The acquisition of modern technologies requires good knowledge of this sector and sufficient capability for their utilization, as well as comprehensive study of the actual needs, possibility of application, cost, their economic and social returns and the contribution of the sector to the development process.

In some areas of communication, the transfer of technology is done through the "turn-key" method, whereby the producing and exporting countries undertake the selling and installation of equipment and the supply of spare parts, as well as the transfer of technology through training of local manpower on the use and maintenance of equipment.

In some instances, the imported technology may not be suitable to the needs of the importing country because of the absence of appropriate studies. They would have thus purchased equipment which they will not use; a good example being the artificial satellite, ARABSAT, where the exploitation rate of "ARABSAT 2" network has not exceeded 28 percent. Another example is the modern telephone exchanges installed by Lebanon where the rate of exploitation does not exceed 50 percent of their potential technological capacity.

Preparation of the human element through education

Education can not be isolated from society and the transformation taking place in it. It thus interacts with it, accompanies the transformations taking place and in some cases provides the impetus for the change. This relation between education and society can be described as one of mutual interaction. Hence, the change which has occurred in societies as a result of the information technology requires a parallel development in education. It is also inevitable that the information age should bring about a big transformation in the system of education: in its philosophy, policy, role, institutions, curricula and methods.

Education in Lebanon has a big responsibility and an important role to play so as to produce people capable of accompanying change and facing anticipated challenges. This role can be defined as follows:

- Developing curricula and systems of education at schools and universities to enable them to produce the creative human being who is capable of making an effective contribution in a rapidly-changing world;
- organization of continuing training sessions to rehabilitate the human cadre, produced by the existing system of education, to use modern technologies;
- linking teaching at schools, institutes and universities, with actual needs and demands of the labour market;
- use of computers and modern means of communication (remote training) to offer better teaching services to distant regions and the mohafazats; and,
- coordination between planning education and the labour force, and the requirements of development projects and objectives.

For education to succeed in this role, it should adopt a scientific methodology for introducing technology to teaching establishments at the stages of general, technical, vocational and higher education. This methodology rests on the following steps:

- Introducing the computer as an academic activity;
- introducing information technology as an independent subject of instruction; and,
- utilizing the information technology as a means of teaching.

The subject of computers and information technology may be divided into four levels:

- Spreading computer and information awareness;
- eradication of computer and information illiteracy in pre-university education;
- teaching computer and information systems at universities to non-specialists; and,
- rehabilitation of persons specialized in the information technology.

Impact of communication technology on employment and the labour market in Lebanon

The informatics sector in Lebanon is progressing at an accelerating pace. Some economic studies consider that Lebanon is equipped to play an important role in the production of informatics programmes in the region and the world. Lebanese informatics companies do not rely solely on the importation of foreign equipment and programmes, but rather depend on providing comprehensive technical services in designing and preparing integrated systems, and the modification and conversion of imported programmes to meet Lebanese and Arab needs. This is a promising sector, especially when it comes to the creation of new employment opportunities. It is established that the informatics sector, which currently counts about 400 companies and supports more than 4000 families, can, together with the communications sector, create around 500 employment opportunities annually; and that Lebanon has the ability to produce programmes which, if properly exploited, will place it in tenth position in the world as a producer of programmes.

Information technology and new job opportunities

It is certain that information technology contributes to the creation of new employment opportunities. But to be able to do this, a number of prerequisites should be met:

- Improving the quality of education;
- having an elite group of specialists capable of inventing and producing programmes;
- fluency in at least two languages;
- protection of intellectual property rights to improve the standing of Lebanon and make it a focal point for a modern industry producing informatics programmes, and having a basic role in raising the national income and opening new work horizons;
- ensuring sound relations with international companies; and,
- mechanization of all public and private sectors.

The realization of these proposals will not only contribute to the creation of new employment opportunities, but will also contribute to facilitating and developing the operations of firms, save time and raise productivity.

The time has come to consider seriously the formulation of a national policy in the field of information technology that begins with achieving the following:

- Concentration on the production of software programmes more than the production of hardware, as it is difficult to compete with some of the exporting countries due to the cheapness of the labour they employ. In contrast, by focusing on improving and developing programmes, Lebanon can be a pioneer in this field in its Arab surroundings;
- promoting information technology resources that are produced locally;
- study the best alternatives to obtain information resources from outside;
- commence to apply information systems in the various sectors;
- introduce information systems in public establishments to facilitate the acquisition and dissemination of information;
- initiate serious scientific research in the field of information;
- conservation of national resources of information;
- introducing the computer in public and private teaching, and endeavouring to eradicate information illiteracy at the level of all individuals in society;
- provision of a national information base; and,
- issuing a law to protect intellectual property rights.

Chapter 8

PROTECTION OF THE ENVIRONMENT AND ITS IMPACT ON EMPLOYMENT

The experience of many countries has demonstrated that measures to protect the environment do not only promote traditional employment, but also create new types of employment characterized by high quality, specialization, high earnings and sustainability.

Environmental implications

Good management of the environment demands, as a general policy, making the study of environmental implications mandatory for every project, whether public or private, as stipulated in the Rio Declaration of 1992, and as requested in all the studies that were carried out by international organizations on the state of the environment in Lebanon.

If the study of environmental implications was made mandatory, as stipulated in the general law on the environment - currently under consideration in the Council of Ministers - it would lead to the creation of new employment opportunities in both the public and private sectors. Regarding the private sector, the need will arise for establishing specialized units in several disciplines and at various levels of researchers, engineers, technicians and specialized workers. The specializations would definitely cover disciplines related to geology, climate, wind, water, soil, air, plants, animals, health, oceanography, urban planning, pollution and other environment-related disciplines.

Regarding the public sector, similar branches of specialization will have to be set up, since they would have to receive reports on the environmental implications and study, evaluate and follow-up on implementation directly and continuously.

This employment is differentiated by the level of specialization involved, high income earned, by its sustainability with the sustainability of the overall development policy, particularly that its workforce will be Lebanese. As an example, Decree No. 5616 of 1994 on quarries, stone crushers and sand-excavation, illustrates the areas of specialization needed.

Other employment opportunities

Employment opportunities in the environment sector are distributed between the public sector and the private sector, and span all aspects of the environment: cultural and natural heritage, water, soil, forests, plant and animal wealth, biological diversity, seas and beaches, fish resources, village and rural affairs, urban planning, pollution, solid wastes, sewage water, public health, food stuffs, agriculture, fertilizers and chemical pesticides and insecticides, industry, energy, noise, etc.

For the efficient management of the environment and maintaining effective control, a large number of people is needed to work in the public sector and in the private sector, distributed between scientific research and applied work, supervision, guidance, rehabilitation, guarding, as well as specialized labour.

It is worth noting that this type of employment demands a certain level of specialization, which would attract the Lebanese, and at the same time generates higher incomes and provides sustainable employment as long as the state development policy remain concerned with protecting the environment.

Concern with the environment has become a prominent issue in all fields of theoretical and applied sciences, and in all activities in the developed countries. The Canadian Human Resources Institute has estimated the annual increase in the number of people working in the field of environment at 7 percent; which is a high rate for the developed countries considering that this number was high to begin with. If the door is open for employment in the environment sector in Lebanon, the rate of increase should be higher since employment in this sector is virtually non-existent.

The environment and sustainable human development

Sustainable human development seeks to achieve a dynamic equilibrium between economic growth, employment growth, raising incomes and conservation of the environment to ensure the sustainability of growth. It is concerned with the present and future economic, human and environmental factors within a comprehensive and long-term perspective that aims to achieve a continuous quantitative and qualitative improvement in the lives of all individuals in a healthy environment, through balanced, rational and sustainable growth.

A flaw in any of the elements of this equilibrium, such as the population growing faster than economic and environmental means; or economic growth that increases inequalities and disparities between members of society, or destroys or pollutes the environment, will ultimately undermine the equilibrium on which life in nature and society rests, and will inflict harm, sooner or later, on the three elements of this equilibrium, namely, people, the environment and the economy.

The failure of traditional economic theory to achieve sustainable human development is due to the false premises underlying it, namely, that natural resources are boundless while people's needs are not. Modern scientific discoveries have shown that the opposite is true, i.e. natural resources are limited while human needs are boundless and constantly rising.

The logic of the traditional economic theory ultimately leads to the neglect of the environmental factor in computations of feasibility studies, and the neglect of the human factor and the need to ensure social justice and provide employment for everyone. In contrast, the notion underlying sustainable human development dictates that the environment be given its due place in calculations of feasibility studies, ensuring social justice, at present and in the future, and providing employment opportunities.

A national economic and social policy in Lebanon would have to take into consideration the environment with all its dimensions, since it constitutes the natural, lasting and renewable capital for development. Any flaw in development programmes that neglects to take into consideration the environmental capital and the human factor when studying the feasibility of any economic project will inflict harm on both the environment and people, and even on the economy itself in the medium and long-term. It will deprive present and future generations from expanding their choices.

The real solution to the problems of growth, employment and the conservation of the environment lies in sustainable human development, which has three dimensions that should be realized together:

- An economic dimension which entails the choice of projects that provide continuous and real growth, while preserving the natural capital, instead of projects that produce a temporary income and impoverish the environment;
- a social dimension which entails meeting basic human needs, participation in wealth and resources, and provision of employment opportunities for all and at fair remuneration; and,
- an environmental dimension that guarantees the safety and productivity of the ecological systems to safeguard the quality of life and avert risks to life and impoverishment of the environment.

CONCLUSION

It is evident that every component of this strategy requires the formulation and design of plans and programmes as well as specific projects that would take into consideration the implementation procedures and stages, the required inputs, the estimated cost as well as the financial means. It is, therefore, the totality of these plans, programmes and projects that constitute the general strategy which might create the required conditions to enhance the development, at the aggregate level, and elevate the standards of living of all the people in Lebanon.

It is clear that the Government of Lebanon has the main and pioneering role for promoting employment and accelerating economic development, and for providing the conditions of sustainability. It falls on the National Employment Office to take the measures necessary to achieve this aim by adopting a plan that reconciles the output of the training and education systems and the needs of the labour market. The summary included in the introduction of the labour force survey, as related to the results of the household survey, should be stressed, namely that "Lebanon is not sufficiently rich to allow itself to forgo the contribution of any of its citizens". This intuitive truth should never be far from the concerns of both the public and private sectors. The National Employment Office, which must henceforth impose itself as a major player in employment and coordination between supply and demand in the labour market, must constantly remind and ensure that the employment issue will remain a major preoccupation for the authorities and society.

ANNEXES

قرار رقم ٥٧/٢٦
تأليف لجنة للإشراف على صياغة استراتيجية وطنية
لتحفيز الاستخدام والتنمية الاقتصادية المستدامة

إن رئيس مجلس الوزراء ،
بناء على المرسوم رقم ٩٥٠٠ تاريخ ١٩٩٦/١١/٧ (تسمية السيد رفيق الحريري
رئيساً لمجلس الوزراء)
بناء على اقتراح وزير العمس ،

يقرر ما يأتي :

المادة الاولى : تؤلف لجنة قوامها السادة التالية اسمائهم ادناه :

رئيساً	الوزير اسعد حردان	وزير العمل
عضواً	رئيس صليبا	مدير عام وزارة العمل
عضواً	نعمت كنعان	مدير عام وزارة الشؤون الاجتماعية
عضواً	منير ابو عسلي	رئيس المركز التربوي للبحوث والانماء
عضواً	علي زراقت	مدير عام وزارة التعليم المهني والتقني
عضواً	روبير كسباريان	مدير عام ادارة الاحصاء المركزي
عضواً	محمد الامين	مدير عام وزارة الاقتصاد والتجارة
عضواً	ميشال ايوب	مدير عام الصناعة
عضواً	عادل الشويري	مدير عام وزارة الزراعة
عضواً ومقرراً	موسى جدعون	مدير عام المؤسسة الوطنية للاستخدام
عضواً	غسان سيلاني	مجلس الانماء والاعمار
عضواً	جمال فاخوري	مستشار وزير العمل

المادة الثانية : تكون مهمة اللجنة الاشراف على صياغة استراتيجية وطنية لتحفيز
الاستخدام والتنمية الاقتصادية المستدامة .

الجمهورية اللبنانية

مجلس الوزراء
الامانة العامة

ز/د

رقم المحضر : ٧١

رقم القرار : ٢٤

من محضر جلسة مجلس الوزراء

المنعقدة في : بعبدا يوم : الاربعاء الواقع في : ٤ / ١١ / ١٩٩٨

المادة الثالثة : يضم الى الهيئة لاحقا بقرار من وزير العمل ممثل عن اصحاب العمل وممثل عن العمال .

المادة الرابعة : يبلغ هذا القرار حيث تدعو الحاجة .

بيروت في ٤ حزيران ١٩٩٢

رئيس مجلس الوزراء

رفيق الحريري

الموضوع : اقرار وثيقة المكونات الهيكلية للاستراتيجية الوطنية لتحفيز الاستخدام والتنمية المستدامة .

المستندات : - القرار الصادر عن السيد رئيس مجلس الوزراء رقم ٩٧/٢٦ تاريخ ١٩٩٧/٦/٤ .
- كتاب وزارة العمل رقم ٢/٢٥١٩ تاريخ ١٩٩٨/١٠/٢١ ومرفقاته .

قرار المجلس :

اطلع المجلس على المستندات المذكورة اعلاه ،
وقد تبين منها ان وزارة العمل تفيد انه قد تم انجاز الوثيقة المذكورة اعلاه بالتعاون بين كل من اللجنة الوطنية وفريق مصغر من الخبراء الفنيين تمت تسميتهم من قبل هذه اللجنة .

وتضيف الوزارة ان هذه الاستراتيجية تعتبر اطارا عاما لمجموعة من التوجهات والسياسات التي يمكن للحكومة اللبنانية ان تعتمدھا في سبيل الحد من ظاهرة البطالة وتعزيز فرص الاستخدام ودعم وتأثر التنمية المستدامة واتجاهاتها .

لذلك فان الوزارة تعرض الموضوع على مجلس الوزراء مقترحة الموافقة على اقرار وثيقة المكونات الهيكلية للاستراتيجية الوطنية لتحفيز الاستخدام والتنمية المستدامة ليصار لاحقا الى ترجمتها الى خطط عمل ومشاريع برامج تقترح على المنظمات الدولية والدول الصديقة لدعمها وتمويلها اذ ان الحكومة اللبنانية ستكون راعية لهذه الخطط والبرامج وتشارك في الاشراف والتنفيذ .

يبلغ الى :

- وزارة العمل
- المؤسسة الوطنية للاستخدام
- وزارة الشؤون الاجتماعية
- وزارة الاقتصاد والتجارة
- وزارة الصناعة والنفط
- وزارة التعليم المهني والتقني
- المركز التربوي للبحوث والانماء
- ادارة الاحصاء المركزي
- مجلس الانماء والاعمار
- وزارة الزراعة

الجمهورية اللبنانية

مجلس الوزراء

الامانة العامة

رقم المحضر : ٧١

رقم القرار : ٢٩

تاريخ القرار : ١٩٩٨/١١/٤

بناء عليه

ولدى المداولة

قرر المجلس الموافقة على اقتراح وزارة العمل المبين اعلاه
حسب

امين عام مجلس الوزراء

هشام الشعار

نسخة طبق الاصل

الاسم ضامن الاسير
التوقيع



يبلغ لجان:

-وزارة العمل

-المديرية العامة لرئاسة الجمهورية

- المديرية العامة لرئاسة مجلس الوزراء

- مؤسسة المحفوظات الوطنية

- مركز المعلوماتية

- المحفوظات

بيروت ، في ١١ / ١١ / ١٩٩٨

الجمهورية اللبنانية

مكتب وزير الدولة لشؤون التنمية الإدارية
مركز مشاريع ودراسات القطاع العام