

Chapter Five

YOUTH AND THE LABOUR FORCE

I. INTRODUCTION

Youth constituted 31 percent of the population of working age and 21 percent of the labour force, that is the population working or seeking work in 1996 (Lebanon: Ministry of Social Affairs and UNFPA, 1996). On both counts, youth are an important part of the population that contributes to economic development and the general welfare of society.

Work itself is an important factor in the integration of youth in society. As education prepares the individual for social integration, participation in the labour force, that is economic activity, is a major act towards this integration. But not any kind of work may be considered in this light. Work under slavery, to take an extreme example, is not a socially integrative kind of work. Work has to be relevant and fairly remunerated and has to take place under suitable conditions, at least in terms of job security, in order to be instrumental in promoting social integration. Proper work and working conditions, therefore, are not only a vehicle for the contribution of youth *to* society, they are also an essential condition for the integration of youth *in* society.

In the first part of this Chapter, the participation of youth in the work force will be analyzed in terms of levels and trends and in terms of sectoral distribution. In the second part, some important aspects of conditions of work, particularly in terms of remuneration and job security will be discussed. This will be followed by an analysis of unemployment as it relates to the total labour force in general and to youth in particular. Finally, conclusions will be drawn regarding policy needs in this area.

“Proper work and working conditions... are not only a vehicle for the contribution of youth *to* society, they are also an essential condition for the integration of youth *in* society.”

II. ECONOMIC ACTIVITY

The proportion of the population that is in the labour force has been increasing. This increase has come in spite of the fact that young people are spending more years in education and that large numbers of persons of working age have emigrated during the war. The total labour force constituted 27 percent of total population in 1970 and accounted for 33 percent in 1996. This increase came from two main sources. There was first an increase in the proportion of the population of working age due mainly to declining fertility levels, from 52 percent in 1970 to 64 percent in 1996. There was also an increase in the participation of women in the labour force, which increased from 16 percent in 1970 to 21 percent in 1996.

The corresponding situation of youth was quite different. The proportion of youth in the labour force actually declined between 1970 and 1996, from 24 percent to 21 percent, although the proportion of youth in the population increased from 18 percent to 19 percent.

The reason for the latter is a sharp decline in activity rates (i.e., the proportion working or seeking work) of young persons aged 15-19 years, particularly females, due to their greater enrollment in schools. Thus, while the economic activity rates of both males and females did not vary greatly for the age group 20-24 years, activity rates for the age group 15-19 years fell from 38 percent to 36 percent for males and from 16 percent to 6 percent for females (Table 1).

Table 1: Youth economic activity rates by sex, 1970 and 1996
(Percent of total)

Age Group	1970			1996		
	Male	Female	Total	Male	Female	Total
15-19	38.0	15.8	27.2	36.0	6.4	21.6
20-24	72.7	23.8	48.8	71.6	23.8	48.1
Total	52.9	19.3	36.4	53.3	15.0	34.6

Sources: Lebanon: Ministry of Social Affairs and UNFPA (1996); Lebanon: Ministry of Planning (1970).

The female youth activity rate, which is 15 percent, is in line with that of most of the ESCWA countries. Except for Saudi Arabia, where the activity rate of young females is around 5 percent, this rate varies from around 15 percent in Jordan to 16 percent and 21 percent in Bahrain and Egypt, respectively (United Nations, 1997b). The main reason why the activity rate for Lebanese female youth is not actually higher than in these countries is their high enrollment rates in relation to other ESCWA countries. Indeed, for the female age group just above youth (25-29 years of age), that is for the first female age group that is generally beyond school age, the female activity rate in Lebanon (31 percent) is distinctly higher than in Bahrain (22 percent) and in Egypt (25 percent) (Ibid). In other words, Lebanese women in general tend to participate more in economic activity than their gender counterparts in other countries of the region, but their greater pursuit of education results in lower economic activity rates for young women of secondary school and university ages.

“Lebanese women in general tend to participate more in economic activity than their gender counterparts in other ESCWA countries, but their greater pursuit of education results in lower economic activity rates for young women of secondary school and university ages.”

Lebanese youth participate in all major sectors of the economy. The distribution of youth labour force by sector resembles, to a great extent, that of the rest of the working population. The only major difference is that there is a greater concentration of youth labour in industry and less in services than the rest of the labour force. This may well be due to the need of industry for more up-to-date technical skills where youth has an advantage. If this is true, then one can expect that, if economic activities continue to modernize and government administrative reform progresses, youth employment will increase.

Gender differences in economic activity by sector are also revealing. There is a greater concentration of women workers than males in the services sector. 77 percent of the female labour force was in this sector in 1996 against 52 percent for males. In all other sectors, there is less concentration of the female labour force than of the male labour force. It should be noted, however, that women’s economic activity in agriculture (5 percent of total female labour force) may be understated since a significant part of the work of women in this sector goes unrecorded, particularly on family farms (Table 2).

Table 2: Relative distribution of total and youth labour force by economic sector, 1996
(Percent)

	Agriculture	Industry	Construction	Services	Unknown	Total
Total Employment	7.7	18.7	10.2	62.6	0.8	100
Youth Employment	6.5	23.6	11.4	57.8	0.6	100
Male	7.0	25.8	14.3	52.4	0.4	100
Female	4.9	15.9	1.2	76.6	1.4	100

Source: Lebanon: Ministry of Social Affairs and UNFPA (1996).

The occupational distribution of the youth labour force follows a normal pattern. For example, a small proportion, less than 1 percent, works in managerial and administrative positions as against 5 percent for the total labour force. Worth noting is the fact that the youth labour force is more concentrated in skilled occupations than the total labour force reflecting their more advanced training and education (Lebanon: Ministry of Social Affairs and UNFPA, 1996).

In Their Own Words

“I have a Master’s degree in chemistry, but when I graduated there were no available posts, so I started to work with my father in the family business, and it looks like I shall continue to do so.” Iyad is one example of a Lebanese youth finding employment outside of his field of study, a trend that seems to be growing among the young. “We really don’t get any career guidance before choosing a major in school, and there is no way of telling what is in demand in the job market. We end up with a useless degree, and have to take any job that is offered,” complains Marianna a hotel management graduate now working for a supermarket chain. Amal who is twenty-four says: “After a year of job hunting, I finally took a job as a sales representative for a pharmaceutical company. I went through four years of college, and have a business management degree, it seems a waste!” Salah, who studied law at the Lebanese University now works as a waiter in an upscale restaurant, “the money is good, it is not my life’s ambition to do this kind of work, but the opportunities for someone who doesn’t know anyone are limited in this country.” Many young people seeking employment complain that the system is still based on favoritism. “I don’t mind working very hard, but what really bothers me is when people less qualified than I am get a job because they know someone, and they don’t do it as well as I can,” says Samer, a graphic design graduate of AUB, now seeking employment. “I am thinking of starting my own business or becoming a consultant, rather than being employed by the government or a private company. I think that if you work for yourself, your earning potential doubles. Some of the starting salaries I was offered were ridiculous!” exclaims Reda, a business management graduate, “I have some ideas for a great business enterprise, if there are any interested investors out there, please call me.”

Data on gender differences in occupation indicate that work of women is still significantly concentrated in occupations where the presence of males is limited. These occupations include secondary level teachers, paramedical personnel, secretaries and retail sales workers. But women are making considerable headway in occupations traditionally reserved for men. It is to be noted in this regard that the representation of women in scientific occupations and in occupations traditionally reserved for men (such as machine operators) is already comparable to that of men. Even in relation to the higher cadres of managerial and administrative positions, the proportion of the female labour force working in these occupations (2 percent of total female labour force), though less than that of males (6

percent)¹ is, nevertheless, significant, considering the recent entry of females in occupations leading to managerial positions.

“All data indicate that work of women is still generally concentrated in occupations where the presence of males is limited. ...But women are making considerable headway in occupations traditionally reserved for men.”

III. CONDITIONS OF WORK

As was noted at the outset, for work to lead to social integration it must take place under appropriate conditions, particularly in terms of a fair remuneration and reasonable job security.

1. Wages and salaries

Wages and salaries have increased considerably since the end of the war. For example, the minimum monthly wage increased from LL 75,000 in January 1981 (equivalent to US\$ 77 at the time) to LL 300,000 in January 1996 (equivalent to US\$ 188) and remains at that level in mid-1998. The average salary is believed to have increased at least commensurately². The economic downturn that started in 1996 was probably accompanied by a decline in this average. In the survey undertaken by the Central Administration of Statistics in 1997, more than 50 percent of those interviewed indicated that their income “clearly” declined during the past year and an additional 22 percent indicated that it declined “slightly” (Lebanon: Central Administration of Statistics, 1998, p. 249).

“In spite of the generally rapid increase in incomes between 1991 and 1996, wages and salaries remained inadequate, given the prevailing cost of living in the country.”

In any case, the effect of the war period cannot but be felt in this domain. In spite of the generally rapid increase in salaries and incomes between 1991 and 1996, they remain inadequate, considering the prevailing cost of living in the country. In the 1997 national survey undertaken by the Central Administration of Statistics 69 percent indicated that their income was not sufficient or barely adequate (Lebanon: Central Administration of Statistics, 1998, p. 245). According to two opinion surveys undertaken in July 1997 (MADMA, 1997a) and February 1998 (MADMA, unpublished), income was felt to be inadequate for satisfying their basic needs (food, housing, education and health) by 59 percent and 58 percent of the surveyed population, respectively. In both surveys 72 percent answered that their income could not ensure a “decent standard of living”. Although the data from these two sources are not comparable because of the nature of the questions asked, the results clearly indicate that there is a widespread feeling of income inadequacy in the country.

¹ According to the National Employment Agency, UNDP and ILO (1997, p.23), these rates were 5 percent and 13 percent, respectively, in 1997.

² Data on salaries given in Lebanon: Central Administration of Statistics (1998, p.215) and in Lebanon: National Employment Agency et al. (1997, p.76) are quite contradictory and are not given by age group to permit identification of the situation of youth. Thus, “average monthly income from principal occupation,” according to the first source is given as LL 875,833 while the “average monthly salary,” according to the second source is given as LL 561,000. Distribution of salaries by sex and other categories are also very contradictory. In this section, the latter reference will be used as primary source.

Surveys have also shown that the average salary of females is less than that of males. Indeed, the average salary of males (LL 606,000) was found to be 27 percent higher than that of females (LL 477,000) (Lebanon: National Employment Agency et al., 1997)³. Differences indeed exist even within the same broad occupational groups. But all this constitutes no evidence of a systematic gender bias in work remuneration, that is, different pay for the same work. For one thing, even within the same broad occupational group, the specific occupations of women may be different from those of men. Thus, in the occupational group “Specialists in life sciences and health,” where the average salary of males (LL 1,078,000) was almost twice that of females (LL 582,000), the concentration of men at the physician’s level and the concentration of women at the nursing level may explain this wide difference. Furthermore, women, being more recent comers to economic activity, generally enjoy less seniority than men in terms of years of work. Thus, 37 percent of female workers had worked less than five years against 16 percent of male workers. Similarly, 22 percent of female workers had worked between five years and nine years against 15 percent for males. For the longer work periods, males have a clear advantage. Thus, only 3.4 percent of female workers had worked 25-29 years as against 7.5 percent of male workers. For those who worked 30-34 years, the corresponding percentages are 1.6 for females and 5.7 males. (Lebanon: National Employment Agency et.al., 1997, p.27).

Another indicator in the same direction is obtained from observing the male-female difference in salaries by age group, which tends to reduce the effects of seniority. While for the total labour force the gap in average salaries between male and female workers is 27 percent in favour of males, for the youth age group this gap is only 11 percent. In general, the gap tends to rise with age, reaching its peak (34 percent) at the working age group of 40-44 years (Lebanon: National Employment Agency et al., 1997, p.76).

“Surveys have ... shown that the average salary of females is less than that of males. [But] the occupational structure of the labour force and work seniority that are both in favour of male workers do not permit to conclude that the difference in average salaries in favour of males is the result of a systematic gender bias in remuneration.”

In conclusion, the occupational structure of the labour force and work seniority that are both in favour of male workers do not permit to conclude that the difference in average salaries in favour of males is the result of a systematic gender bias in remuneration. The need for a more thorough study of this phenomenon may be required before any firm conclusions can be made in this regard.

2. Job security

The first source of job security arises from the labour law of the country. The national labour law prohibits the employment of children under eight years of age and regulates the employment of other children (up to thirteen years) in terms of the few occupations (such as house worker, office boy, etc.) in which they could be employed. For the age group 13-18 years, which includes a part of the youth labour force, the law still prohibits employment in some industries such as mining, mechanical industries and some chemical industries. The ratification by Lebanon of the Convention on the Rights of the Child (1991) and other

³ According to Central Administration of Statistics (1998) the difference is around 50 percent, which seems excessive.

international instruments has put in motion a process by which these and other aspects of the labour law will be revised to conform with international standards.

“The first source of job security arises from the labour law of the country. ...The national labour law is generally protective of the right of employees and the security of their employment.”

The national labour law is generally protective of the right of employees and the security of their employment. For example, no employment contract can be a lifetime contract or can forbid the employee from working in a certain field for life. Furthermore, according to law, the employer does not have the right to fire an employee for reasons unrelated to work performance, such as belonging to a labour union or sickness. Legal dismissal entitles the employee to receive at least one month's notice and compensation equivalent to a minimum of two months' salary. The law also entitles the employee to a minimum of 15 days of paid annual leave, 40 days of maternity leave and a number of days of sick leave depending on the type of sickness. It is forbidden to fire an employee during any kind of leave.

In the public sector, the law is even more protective of employee rights. Promotion is according to seniority and job security is high. Leaves are more generous than in the private sector consisting of 20 days of paid annual leave, 60 days of maternity leave and the right to other types of leaves relating to marriage, death in the family and others.

The stability of work is, of course, greatly affected by the business cycle, that is by the ups and downs of economic activity. Economic fluctuations in the few decades preceding the war years were generally insignificant on the macro-economic level, even when such fluctuations took place in the more advanced countries. The oil boom that started in the early 1970s benefited Lebanon greatly in terms of capital transfers to the country and in terms of the work opportunities it offered to Lebanese workers who remitted a part of their income to the mother country. Workers remittances' have constituted a significant part of the Gross National Product and have served as a cushion to economic fluctuations.

At the micro-economic level, job security comes largely from the type of employment. Regular or “permanent” employment in the modern sector, as contrasted with seasonal and short-term employment, offers the greatest job security. Traditionally, seasonal employment has been concentrated in the agricultural sector and is undertaken largely by foreign workers, mostly Syrians.

The economic downturn of the last two years has affected job security. Nevertheless, the general trend in the economy has been towards a decline in seasonal and short-term employment in favour of regular (or permanent) employment. As seen from Table 3, the proportion of the labour force working in regular employment increased from 69 percent of total employment in 1970 to 84 percent in 1996, while seasonal and short-term employment decreased from 31 percent to 16 percent in the same period.

Table 3: Relative distribution of employment by permanency type, 1970 and 1996
(Percent)

Year	Permanent	Seasonal	Intermittent	Unknown	Total
1970	69.4	10.0	15.1	5.5	100
1996	83.6	5.5	10.9	--	100

Source: Lebanon: Ministry of Planning (1970) and Lebanon: Ministry of Social Affairs and UNFPA (1996).

Note: 5.5 percent of total employment was classified as “unknown” in 1970. This was likely to be mostly in the category of seasonal and short-term employment, making the fall in this category between 1970 and 1996 even more pronounced.

The major reasons for this decline include: the decline in the proportion of labour force working in agriculture, a rise in the proportion working in services, the modernization of businesses and other structural changes that do not favour industries (e.g. furniture manufacturing) where seasonal and short-term employment is concentrated. Indeed, the increase in the permanence of employment appears to be due largely to a change in the structure of economic activities and the gradual modernization of management systems.

“...91 percent of female youth are employed in permanent positions against 81 percent of males.... This phenomenon can perhaps be explained by the fact that female employment is concentrated more in sectors and industries where this type of employment is dominant.”

In this respect, youth employment does not differ much from total employment. Thus, 83 percent of youth were employed in regular work as against 83.6 percent for the total labour force. This similarity applied to both males and females. It should be noted, however, that a comparison of male and female employment of youth and employment of the total labour force revealed a greater concentration of females in regular employment. Thus, 91 percent of female youth were employed in permanent positions against 81 percent of males. Similarly, close to 92 percent of total female employment was in this category against only 82 percent of total males employment. This phenomenon can perhaps be explained by the fact that female employment is concentrated more in sectors and industries where this type of employment is dominant (Table 4).

Table 4: Relative distribution of employment by permanency type for total labour force and youth labour force, 1996
(Percent of total)

Type of employment	Labour force	Youth labour force		
	Total	Total	Male	Female
Permanent	83.6	83.0	80.5	91.4
Seasonal	5.5	4.7	4.6	5.0
Intermittent	10.9	12.3	14.9	3.6
Total	100	100	100	100

Source: Lebanon: Ministry of Social Affairs and UNFPA (1996).

IV. UNEMPLOYMENT

According to the survey undertaken by the Central Administration of Statistics, the unemployment rate was 8.3 percent of the total labour force in 1997, a high rate. It was higher than in 1970 (5.8 percent), when the Lebanese economy boomed. It appears to have been also higher than a year earlier (7.0 percent) when the Ministry of Social Affairs survey took place, although the accuracy of data may not allow a firm conclusion in this regard (Table 5).

Table 5: Unemployment rates by age and sex, 1970, 1996 and 1997
(Percent)

Age group	1970			1996			1997		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
15-19	17.4	8.8	15	23	16.9	22.1	29.7	21.6	28.6
20-24	12.4	7.5	11.2	15	9.3	13.6	20.1	11.5	17.8
15-24	14.5	8.1	12.8	17.8	11	16.3	23.9	13.6	21.6
25-29	5.7	5	5.6	8.3	6.4	7.8	9.7	7.3	9.1
30-34	3.7	5.1	3.9	4.6	4.8	4.6	5.6	7.5	6.1
35-54	3.1	2.4	3	2.9	2.7	2.9	3.6	4	3.7
55+	2.7	1.6	2.6	5.4	2.4	5.1	2.2	2.2	2.2
Total (15+)	5.9	5.3	5.8	7.4	5.6	7.0	8.6	7.2	8.3

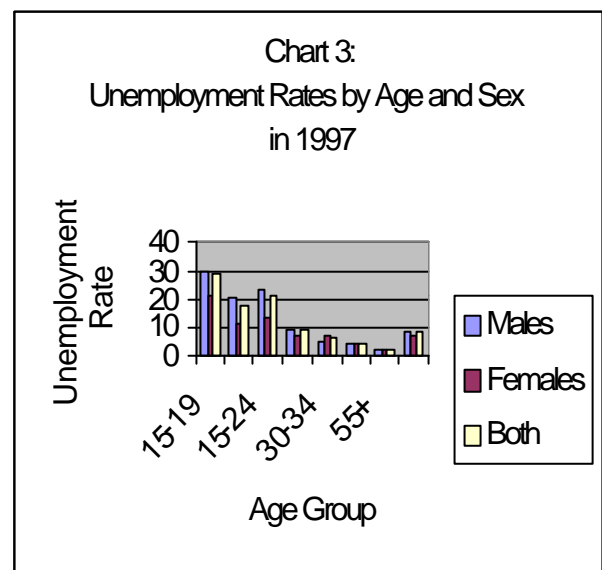
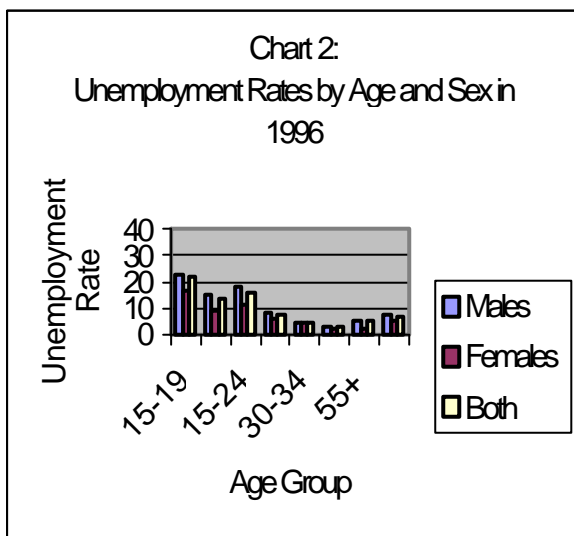
Source: Lebanon: Ministry of Planning (1970); Lebanon: Ministry of Social Affairs and UNFPA (1996); and, Lebanon: Central Administration of Statistics (1998).

The first problem is that unemployment is highly concentrated in the younger age groups of the labour force. Thus, for the youth age group 15-19 years, the age group of youth workers with less education, it reached close to 29 percent in 1997 and for the age group 20-24 years it was close to 18 percent. This compares with an unemployment rate of under 4 percent for the more established working group 35-54 years of age.

“The first problem... is that unemployment is highly concentrated in the younger age groups of the labour force. ... the different between the [unemployment rate of youth and the rest] is excessively high.”

It should be noted in this regard that the rate of unemployment of young persons is higher than for the rest of the work force in each of 1990, 1996 and 1997. The difference between the two rates is excessively high, however.

In general, female unemployment is significantly less than male unemployment, particularly for the younger age groups. For the youth age group 15-24 years, the unemployment rate of females in 1997 was 14 percent against a rate of 24 percent for males. The reasons for this are not totally obvious. One important reason may well be the fact that young women entering the labour force are generally more educated than their male counterparts and can, therefore, find employment more quickly and easily. It could also be partly due to the greater demand for typically female occupations than typically male occupations.



Another problem relates to the duration of unemployment. On average, an unemployed person spends fourteen months looking for a job before finding one. For those looking for a job for the first time, that is principally young workers, the average period of job search is around sixteen months (Lebanon: National Employment Agency et al., 1997). These are excessively long periods and have many causes. For one thing, the less relevant the training of the individual to the needs of the labour market, the longer generally is the period of search. Some individuals eventually take jobs in a field different from that of their training. More important perhaps is the inefficiency, albeit inexistence, of an efficient labour market. Unemployed persons, particularly young persons looking for a job for the first time, find no effective employment agencies, public or private, to put them in contact with the appropriate job. Locating a job is generally done by word of mouth, a process that takes much longer than the more formal one.

“On average, an unemployed person spends fourteen months looking for a job before finding one. For those looking for a job for the first time, that is principally young workers, the average period of job search is around sixteen months.”

V. CONCLUSION

Proper and fairly remunerated employment is obviously one of the most important acts towards the integration of people, particularly youth, in the economic and social life of society. There is no doubt that great progress has been made in this regard in relation to female participation in the labour force during the past few decades. However, female participation rates in the country are not higher than in most Arab countries - this is due to the of extended education of young females. Outside the youth age group, Lebanese women have the highest participation rate in the region.

The overall gender difference in salaries (27 percent) may be explained by two factors. First, the occupational distribution of the labour force seems to indicate that there is a higher concentration of males than females in higher paid jobs (e.g. managerial). This is often true even within the same broad occupational category (e.g. doctors and nurses in the health category). Second, the seniority of males within an occupation is generally higher than females, due to the recent entry of females in that occupation. Anyway, available data do not permit to conclude that there is a systematic sex bias in remuneration.

Although salaries have increased considerably since 1990, they remain inadequate for a decent life for a large part of the population. This can only partly be explained by the heavy burden of the war; the largely physical nature of the reconstruction effort so far may carry part of the blame. This is seen more clearly in terms of unemployment. In spite of the heavy investment in the rehabilitation of the infrastructure and the relatively high economic growth rates achieved between 1992 and 1995, unemployment of the national population remains quite high at over 8 percent. Action towards the creation and development of an efficient labour market would be very much in order; this would involve the establishment of an efficient network of employment agencies. Unemployment of youth is as high as 22 percent and for the youth age group 15-19 years, that is relatively less educated, it reaches 29 percent. The difference between the unemployment of youth and that of the non-youth labour force (22 percent against 4 percent) is clearly excessive.

There is obviously a problem in the relevance of education to the labour market needs. The revision of the school curricula, particularly the introduction of civic education and of technical and social sciences subjects at an early stage, is a step in the right direction. The new programme, to be introduced gradually starting October 1998, does not solve the problem of relevance. In the latter respect, there is a clear need for a manpower plan that determines the present and future needs of the market in order to guide the education institutions and individuals. There is also need to look at the balance between formal training, on the one hand, and formal education, on the other. At present, this balance is clearly in favour of the latter type of education (see Chapter on Youth and Education) and does not serve well the needs of the market. Encouraging small businesses and individual entrepreneurship, particularly among the younger population is a priority.