Economic Activity Rate for Women and Men

Source: Central Administration of Statistics

Labor Market Structure (in thousands)

Population aged 15 years & above
- Total: 2,831
  - Women: 1,454
  - Men: 1,377

Active Population
- Total: 1,229
  - Women: 307
  - Men: 922

Inactive Population
- Total: 1,602
  - Women: 1,147
  - Men: 455

Employed
- Total: 1,118
  - Women: 276
  - Men: 842
  - Public Sector: 176
  - Private Sector: 931
  - *Other sectors: 11
  - Permanent Job: 1,041
  - Non-permanent Job: 77 (Occasional)

Unemployed
- Total: 110
  - Women: 31
  - Men: 79
- Unemployed 15 - 64 years old
  - Total: 108
  - Women: 31
  - Men: 77
  - * Other Sectors: NGOs, international agencies, political parties, ...

Source: Central Administration of Statistics. This diagram is based on the Living Conditions Survey 2007

<table>
<thead>
<tr>
<th>Economic Activity rate 15 years and above</th>
<th>Inactivity rate 15 years and above</th>
<th>Unemployment rate 15-64 years</th>
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</thead>
<tbody>
<tr>
<td>%</td>
<td>Women</td>
<td>Men</td>
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<tr>
<td>2004</td>
<td>20</td>
<td>69</td>
</tr>
<tr>
<td>2007</td>
<td>21</td>
<td>67</td>
</tr>
<tr>
<td>2009</td>
<td>23</td>
<td>73</td>
</tr>
</tbody>
</table>

Source: Central Administration of Statistics

May 26, 2012

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Lebanon’s Labor Market: Low Activity and High Unemployment Rates for Women

BLOMINVEST BANK

May 26, 2012

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This study is based on a statistical report recently published by the Central Administration for Statistics (CAS) about the labor market in 2009.

Introduction

While the Lebanese workforce has been slightly increasing over the past two years sourced by incoming younger generations, the unemployment rate has been gradually decreasing to reach 6% in 2009. This is due to the fact that Lebanon witnessed a period of fast economic growth between 2007 and 2009 with real GDP growth rates hovering 8.5% fueled by the construction, tourism, and trade sectors. However, the Lebanese workforce remains relatively small representing only 48% of the population compared to figures above 60% in developed countries. In addition, Lebanon is still menaced by the long-standing brain drain as the government is failing to adopt the right policies that will provide job opportunities for skilled workers. Other problems extend to differences in gender employment levels as the number of female workers remains lower than that of males, especially in managerial positions.

Gender & Age

In 2009, almost half of the population was either employed or available for work as the workforce reached 48% of the total population. Men accounted for 73% of this workforce, with the majority (90%) aged between 25 and 60 years old. One of the main reasons for men to start work at the delayed age of 25 years is their hesitation as they don’t know what career path to choose and settle for. Additionally, some men feel overly qualified for the opportunities available which in turn delays the employment process. Women, on the other hand, make up half of the Lebanese population, yet only 21% are part of the labor force compared to men’s 66%. The majority or 47% of active women are between the ages of 25 and 29 years, as marriage and household responsibilities stop them from pursuing careers. In addition, unemployed women are less active in the job hunting process, as their employment is not usually the primary source of family income. In comparing older workers, women’s participation significantly declines as they approach the retirement age of 65, while men remained active even after it.

The private sector still accounts for the larger share of employment, with both men and women occupying jobs in agriculture, as specialists (teachers, doctors, engineers, lawyers, etc…) or as general and corporate managers. The services sector accounted for the largest share of employment carrying 39% of the total, while trade and manufacturing follows at 27% and 12% respectively. It was also noticed that 79% of women work as employees as the stability and shorter hours provided are more appealing compared to men’s 55%. On the other hand, the pressure of being the primary income providers and the search for higher income than what is offered by corporate employment, has led to nearly 42% of men being self-employed or business owners compared to only 15% for women.

Skills

As for the workers’ skills, statistics show that 30% of employed individuals have no or basic education while 43% hold secondary or university degrees. A further look will allow us to notice that 43% of working women hold university degrees compared to men’s 20% while 26% of working women occupy professional positions such as doctors, teachers, engineers, and so on compared to 8% for men. This may be explained by the fact that working women are fewer than that of men, whereas the types of work that require physical force are mostly filled up by the latter. Moreover, men start off their working life earlier with the goal of setting up a family and providing for it thus they don’t have the time to complete their degrees.
In addition, it is also noticed that a quarter of the working population had low qualification and another quarter was highly qualified which hits individuals in between with tertiary education as they may be over qualified for the work available for them thus demand higher pay or that they may be unqualified for higher positions leaving room for university graduates to fill in the slots. The latter also creates a climate of over qualification in the workforce, as individuals take any given job opportunities to escape poverty, with most candidates highly exceeding their job requirements.

Salaries

Looking at the average salary for women and men, we can find an average national gap of 6% in all sectors (excluding the construction sector). Men are better off in terms of pay as their estimated monthly salary amounted to LBP 702,000 ($466) whereas women’s salaries fell short at LBP 660,000 ($438). The gap in some sectors is much larger than the national average with the spread in the manufacturing sector reaching 23.8% for example. The equilibrium at 6% is caused by the narrow difference in the service sector which accounts for the largest chunk of employment. From a geographical standpoint, regional disparities further revealed that Beirut is the highest paid region in Lebanon while the South lies at the bottom.

Unemployment

Following three years of healthy GDP expansion, the Lebanese unemployment rate dropped gradually to 6% in 2009, keeping in mind that it remained high for women and younger generations. The highest number was recorded among young people aged below 30 years and especially women who maintained the rate of 10% while men’s unemployment rate declined to 5%. High unemployment was among highly skilled workers recording rates of 9% for people carrying university degrees and 8% for secondary levels of education. Furthermore, unemployment was particularly high for women with secondary level education at a rate of 14% that might have been caused by their preference to stay at home and carry household responsibilities rather than settle for a low paid job.

Moreover, unemployment reaches its peak for the younger generations due to lack of work opportunities which eventually draws skilled workers to search for job opportunities abroad. Most holders of a university degree hesitate to accept any job opportunity in the start of their career as they feel overly qualified for it, however statistics show that 33% of job hunters spend more than one year in order to find a job so eventually they are left without any choice but to accept any job offer on hand. To put it differently, 85% of the unemployed were single and only 14% were married, whereas 54% of them used to have previous work.

Looking at the geographic distribution of employment, 55% of Mount Lebanon households have at least one person in employment compared to only 5% of Bekaa households. Furthermore, the highest level of unemployment was recorded in Beirut and the North with 8% that may be caused by the density of the population and unavailability of opportunities while the lowest unemployment rates were found in Southern governate and Baalbak and Hermel districts where manual labour is mostly relied upon and the nature of work falls around agriculture and family businesses.
Job Hunting

Seeking a job in Lebanon was barely reliant on employment offices with a share of 2% of the unemployed to use it. The usual Lebanese trend is to rely on connections and relatives to secure jobs with a share of 36% of the unemployed. Directly submitting applications to employers came in second place with 32% and using advertisements came in third place with only 3%. As for the duration of the job search in Lebanon, 2004 statistics show that 33% of people looking for a job spent more than a year before finding one while 20% searched for less than 3 months. The figures reveal that the process of securing a job in Lebanon is too long and often unsatisfying as people finally settle for unwanted careers. It also pushes skilled workers to look for better opportunities abroad.

Migration

The most credible option left for the Lebanese graduates to find a job with high pay is to travel abroad as 6% of total households in Lebanon had at least one emigrant during the period of 2004-2009. 44% of them holding university degrees and over 48% not having worked before. 77% of all emigrants were under the age of 35 years. Arab states pull 40% of out-migrants while Europe and America & Canada pull out 20% each.

Inactive

Inactive people are people not working and not seeking employment. Almost half of the people aged 15 and above is ranked as inactive whilst 74% of them are women revealing that women prefer to take up household responsibilities. Moreover, 53% of inactive people are married, 25% of them have achieved a secondary level education and 34% of them are under the age of 25. However, inactivity rates decline as people get older; from 22% before the age of 19 years to 5% at the age of 60 years.

Health Insurance

In 2007, 48% of total residents in Lebanon benefited from some kind of health insurance. Employment provided for 73% of insured residents in Lebanon. Current employment provided for 61% of insured people either if they are employed or from the employment of a related household member. Around 12% of insured people benefited from insurance from previous employment. Of the employed people who did have health insurance, 49% of them were benefiting from the National Social Security Fund. On the other hand, 48% of employed people in Lebanon did not benefit from any kind of health insurance.