Towards coordinated efforts for effective labour market information and employment services in Lebanon

A POLICY BRIEF

Background

The lebanese labour market is encountering important challenges.

Recent reports estimate the national unemployment rate at 11 per cent, with jobseekers often unemployed for over a year. Unemployment rates are particularly high for women (18 per cent) and youth (34 per cent).[1]

The labour market is characterised by:

(a) low levels of job creation, particularly in value-added sectors, resulting in a shortage of available jobs;

(b) a significant number of workers engaged in the informal sector;

(c) important in-migration and forced displacement from other parts of the region, particularly Syria;

(d) out-migration of young Lebanese skilled workers; and

(e) high levels of occupational segregation and skills mismatching.

This note aims to highlight the importance of a stronger labour market intermediation function to tackle current employment challenges in Lebanon.

It examines key challenges in the current labour market data and identifies why this information is needed by key labour market stakeholders, including employment service providers. It addresses the important role of employment service providers in collecting, analysing and using labour market information in order to provide high quality career guidance to jobseekers. It also offers insights on potential ways to enhance the Lebanese Government's capacity to collect, analyse and disseminate labour market information (LMI) in a more timely and credible way.

Labour market information – what for?

The availability of reliable, timely and robust labour market information is key for policy-making, education planning, career guidance and enterprise strategies.

Well-established labour market information systems provide insight into both the supply side (skills available) and the demand side (skills required) of the labour market, helping to forecast trends for jobseekers, training institutions, enterprises and policy-makers. Information on wages, working conditions and general labour market conditions are important for a number of stakeholders: students planning their career path, jobseekers searching for sustainable employment, enterprises looking to remain competitive within the market, and trade unions needing information in order to properly represent the interests of their members.

Enterprises also need information on the availability of skilled labour, particularly if they are considering expanding a business line or adding new products and services. Information on the level of demand for specific skills is important for educational institutions to develop and modify curricula.

Analysis of jobseekers' profiles allows for better targeting of services.

Jobseekers' education, skills,[2] age,[3] gender, previous work experience, geographic location, degree of labour market mobility, length of time actively seeking jobs, and the interventions/services previously provided to them would help to identify the best type of assistance they require. Careful analysis of consolidated data can assist employment service providers to plan more accurately their work and to design the most appropriate labour market interventions to assist their clients.

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1. D. Robalino and H. Sayyed: Republic of Lebanon – Good jobs needed: The role of macro, investment, education, labor and social protection policies (MILES) – A multi-year technical cooperation program (Washington, DC, World Bank, Middle East and North Africa, Human Development Group (MNSHD), December 2012).
2. Not all skills are validated by certificates. Employment Services Centers may want to use user-friendly testing tools similar to those available online with Bayt.com. See http://www.bayt.com/en/self-assessment/.
3. For instance, an ageing workforce can signal potential recruitment needs.

Figure 1: Who are the Key Informants of the Labour Market?

- Employers' and Workers' Organizations
- Chambers of Commerce
- Sectoral Committees

- Government Ministries
- Statistical Agencies
- Local Governments

- International and Local Development Agencies

- Non-Governmental Agencies
- Public & Private Employment Agencies

- Educational Institutions at all levels of education

- General Population

Data on enterprises helps understand their activities, their recruitment needs, and underlying economic and recruitment trends.

Employment service centres and other agencies and organizations that provide employment services can also contribute important information related to the demand side of the market. This includes the number of enterprises operating within the geographic reach of the employment office, the type of business classified according to the International Standard Industrial Classification of all Economic Activities (ISIC), the number of employees (full time and part time) by age and gender, conditions of work including hours of operation, wages and benefits, types of occupations and level of skills required, and frequency of employee turnover. Analysis can be done at the enterprise level, the sector level, or by geographical area covered by employment service centres.

Access to reliable labour market information analysis (LMIA) would enable individuals to identify suitable career options and prepare appropriately for their chosen career.

Understanding the world of work requires a well-developed system such as the Occupational Information System (OIS), which provides accurate occupational information related to job profiles, conditions of work and career progression options within specific occupational fields. The Government of Lebanon has prepared a National Occupational Classification (NOC) system based on the International Standard Classification of Occupations (ISCO-88) and a draft version based on (ISCO-08).[4] Once adopted, this NOC, which codifies and describes common occupations within the Lebanese economy, could form the basis of a National Occupational Information System (NOIS). This will require

regular updates from all job-matching services and research organizations within the country.

Such a system, if made available, will provide valuable insights into job opportunities for jobseekers to make informed career choices. Access to this information is essential to enterprises in order for them to remain competitive as they develop accurate job descriptions for their businesses, offer decent working conditions, and fill vacancies with appropriate candidates with suitable knowledge and skills – all of which help to mitigate risks of staff turnover and increase productivity.

A lifelong approach to counselling supports career choices and helps optimize matching competencies with available jobs.

Usually educational institutions offer guidance to young people as they plan their initial path towards a career, while employment service providers often take the leading role in assisting jobseekers, including recent graduates, to make labour market transitions throughout their working life. In Lebanon, school counsellors are often not equipped to act as career counsellors, while the National Employment Office (NEO) has a limited outreach.

Job matching in Lebanon

Conversely, the lack of labour market information and analysis (LMIA) in Lebanon makes it impossible to analyse the past, understand the present or plan for the future.

Official statistics such as household surveys, cluster surveys and related sector studies date back to 2009–2011, prior to the full impact of the global financial crisis and to the Syrian crisis that has resulted in an unprecedented influx of refugees. Available data is not adequately shared with all stakeholders who could benefit from this information. Data produced by various organizations such as the Central Administration of Statistics (CAS), the National Employment Office (NEO), non-governmental organizations (NGOs), international non-governmental organizations (INGOs), labour market research institutes, and employment service providers, among others, is currently not comparable. In some cases, the differences in frequency of data collection makes it difficult to draw comparisons. Employment service providers operating within Lebanon collect data on the profiles of jobseekers and enterprises in specific geographic areas. However, this data is often incomplete and cannot be considered representative of the national situation. Furthermore, only a few employment service organizations classify jobseekers by the International Standard Classification of Occupations

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4. See http://www.ilo.org/public/english/bureau/stat/isco/isco08/.

(ISCO) and even fewer register their employer clients based on the International Standard of Industrial Classification (ISIC), making comparison of data between organizations difficult.

There are numerous organizations and agencies that provide employment services in Lebanon, but no coordinated labour information function nor referrals to services.

These include the National Employment Office, UNRWA[5] employment service centres, and various NGOs working with communities. Organizations such as the Forum for Handicapped North Lebanon, Arc-En-Ciel, and the Lebanese Physical Handicapped Union (LPHU) provide specialized services to persons with disabilities. There are also numerous private agencies engaged in recruitment for professional-level workers and/or workers willing to work overseas. As in many countries, jobseekers and enterprises also have a choice of online job portals and electronic bulletin boards. There are also numerous agencies within Lebanon that specialize in assisting migrant workers.

The lack of mandate of the national employment office to coordinate and supervise private employment agencies and not-for-profit agencies impacts negatively on the coherence of the job-matching function at the national level.

In Lebanon, the mandate of the National Employment Office does not include the supervision and the coordination of Private Employment Agencies (PrEAs) and not-for-profit agencies (NFP). Consequently, there is no standardized data collection method, no system of information exchange between the agencies, and the standards applied by these agencies have not been validated.

Figure 2: Examples of important LMI to be collected

> **Useful information related to the DEMAND side of the labour market includes:**
> - Number and type of vacancies
> - Wage statistics
> - Business start-ups /shut-downs
> - Employment projections (short, medium and longer term)
> - Skills in demand and in surplus

> **Useful information related to the SUPPLY side of the labour market includes:**
> - Number of new and returning entrants to the labour market
> - Number of new graduates in various skills fields per year
> - Types of training programmes available
> - Number of educational/vocational institutions

Why a coordinated approach?

Often the same stakeholders who will benefit from certain types of labour market statistics can also contribute valuable data to the overall LMI system.

Enterprises and trade unions can supply important information on the skills currently needed within their industry, as well as emerging trends that signify the most likely skills demanded in the future. This information will enable training institutions to prepare their course offerings to match projected demands. In turn, this would allow future graduates to make educational choices relevant to the market. Similarly, training institutions are in an excellent position to provide details on the number of students scheduled to graduate with various skill qualifications, facilitating medium-term forecasts of the supply side of the labour market.

Services provided by Public Employment Services (PES) and other service providers are complementary.

PES have the broadest mandate, providing services to both jobseekers and enterprises on a national basis, free of charge. This enables them to develop a large database on both the supply and demand side. With a large number of clients, they are potentially able to develop a broad understanding of the national labour market but have neither the time nor resources to conduct in-depth analyses. The main clients of private employment agencies (PrEAs) are enterprises which pay for recruitment services. PrEAs generally focus either on a specific occupational sector (e.g. information and communication technology), on specific skill levels (e.g. professional or higher) for which companies are prepared to pay fees, or a particular geographic area. Their focus is, therefore, narrower than that of the PES, enabling them to develop a greater understanding of the labour market segment within which they operate. Non-governmental organizations (NGOs) and not-for-profit agencies (NFPs), on the other hand, focus primarily on the needs of jobseekers. They normally focus on a particular target group, such as youth, women returning to the labour market, or persons with disabilities. These organizations have a more narrow focus than PES but have developed a much deeper knowledge and understanding of the needs of their target groups.

In the absence of a centralized authority, a coordinated approach would go a long way towards filling the current void in labour market information and analysis.

Presently, there is no clear authority mandated with the task of collection, analysis and dissemination of this information other than the Central Administration of Statistics (CAS),

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which provides data primarily for the statistical needs of the Government. CAS data cannot provide a timely and in-depth picture of the labour market sufficient for making career and occupational choices that would lead to sustainable employment. Nor does the information presently available make it possible for training providers to better plan their curricula to respond to the labour market, or for enterprises to be assured of available workers should they choose to expand or invest in new business activities within the country.

Immediate recommendations

Steps taken to increase collaboration between some key employment service providers have thus far neither generated additional labour market analyses nor wider outreach of their services. Future directions should, therefore, include the following:

(a) The finalization of the National Occupational Classification System (NOCS), its adoption by all stakeholders engaged in job-matching activities, and agreement on data collection methods and standards should form the basis for the development and maintenance of an official automated Labour Market Information System and Analysis (LMIA) accessible to all. Specific information, such as occupational profiles, regular labour market bulletins and lists of current and future jobs in demand, should be featured on this site.

(b) There is a need for better collaboration to maximize resources available, share information collected, and create a referral system of job vacancies in order to streamline services for both enterprises and jobseekers. Increased collaboration between employment service providers, industrial associations, trade unions, and employers' organizations[6] is required in the preparation of occupational profiles and other tools. Joint strategies are required to cater for the needs of specific target groups such as women, youth, older workers, recent graduates, and people with disabilities.

(c) Greater outreach of employment service providers to formal and informal companies is also needed, with a range of additional services including sector-specific job fairs, promotional activities that tackle jobseekers' reservations about certain occupations, technical support to accommodate the needs of workers with disabilities,[7] capacity building of the human resource functions of micro and small businesses, and testing and certification of jobseekers on key core competencies.

6. Including Chambers of Commerce, the Association of Lebanese Industrialists and other professional syndicates.
7. For examples of good practices in Lebanon see http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_232973.pdf.