Labour Market Assessment in Beirut and Mount Lebanon

Date	22 January 2014
From	Appraisal, Monitoring and Evaluation Unit (AMEU)
To	Country Coordination, Program Development
Cc	To whom it may concern
Subject	Labour Market Assessment: Beirut and Mount Lebanon
Attached	Assessment Tools

Executive Summary

This study aimed at **gaining an understanding of employment and labor market trends to inform market-based livelihoods programming**, and was conducted through interviews with **Lebanese economic or sector experts**, as well as **over 40 business owners**, and **employees and job seekers from among over 385 households** in Beirut and Mount Lebanon. Specifically, this report presents findings in relation to 1) **employment trends** of Syrian and Lebanese households; 2) **barriers to employment**; and 3) **potential opportunities** to promote access to employment. The assessment did allow for the identification of a number of key trends and findings, and the formulation of recommendations for programmes aimed at improving access of vulnerable households in Beirut and Mount Lebanon to income-generating opportunities, despite the limited participation of business owners which prevents findings from being statistically representative in relation to sector-specific trends. It should be noted that **assessment findings and recommendations are to be understood and applied within the context of Lebanese labour law** and relevant policies regulating the access of displaced populations to income-generating opportunities and employment in Lebanon.

Findings highlight **significant disparities between genders, and between Lebanese and Syrian communities in terms of access to employment, as well as income** generated from employment. In both communities, female participation in the workforce was much lower than for males, and Syrian males and females reported higher unemployment and an average salary four times lower than their Lebanese counterparts, and below the Survival Minimum Expenditure Basket (SMEB) in Lebanon[1]. **Lebanese workers had access to a comparatively wider range of sectors of employment**, with employment options for Syrian workers limited primarily to low-skilled sectors, which do not require high literacy or numeracy skills. Indeed, **education levels among Syrians were found to be significantly lower than among Lebanese respondent households**, although, most likely due to the work available for Syrians, education levels did not appear to have an effect on access to employment; as opposed to Lebanese respondents, whose employment rates increased with education levels. This has resulted in comparatively higher unemployment, or a shift of sector, among workers with experience in high-skilled jobs prior to displacement. Interestingly, business owners in sectors that did employ Syrian workers were found to rate their performance higher than that of local counterparts across a range of professional skills.

Unemployment was found to be higher among Syrians than Lebanese workers, and was significantly higher among females. The latter identified lack of skills and education, as well as social factors related to community perceptions and responsibilities within the home as the main reasons for being unemployed. For males, reported causes of unemployment were mostly related to the local unavailability of employment opportunities with adequate remuneration. For Syrians, disputes with employers and discrimination were also mentioned as significant factors. Mostly due to high turnover of staff for low-skilled jobs in which Syrians engage, **unemployed Lebanese were found, on average, to have been unemployed for longer periods of time**.

The majority of business owners interviewed considered **communication and technical (job-specific) skills to be the most important** in an employee, and respondent employees and job-seekers also reported that improving these skills would significantly improve their employment opportunities. Overall, **over half of household-level respondents were interested in professional skills training**, although this interest decreased with age, and varied

[1] As defined by the Interagency Cash Working Group in Lebanon

slightly between communities and gender groups. Interestingly, **a high proportion of job seekers and employees had considered opening a business**, though the majority had been unable to due to limited access to funds, and lack of business management skills.

The impact of the Syrian crisis was found to have been variable across sectors, and sectors hiring Syrian workers reported significantly higher growth and employment levels since the crisis than those that did not. This positive growth was attributed both to an increased labour supply and to increased demand for goods and services resulting from the population influx. Across sectors, though, **business owners identified the lack of effective or enforced regulations, the lack of access to a reliable electricity supply and political uncertainties as the main challenges** to the growth of their businesses.

Based on assessment findings, the following **key recommendations** can be formulated for market-based programmes aiming to improve access of vulnerable populations to sustainable income-generation opportunities:

- Conducting more **comprehensive market analysis** to clearly identify localised niche market or labour supply gaps as part of programme inception.
- Improving **communication and technical skills** of job seekers, both through the design of life-skills training programmes and technical trainings, which, due to the job-specific nature of skills to be acquired, should be either provided on-the-job or linked to job placement.
- Improving **awareness of available employment opportunities** and communication channels between employers and job-seekers, particularly for sectors where recruitment takes place through informal channels, and for job seekers who have not been unemployed for very long.
- Designing mechanisms to **support the resolution of disputes** between employees and employers where possible, as this has been noted as a key factor of unemployment among respondents.
- Financing **small scale new businesses coupled with business management training** where niche market opportunities are identified, with a focus on retail which has been identified as the main source of income among respondent Lebanese households.
- Supporting relevant local and national institutions to **improve the local business environment**, particularly through improving access to reliable electricity supply, as well as small-scale financing for business start-up.
- Focusing efforts on **support towards the agriculture sector**, which constitutes the second largest sector of employment amongst respondents, does not require high academic or technical qualifications, and provides opportunities to vulnerable households from both communities.
- Promoting **income-generating opportunities for females** through capacity building to enable self-employment and home-based economic activities, acknowledging socio-cultural factors affecting their access to employment opportunities.

1. Background

As of October 2014, there were over 315,000 registered refugees living in Beirut and Mount Lebanon. This figure does not include unregistered refugees, the number of which is unknown but estimated to be significant. As the Syrian crisis continues into its fourth year, access to employment becomes an increasingly challenging issue for both refugee and host communities.

A study conducted by the World Bank in April 2013 concluded that **even without the influx of Syrian refugees, the Lebanese economy would have needed to create six times the amount of jobs it previously did to absorb new entrants to the labour market**[2]. A 2013 Emergency Market Mapping and Analysis Report showed that on average, businesses in Lebanon are not expanding and therefore unable to accommodate the increasing labour force[3]. 3,400 jobs have been created annually in the last decade compared to almost 19,000 new job seekers coming into the labour market every year. These **pre-existing challenges have been exacerbated by a lack of growth resulting from the Syrian crisis**, due notably to losses inflicted on tourism, economic transactions, investments and exports.[4]

According to the Ministry of Labour, **unemployment rose by 23% in the wake of the Syrian displacement into Lebanon[5], and 34% of those unemployed are young people**. Unemployment of university graduates has risen to 11%; double that of Lebanese without a university degree. Unemployment is also particularly high amongst educated Lebanese women, whose labour force participation rate is only 20% compared to 35% for the Arab region.[6] This points to an **oversupply in educated Lebanese**, which, according to economist Zafiris Tzannatos, is an increasing issue as most jobs created in the Lebanese economy are in low value-added sectors such as wholesale and retail trade, repair and maintenance, transport and storage, food and hospitality services, all of which do not require highly skilled labour.

The abundant labour supply alone is sufficient to depress wages, yet this is further compounded by the influx of refugee workers, many of whom are undocumented, low skilled and prepared to work for low wages[7]. Even prior to the crisis, Syrian workers in Lebanon used to work in limited fields, particularly construction, industry and agriculture; and are reported to accept wages that are 25-50% lower than those of similarly skilled Lebanese.

Lebanese labour laws allow Syrians to work in Lebanon; these laws are reciprocal: Lebanese citizens also have the right to work in Syria. The 1993 bilateral agreement made by Lebanon and Syria for Economic and Social Cooperation and Coordination have granted freedom of stay, work, employment and practice of economic activity for nationals of both countries[8]. However, Syrians do not have full coverage under the National Social Security Fund (NSSF) and require a work permit to be employed. [9] **Lebanese workers are also protected by the principle of non-competition**: work permits are granted on an annual basis according to specific conditions, notably the presence of a Lebanese sponsor, and guarantees that there is no competition between the applicant and Lebanese workers. The work permit of any foreign labourer can be cancelled in case of incorrect documents, or whenever the interest of the Lebanese workforce is considered to be threatened.

While high numbers of Syrians have entered the Lebanese labour market, **unemployment rates within the Syrian community are also high**. An assessment of employment of Syrian refugees in Lebanon conducted by ILO in 2014 found that the unemployment rate of male and female Syrians was 30% and 68% respectively. For those who were able to find employment, approximately 88% were working in either unskilled or semi-skilled jobs, and 92% were working without formal contracts. For the majority, this employment was not stable: 56% were employed on a seasonal, weekly or daily basis, and it would take an average of 10 weeks for a Syrian refugee to find employment. **The average monthly wage for a Syrian worker was found to be US$287, approximately 40% less than Lebanon's minimum wage of US$448**. The average monthly wage was lower still for Syrian females at US$165.

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[2] World Bank, 2013, *Lebanon- Economic and social impact assessment of the Syrian conflict*

[3] DRC, Department for International Development, Oxfam, IRC, Save the Children, 2013- *Lebanon Emergency Market Mapping and Analysis (EMMA) Executive Briefing for Analyses of the Construction, Service Sector and Agricultural Labor Systems*

[4] Abdullah Dardari, a senior economist and the director of Economic Development and Globalisation Department (EDGD) at the United Nations Economic and Social Commission for Western Asia (ESCWA), January 2014

[5] Sejaan Kazzi: Labor Minister

[6] Anthony O'Sullivan, et al, 2011 *Opportunities and Challenges in the MENA Region*, available online http://www.oecd.org/mena/49036903.pdf

[7] Zafiris Tzannatos : Economist and human development specialist.

[8] ILO, 2014, *Assessment of the impact of Syrian refugees in Lebanon and their employment profile*

[9] ibid

2. Objective and methodology

2.1 Objectives of the survey

The objective of this assessment was to **identify opportunities to promote market-based income-generation opportunities for vulnerable target populations in Mount Lebanon**. This assessment sought to explore barriers to employment faced both by host and refugee communities in Beirut and Mount Lebanon, as well as opportunities to overcome such barriers, notably through the stimulation of specific sectors that could result in increased access to employment. As such, this report seeks to answer the following key analytical questions:

1. What are the current skill and education level of both refugees and host communities? Their employment profile? The barriers to employment? How are they looking for jobs?
2. What are the major industries, businesses and sectors in the Mount Lebanon and Beirut? Do these have growth potential? What skill sets do they require? On what basis do they select employees?

2.2 Survey methodology

The assessment was completed over **three phases, with each phase informing the next**. The first phase consisted of a desk review and key informant interviews; in the second phase, interviews were held with both Syrian and Lebanese households; finally, the third phase consisted of interviews with business owners.

2.2.1 Key informant interviews

The Appraisal, Monitoring and Evaluation Unit (AMEU) conducted **eight key business informant interviews**, which ranged from lecturers at the American University of Beirut (AUB) to established professionals in the fields of finance, sales and hospitality. Key informants were interviewed to **gain a broad understanding of the effect of the Syrian crisis on labour demand and supply dynamics in their particular field or expertise**. The Labour Ministry and the Middle Eastern Chamber of Commerce were contacted, and reports and statements from each office pertaining to the Syrian crisis and unemployment in Lebanon were included in the secondary data review. Key informant interviews included questions about the following:

- Sectors and businesses in the area that generate employment (including both refugees and host communities);
- Sectors with growth potential and barriers to growth / further employment (both urban and rural), with analysis of the barriers and needs to reach potential.

Key informant	Position
Maryam Ghandour	Head of the Student Affairs Department AUB
Ali Kobiesi	Head of the Auditing Department in Telecom
Mac Mclenehan	Owner & director of Saifi Urban Gardens
Caren Saab	Head of the sales team, Logicom
Sami Choucair	Board member at BBAC bank
Dr. Ali Chalak	Lecturer at AUB, School of Agriculture

Table 1. List of business key informants

2.2.2 Household interviews

Following key informant interviews, the AMEU conducted **household interviews with Lebanese and Syrian households** using a PDA-based application. The questionnaire was designed to determine the following:

- The current skill and education levels of respondents in Beirut and Mount Lebanon;
- The current job opportunities and working conditions, as well as barriers to employment and methods to find work;
- Services/businesses which were available in Syria and are not available in Lebanon;
- Attempts and/or barriers to self-employment/micro-entrepreneurship.

The AMEU interviewed a randomly selected representative sample (95% confidence level and 7% confidence interval) of Lebanese and Syrians **in 18 municipalities of Mount Lebanon and Beirut**. The sample of refugee households was identified from the UNHCR ProGRES database, which lists details of registered refugees in Lebanon. This was not possible with Lebanese households in the absence of a similar database; as such, the AMEU randomly selected Lebanese households in the field and conducted interviews during household visits. Target municipalities were chosen both in urban and rural areas based on high populations of refugees (Table).

	Beirut	**Kesrwane**	**Jbeil**	**Baabda**	**Metn**
Urban	Mazraa	Jounieh, Ghadir	Jbeil	Chiah	Borj Hammoud
	Beirut	Zouk Mousbeh	Amchite	Baabda	Dekouaneh
Rural		Faraya	Aaqoura	Hammana	Bikfaya
		Qleiaat Kesrouane	Qartaba	Ras El Metn	Baskinta

Table 2. Targeted municipalities

In total, 196 interviews were conducted with Syrian refugees and 190 interviews with Lebanese respondents. The majority of the interviewees were male and aged between 25 and 36 years (

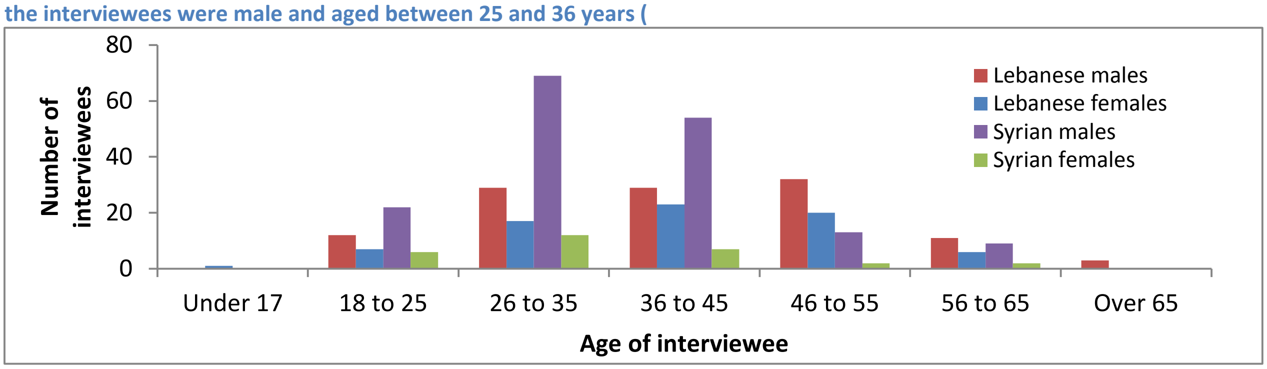

Figure 1). In fact, 73% of the total sample was male, and only 7.5% of interviewees were female Syrians whereas close to 20% were Lebanese females. There were more Lebanese than Syrian women respondents due to the methodology: refugees were contacted by phones, which are generally managed by males, while Lebanese were visited during the day.

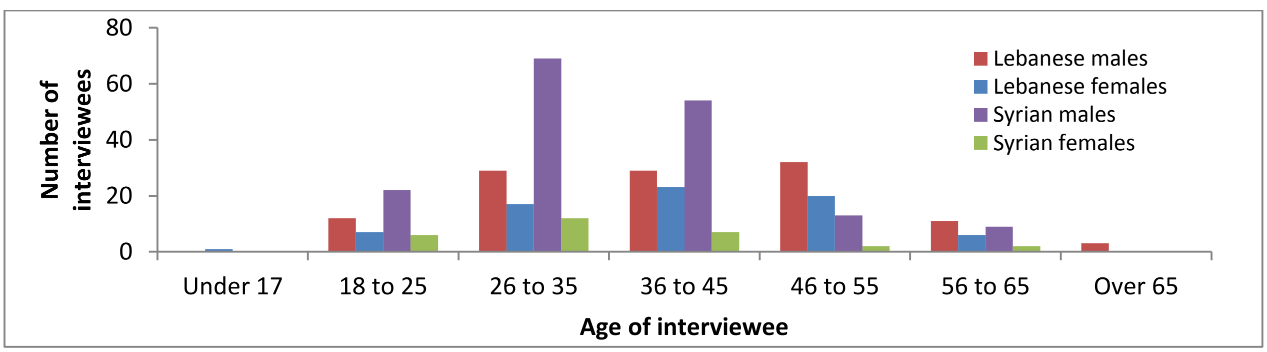

Figure 1. Profile of interviewees

As households were interviewed during working hours, it was likely that respondents were unemployed. For that reason, **the questionnaire was designed to obtain information about other people living in the household**. Each interviewee was questioned about up to eight other people in the household aged between 18 and 59 years. **With 386 respondent households, employment details of 787 individuals between the ages of 18 and 59 were obtained** (Figure 2).

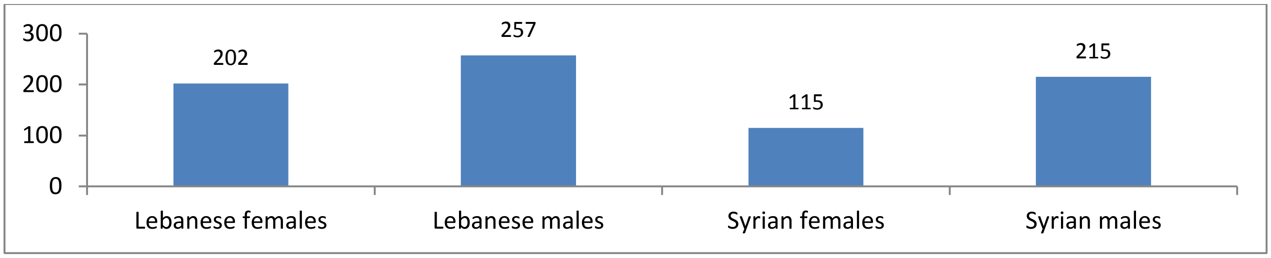

Figure 2. Gender and community distribution of analyzed employment profiles

2.2.3 Business owner interviews

Based on the results of the phone survey and interviews with key informants, **41 businesses were contacted (23 that hire Syrian refugees and 18 that do not hire Syrian refugees)**. The following general themes were discussed through semi-structured interviews:

- How is their business/sector affected by the current context, opportunities for growth, barriers to growth;
- What is their employment capacity/potential? What skills do they require? Can they find these easily?
- Has their recruitment policy changed since the crisis? Openness to different employee profiles?
- What support would be required to hire more employees?

It was decided to interview respondents from a wide range of sectors **to determine what the barriers were to employment in different sectors, as faced by refugees and local host communities; and to identify other potential sectors that could provide employment opportunities**. The number of businesses interviewed per sector is illustrated in Table 3 below. The sample of businesses contacted was not intended to produce statistically representative findings regarding whether sectors would hire Syrians or not, but rather to provide a qualitative analysis. A range of sectors were chosen to understand if there are common skills or perceptions that affect willingness or ability to hire Syrian employees, and to determine if there had been a spill over of Syrian workers into non-traditional sectors.

Sector	Number of businesses interviewed
Agriculture/Livestock	5
Banking	5
Construction	3
Consulting	1
Hospitality	3
Import/Export	1
Retail/Wholesale trade	13
Tourism	1
Transport	2

Table 3. Number of businesses interviewed per sector

2.3 Methodology Limitations

The **sample of respondent businesses is not significant enough to provide a comprehensive understanding or statistically representative analysis** of the situation of businesses in specific sectors, mostly as a result of limited resource availability and challenges in identifying business respondents willing to participate in the study. Findings are based on interviews with business owners, and as such, the results of the study are primarily qualitative and based on individual perceptions. It is recommended that, for similar studies, a larger sample of businesses be contacted to provide a more statistically relevant sample for analysis.

The sample of Lebanese households was chosen at random in the community, whereas refugee households were identified from the UNHCR ProGres database. These **different identification methods could affect findings related to the educational and economic background** of respondents.

As part of the survey, the AMEU intended to also contact a sample of unregistered Syrian refugees to assess whether access to employment was affected by the registration status of refugees, and explore potential linkages between the two factors. As unregistered refugees have not provided their contact details to UNHCR, community contacts were used to identify potential respondents. Unfortunately, when contacted, **most identified unregistered refugees were not willing to partake in the study,** so this component was not included in findings.

Although business owners were asked about their perception of both Lebanese and Syrian employees, those that do not hire Syrians did not provide answers to these questions relating to Syrian employees. It might have been interesting to at least enquire about perceptions in order to determine whether this factor plays a role in the willingness to hire refugees.

3. Analysis of findings

This assessment sought to explore barriers to employment faced both by host and refugee communities in Beirut and Mount Lebanon, as well as opportunities to overcome such barriers. Findings are presented in three sections;

1. An analysis of the current labour market situation, as perceived by employers and employees/job-seekers;
2. An analysis of the barriers to employment faced both by host and refugee communities;
3. An analysis of the potential to overcome these barriers, either through training of job seekers (labour supply), or support to small and medium enterprises (labour demand/self-employment).

3.1 Labor Force Participation

Overall, **59% of those interviewed were employed; however, this percentage differed between communities and also by gender**. 81% of Lebanese males and 71% of Syrian males in households interviewed were employed. The participation rate of females in the workforce was much lower; approximately half of Lebanese women in the households interviewed were employed (46%) and only 8% of Syrian females were working. Figure 3 illustrates the distribution of the total sample of Syrian and Lebanese males and females between those employed, unemployed and seeking employment, unemployed and not seeking employment**Erreur ! Source du renvoi introuvable.**. Among those not searching for employment, main reasons were: disability, family commitments or community perceptions. Findings related to these four groups were analyzed separately throughout this section, as each group reported different employment challenges.

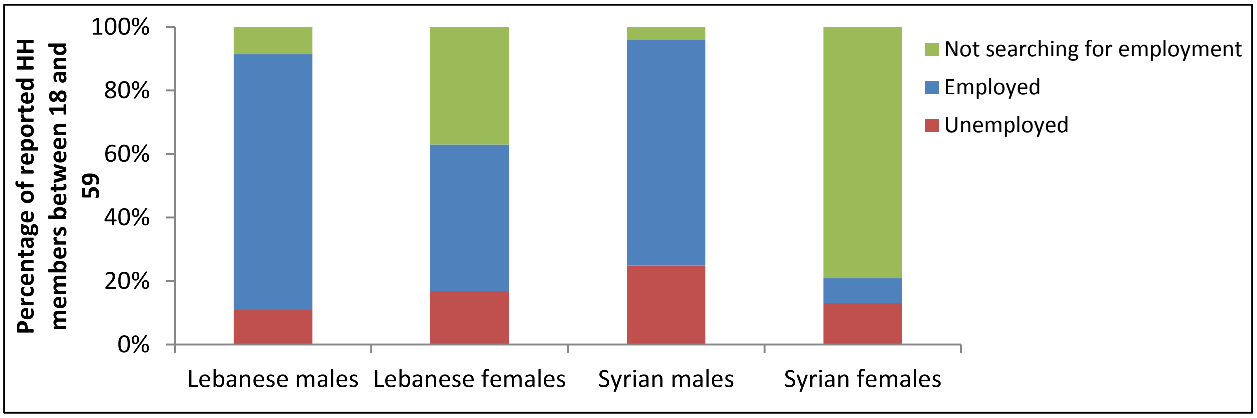

Figure 3. Employment profile in respondent households

Two thirds of households interviewed had all males in their household employed (Figure 4). Of the total sample of Lebanese (252) and Syrian (155) males working, the majority were working five days or more per week; 98% and 65% respectively. At the same time, **one in four refugees reported only finding work one to three days per week** (Figure 5). This is consistent with reports from focus group sessions in April 2014 held by ACTED in collective shelters, where Syrian refugees also reported only being able to find one to three days of employment per week. Syrians that reported working four days or less per week were working in construction, agriculture, transport and cleaning or maintenance. Only 2% of employed Lebanese males were working less than 5 days per week.

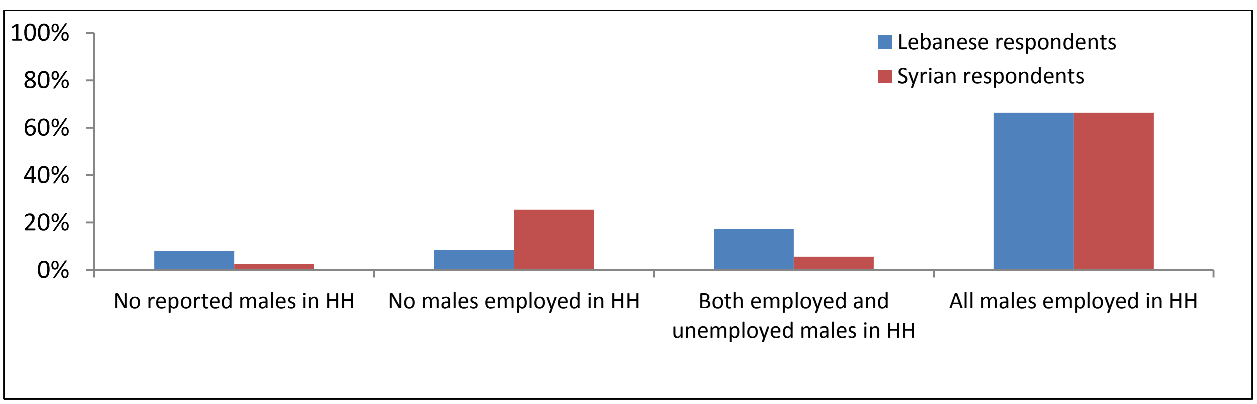

Figure 4. Number of males employed in household

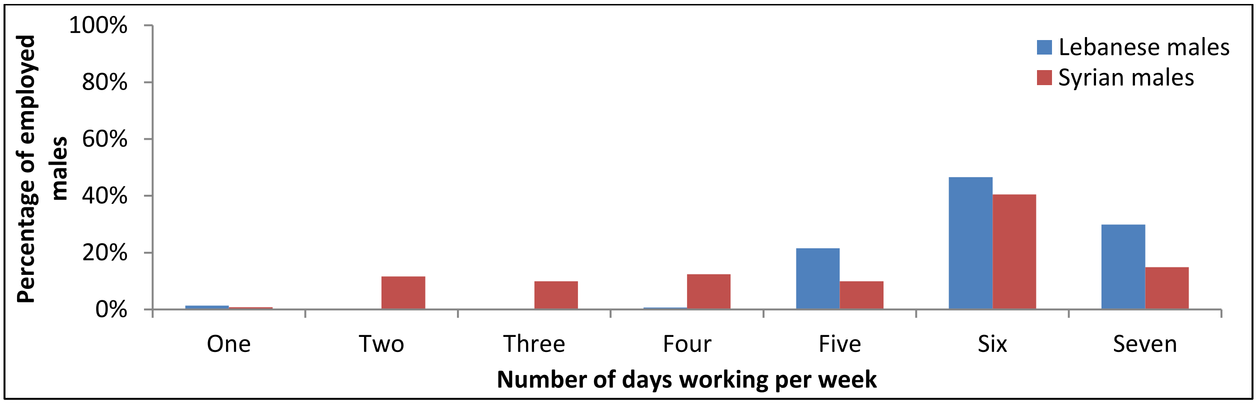

Figure 5. Working days per week of employed Lebanese and Syrian males

3.1.1 Females in the workplace

The difference in attitude of each community towards females in the workplace was evident in the percentage of females working and the perception of the type of work available to females: **43% of Lebanese households had at least one female employed, whereas only 5% of Syrian households had at least one female employed** (Figure 6). The majority of Syrian females (79%) were not searching for employment, compared to 37% of Lebanese females not seeking employment. The low labor participation amongst females was mainly due to family commitments and the perception in many Syrian households that females should not work.

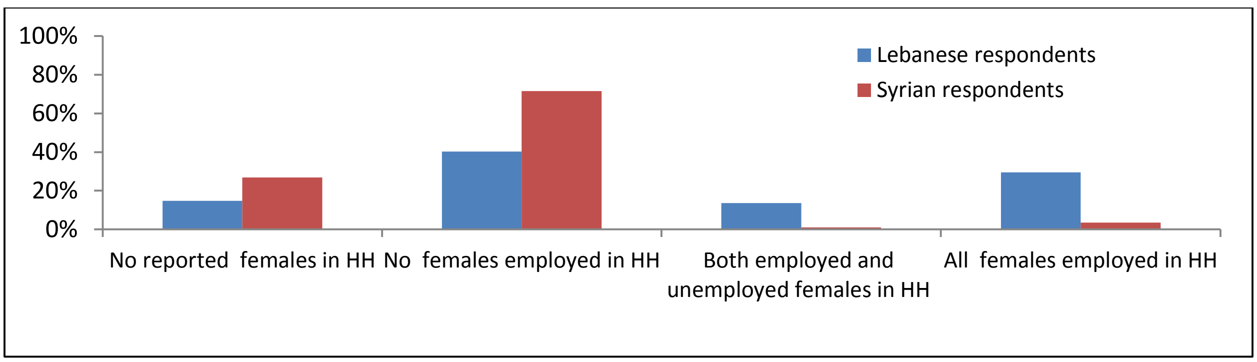

Figure 6. Number of females employed in household

40% of Lebanese respondents reported that females had equal access to all jobs in the community, compared to 2% of Syrian respondents. 37% of Syrian respondents reported that no jobs were available for females, whereas only 6% of Lebanese respondents reported this. It is not clear if this was due to a lack of employment opportunities, or the view that women should not be working. A further 4% of Syrian respondents reported specifically that women should not work and 8% did not know what work was available for Syrian women.

Only 8% of Syrian respondents reported that females could do jobs that required some skills, specifically in the retail sector. 35% of Syrian respondents said that women could do cleaning jobs, and 5% reported that they could work in agriculture. On the other hand, further to the 40% of Lebanese that reported that women could do all jobs, 39% reported that skilled or semi-skilled jobs were available for females in their community: retail (21%), administration (7%), beauty services (2%), education (3%) or hospitality (6%).

In fact, it was found that the supply of Syrian female workers was not the only issue; **the labour market also favoured Syrian males over females**. Of the businesses interviewed that would hire Syrian refugees, 60% reported that they would rather hire men. This is most likely due to the fact that the majority of jobs offered by businesses prone to hiring Syrians involve physical labour (construction, agriculture, manufacturing and processing).

3.1.2 Youth in the workforce

There were similar differences in attitudes between the Syrian and Lebanese communities regarding the jobs available to youth. **33% of Lebanese respondents reported that all jobs were available to Lebanese youth, whereas only 4% of Syrians reported the same**. Almost one third of Syrian respondents reported that construction jobs were the main employment available to Syrian youth. Both Syrians and Lebanese reported to a lesser extent that jobs in agriculture, retail and hospitality were available for youth in their community.

3.1.3 Sectors of employment

Traditionally Syrians have worked in three main sectors in Lebanon: agriculture, construction and manufacturing. However, Syrian respondent households were found to be working across 13 sectors (Figure 7). **The majority of Syrian males were working in construction, followed by agriculture**. A smaller number were working in hospitality, manufacturing and processing, skilled labor and in cleaning or maintenance jobs; **none of which require a high level of formal education**. The majority of **Syrian women who were employed were working in cleaning jobs**.

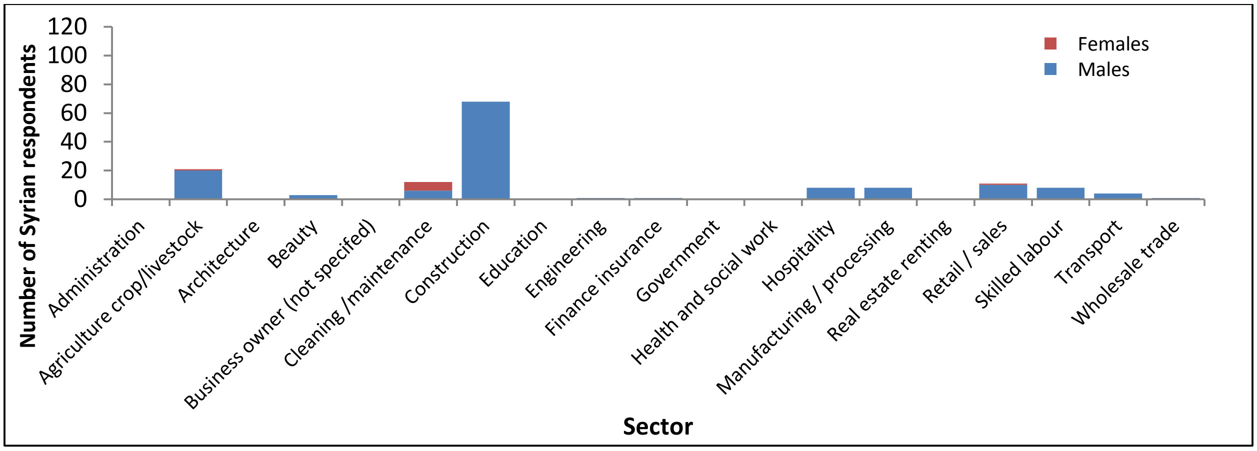

Figure 7. Sectors of employment for Syrian males and females

Lebanese respondents were working across 18 different jobs/sectors (Figure 8). **The majority of Lebanese males were working in retail and sales, which included small grocery stores**. Traditionally, Lebanese workers have not been employed in the construction industry, and this was confirmed: 6% of Lebanese males were working in the construction industry, compared to 48% of Syrian males. Lebanese females also worked across a variety of sectors, and in highly skilled roles, with **the majority working in retail and sales**.

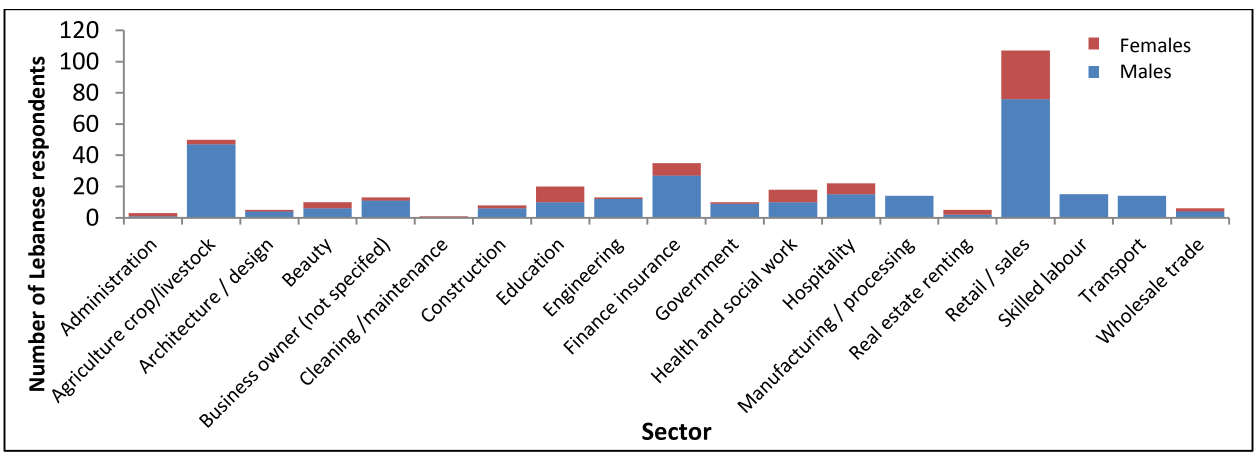

Figure 8. Sectors of employment for Lebanese males and females

Of respondent businesses, 23 would hire Syrian refugees and 18 would not hire Syrian refugees. As outlined in Figure 9 below, the sectors that reported willingness to hire Syrians are consistent with the results above; **sectors that relied on Syrian labour include: agriculture, construction and manufacturing**. Although there were reports of Syrians working in service industries, such as retail and hospitality (note that the nature of their work and positions within these industries was not investigated), business owners were not as likely to hire Syrian employees. In particular, the majority of the retail business owners would not hire Syrians, and this was also the most popular sector that Lebanese households reported being employed in.

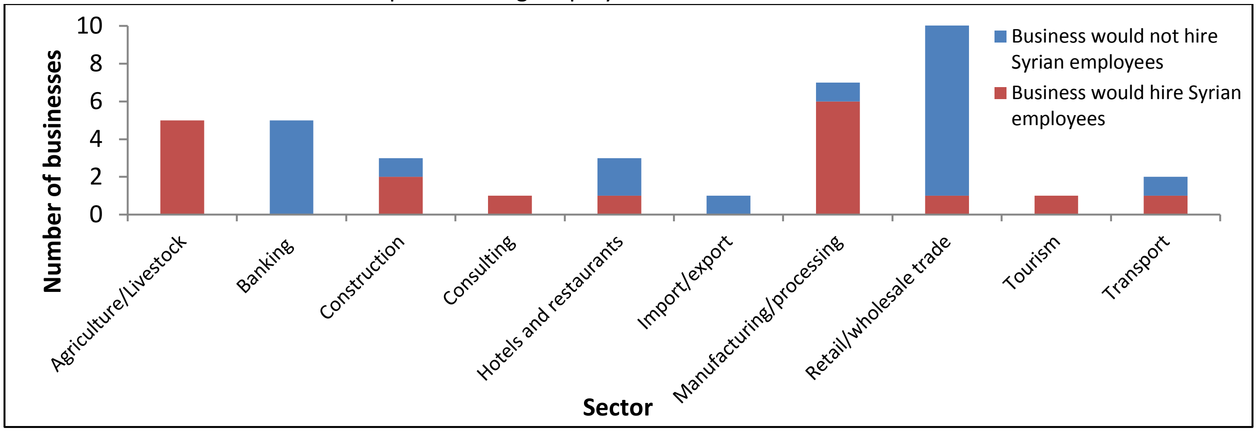

Figure 9. Sectors of businesses interviewed

3.1.4 Remuneration and the income/expenditure gap

The majority (65%) of Syrian males interviewed earned between $11 and $20 a day. The average Syrian wage was $19.81 for males and $10.80 for females – it should be noted that the sample size of Syrian females working and willing to provide details of their salary was only eight. This results in **a full time monthly average salary of approximately $380 for males and $207 for females**. This is in line with the findings of an ILO assessment which reported a significant gender gap, with females earning approximately 40 per cent less than males[10].

This average wage of Syrian workers does not cover the cost of basic needs. The Survival Minimum Expenditure Basket (SMEB) in Lebanon is $435[11]. Therefore, although a large proportion of the male Syrian community interviewed reported working, these wages are not sufficient to cover basic needs, in particular for those working less than five days per month. The majority of Syrian respondents (71%) reported that salaries received would not cover basic needs of their community. In contrast, only 19% of Lebanese respondents believed that the average salary for Syrians was too low to meet basic needs.

The average salary for Lebanese males was $45.70 and for females it was $41.60; an average monthly salary of $914 and $832 respectively. It should be noted that 71 (34%) of the Lebanese male participants did not want to provide an answer to this question. As illustrated in Figure 7 below, the majority (51%) of Lebanese males and just under half of Lebanese females (48%) earn more than $31 a day. By contrast, only 4% of Syrian males, and no Syrian females interviewed, earned this amount. The majority of Lebanese (74%) reported the average salary for a Lebanese person as not being sufficient to cover their basic needs.

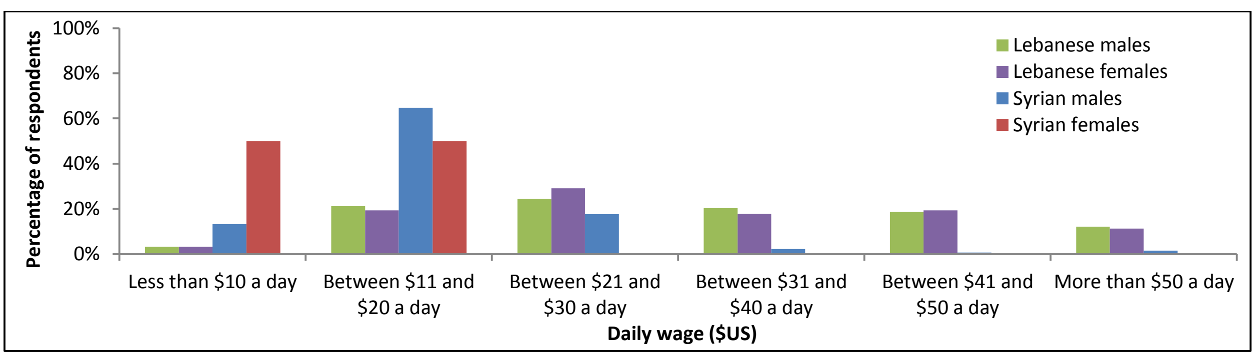

Figure 10. Lebanese and Syrians daily wage

[10] ILO, 2014, Assessment of the impact of Syrian refugees in Lebanon and their employment profile
[11] As defined by the Interagency Cash Working Group in Lebanon

The majority of business owners reported that Syrians expect lower wages than Lebanese (82%); this percentage was the same for businesses that hire Syrians and those that do not. Of those who reported that Syrians expect the same salary (18%), the majority (85%) believed that they should be paid equally. Overall, two thirds of employers believed Syrians should be paid equally. Businesses who believed Lebanese should be paid more gave reasons such as: 1) those from the country should be paid more, 2) Lebanese have to pay taxes that Syrians do not, 3) Syrians are sending money back to Syria; 4) Syrians are receiving aid from NGOs and Lebanese are not.

3.1.5 From Syria to Lebanon

Due to reciprocal working agreements, and higher wages in Lebanon, Syrians have been working in Lebanon for many years, mainly in agriculture, construction and manufacturing. **8% of Syrians interviewed had been employed in Lebanon for more than five years, since before the crisis**. Households that were in Lebanon for three years and more were the most likely to have at least one household member employed (83%) and **the majority (71%) of respondents had been employed for less than two years**. In fact, households that had been in Lebanon for one or two years had the highest rate of unemployment (36%), higher than households that had been in Lebanon less than a year (19%) (Figure 11).

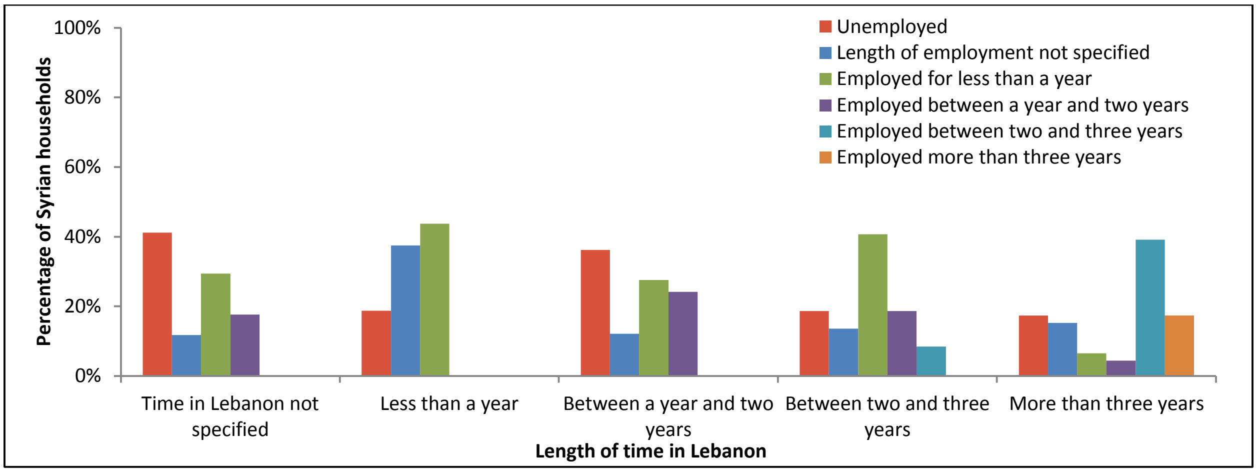

Figure 11. Length of time in Lebanon and length of employment

Almost half of employed Syrians (45%) were able to find work in the same sector that they had worked in in Syria. In fact, 70% of Syrians who had worked in construction prior to the crisis were able to find construction work in Lebanon (**Erreur ! Source du renvoi introuvable.**). As illustrated below, **Syrians with previous jobs that require higher qualifications such as engineering, finance or education were either not employed or had found jobs in other sectors**.

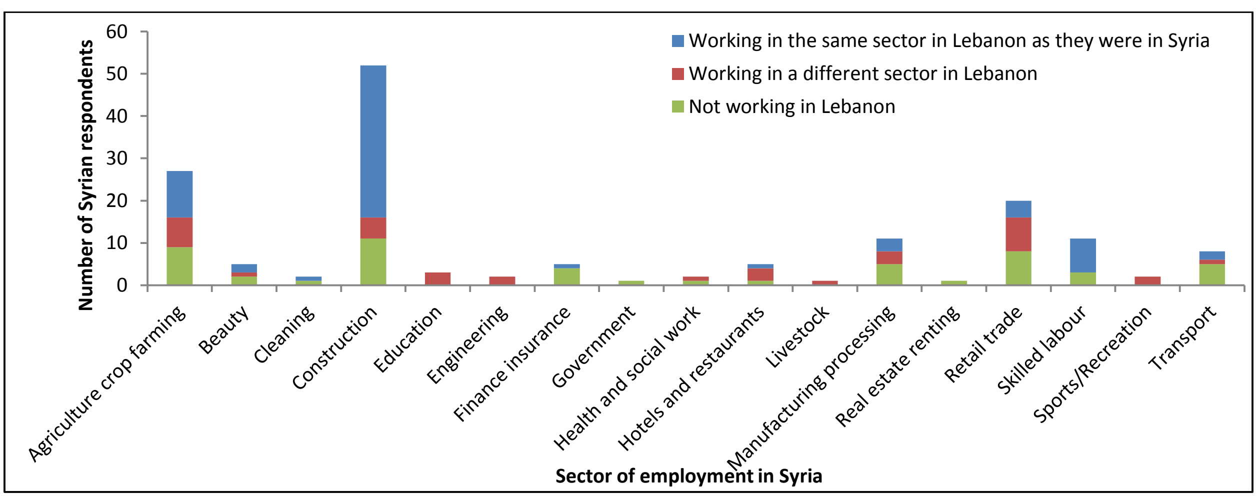

Figure 3. Employment in Syria and employment in Lebanon

3.1.6 Employer Perceptions

Businesses that do not hire Syrians have a more positive perception of Lebanese employees than businesses that do hire Syrians. This is potentially a result of the type of sector: a number of employers indicated that Lebanese workers were not willing to do work such as construction, or work considered below their capabilities. As illustrated in **Erreur ! Source du renvoi introuvable.**, **businesses that would not hire Syrians consistently rate the performance of Lebanese employees higher than those that would hire Syrian employees, across a range of professional skills**. In contrast, 40% of businesses hiring Syrians consider the commitment and discipline of Lebanese employees to be poor.

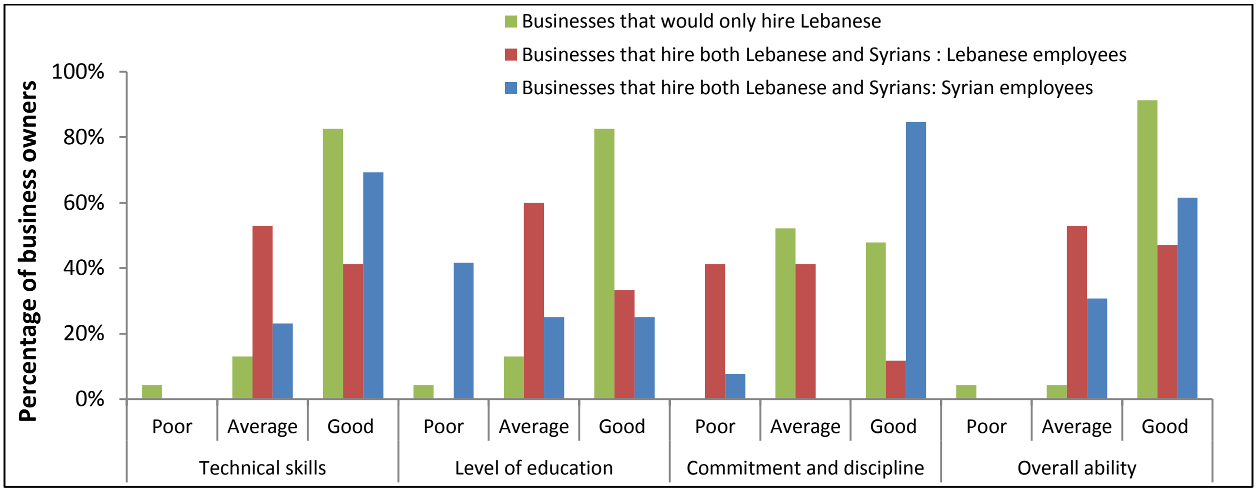

Figure 13. Employer perceptions of Lebanese and Syrian employees

Business owners that hire both Lebanese and Syrians rate the performance of Syrian employees higher than Lebanese regarding technical skills, commitment and discipline, and overall ability. In fact, 85% of these businesses reported the commitment and discipline of Syrian refugees to be good, compared to only 11% rating Lebanese to be good. Perceptions of Lebanese employees tended to be more positive with regards to education levels; business owners rated the education level of Lebanese to either be good (33%) or average (60%), whereas 41% of business owners reported that Syrians had a poor level of education.

3.1.7 Education levels

The level of education of the males and females surveyed differed greatly between Syrians and Lebanese, as illustrated in Figure 10. Lebanese households tended to have a higher level of education, although this could be a result of the background of respondent households sampled (Syrian respondents were identified through the UNHCR ProGRES database of registered refugees). **The majority of Syrians (80%) had either not received any education (29%) or not continued formal education past primary schooling (52%)**. Only 12% had completed secondary school, and less had completed university: 8% of males and 2% of females. Conversely, over **one third of Lebanese males and females had completed University**, and a further third of each had completed secondary school. Only 10% of Lebanese females and 4% of Lebanese males had not received any formal education.

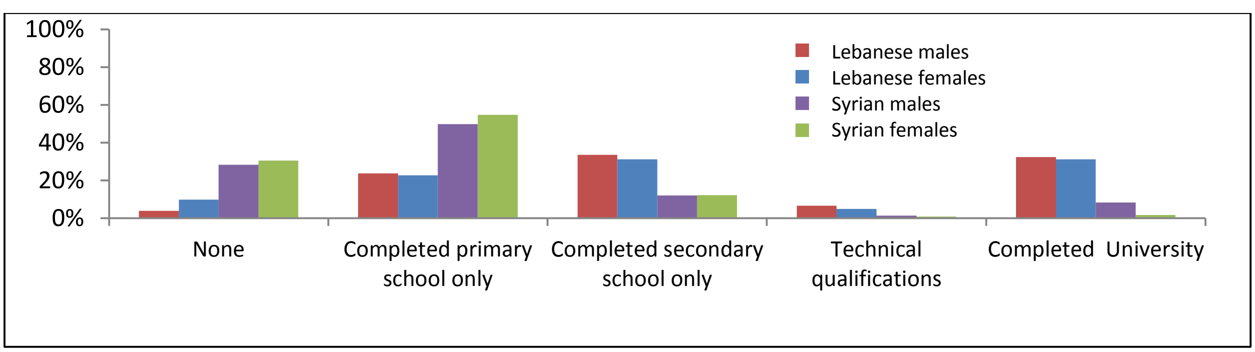

Figure 14. Education level per community and gender

There was little difference between the education level of Syrians who were employed and unemployed (Figure 15). This suggests that education level does not affect access to employment for the Syrian community, most likely as these are mostly working in low-skilled jobs and sectors. The majority (79%) of Syrian males who were employed had either not completed any education (27%) or had only completed primary school (52%), and all working Syrian women had either completed only primary school (56%) or not completed any education (44%).

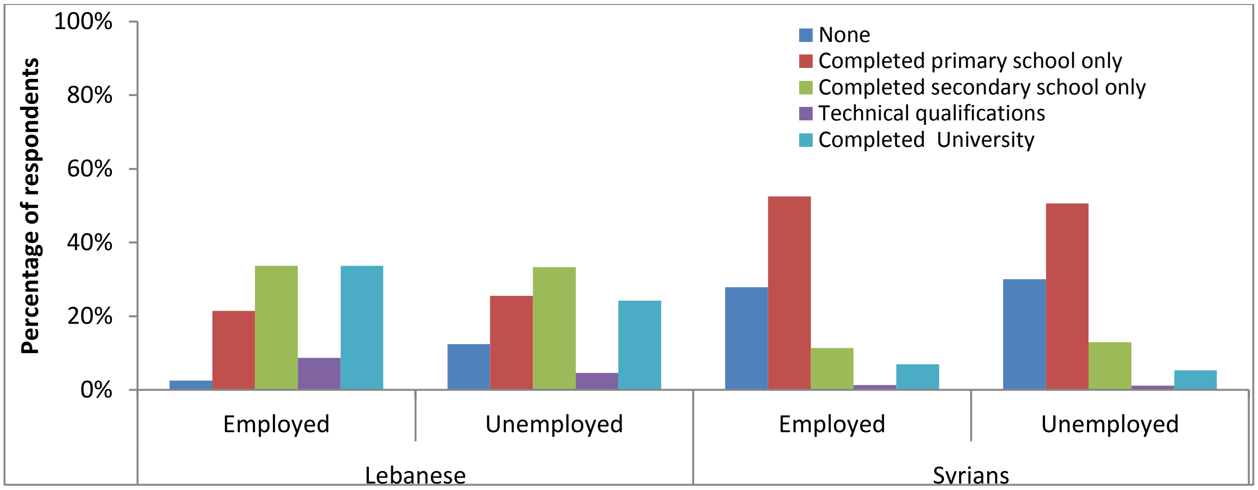

Figure 15. Level of education completed and employment status of Lebanese and Syrians**Lebanese workers had completed a higher level of education than those that were not employed**: only 2% of males and 3% of females working had not received formal education, and 34% of those employed had attended University compared to 24% of Lebanese that were unemployed. **As the education level of the majority of Syrians working was low, it suggests that Syrians are generally engaged in lower skilled work than Lebanese.** The Lebanese females who were working were the highest educated: 81% had completed secondary school (28%), technical qualifications (9%) or University (44%). Almost half (47%) of the Lebanese males who were unemployed had either completed technical qualifications (13%) or university (34%); a number of these reported that unmatched salary expectations were the reason they were unemployed.

There was a **strong correlation between whether businesses would consider hiring Syrian employees and their education expectations**, suggesting an assumption that Syrians had lower numeracy and literacy skills. The majority of businesses that would not hire Syrians (Figure 9): banking, importing and exporting, hospitality and retail, considered basic numeracy and literacy skills to be very important (76%), whereas the majority of businesses that would hire Syrians considered these skills to be somewhat important or not important at all (73%) (**Erreur ! Source du renvoi introuvable.**).

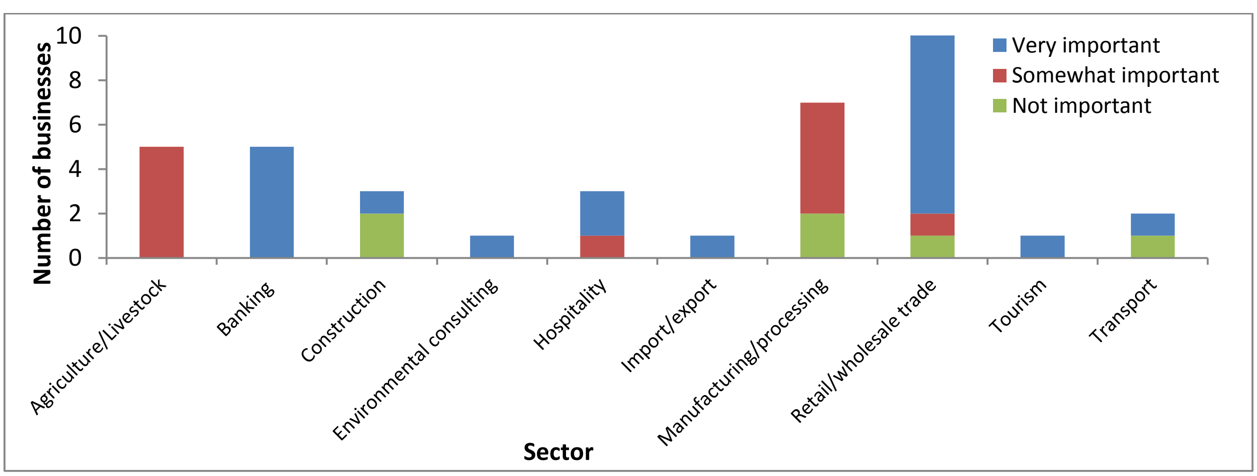

Figure 4. Importance of basic numeracy and literary skills per sector

3.2 Barriers to employment

3.2.1. Unemployment length and reasons

Overall, **25% of Syrian males were unemployed: almost half of these were fired due to a disagreement with their previous employer**. A further 20% had had daily labor positions, while 14% left work due to mistreatment by their employer or colleagues. Of the **Syrian males unemployed, 74% had worked in the past year** and 19% had never found employment in Lebanon (Figure 17). Of Syrian females, only 11% had worked in the past year and **the majority (89%) had either not worked in two years (26%) or had never worked in Lebanon (63%)**.

11% of Lebanese males reported being unemployed. 22% of unemployed Lebanese males had not worked for two or more years. **74% had worked in the past year, and the most common reason for having left employment was low salaries (52%)**. A further 11% reported that they had been replaced by other workers; these reports came from people working in construction, retail and sales. **88% of unemployed Lebanese women had either not worked in the past two years or never worked**.

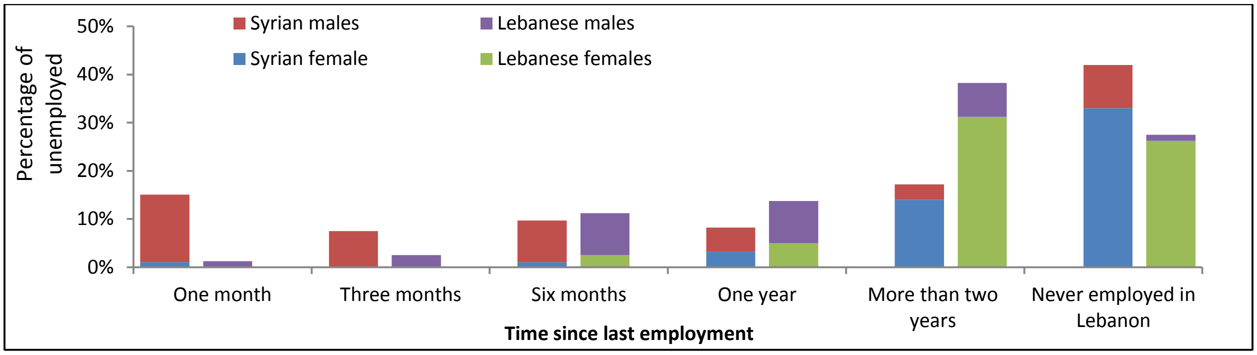

Figure 5. Length of unemployment of Lebanese and Syrians

The patterns of unemployment differed between the two communities. **Unemployment of Lebanese males was longer term**: 66% of unemployed Syrians had worked in the past six months compared to 43% of Lebanese; however this could be linked to the short-term nature of employment available to Syrians in construction, agriculture and manufacturing.

Interviewees were asked for the reasons why they could not find new employment. Syrian males provided a variety of responses, including: lack of employment in the area (42%), disability or injury (25%), or a reluctance of employers to hire Syrians (19%). Lebanese males also reported primarily a lack of employment opportunities (47%), or of 'wasta' (22%), a term used to describe the process of using networks or connections in Lebanon. **Only 20% of Lebanese females pointed towards lack of labour demand as one of the reasons for which they were not employed**, also reporting lack of skills (22%), or necessary education levels (17%) as other reasons.

3.2.2. Community perceptions on unemployment

Both Syrian and Lebanese respondents were asked about the challenges faced by their and the other community while seeking employment or in the workplace. The findings suggest that, generally, **Lebanese communities are unaware of the challenges faced by Syrians in Lebanon** in terms of income-levels, cost of living, and available employment (Figures 18 and 19).

The **majority of Syrians reported that too few job opportunities (86%) and too little salary (76%) were the main challenges** faced by their community, while only one in five Lebanese believed that there were few job opportunities for the Syrian community, or that salary received by Syrians was not sufficient to meet basic needs. Furthermore, 42% of Lebanese reported Syrians would not face challenges while seeking employment.

A higher proportion of Syrian respondents identified challenges faced by the Lebanese community in searching for employment: **the majority of Lebanese respondents reported few job opportunities for their community (69%)**, and 45% of Syrian respondents believed this to be an issue. Furthermore, 71% of Lebanese and 41% of Syrians reported that salary received by Lebanese was not enough to cover their basic needs.

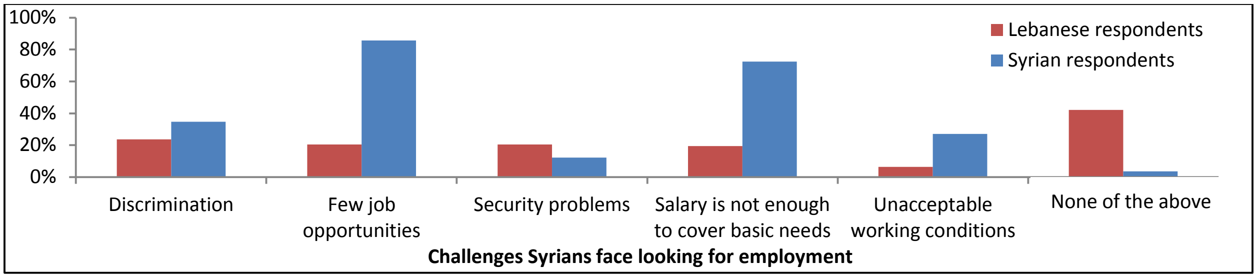

Figure 6. Perceived challenges Syrians face looking for employment and in the workplace

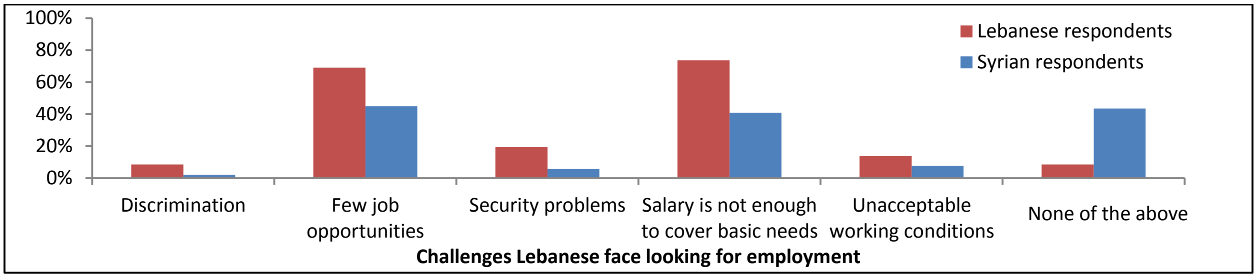

Figure 7. Perceived challenges Lebanese face looking for employment and in the workplace

3.2.3. Searching for employment

Lebanese and Syrians are typically using different methods to search for employment (**Erreur ! Source du renvoi introuvable.**). **Lebanese are searching through more formal pathways**: 42% are searching online (higher for males: 66%), 32% are checking newspapers and a smaller percentage are using employment agencies (8%). **Syrians rely on more informal methods to search for employment**: 65% respectively rely on word of mouth, and 27% either actively ask people in the community or wait on the street for work opportunities.

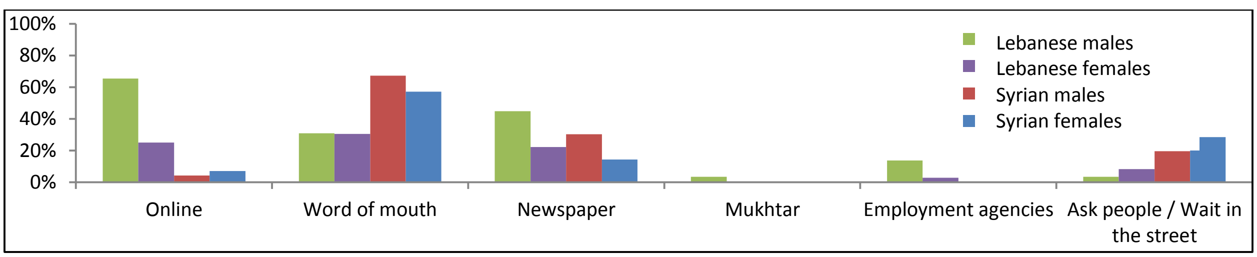

Figure 20. Method of searching for employment

The method by which businesses hire employees was also analysed, to inform programs aimed at improving access to employment. Business owners in the banking, hospitality, and wholesale sectors reported using advertisements to recruit; methods which are formal and transparent. **The majority of businesses that hire Syrians rely on referrals from friends or family and word of mouth as a method of hiring new staff** (**Erreur ! Source du renvoi introuvable.**). While this informal process may make these opportunities more accessible for many Syrians with established family and social networks, it may be more difficult for Syrian households without connections to find employment in Lebanon.

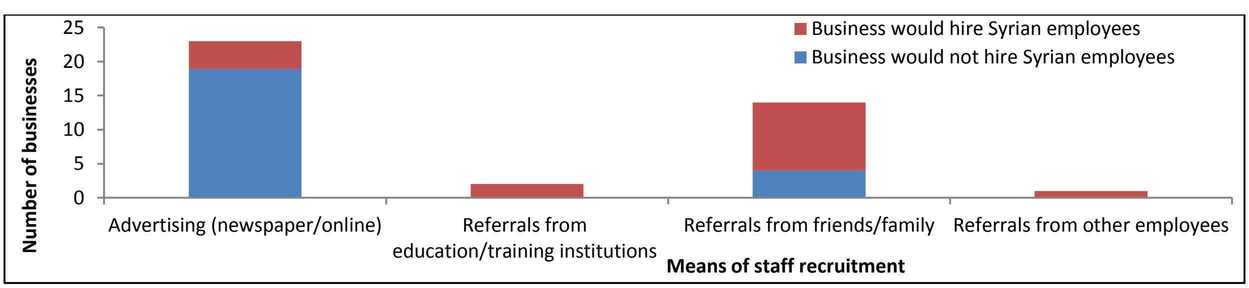

Figure 21. Comparison of means of staff recruitment between businesses that hire Syrians and those that do not

3.3 Potential to overcome barriers to employment

This section analyses options to overcome barriers to employment by assessing: 1) potential for training to improve employment opportunities, 2) an analysis of the growth of sectors in Mount Lebanon and Beirut and 3) if there is there potential to support the growth of new businesses.

3.3.1 Skills most in demand and trainings

Both businesses that would hire Syrians and those that would not consider communication and technical skills to be two of the most important skills in a potential employee (Figure 22). Communication can be both non-verbal and verbal: including the ability to listen and to communicate ideas effectively, and ensure that employers and employees can work together, build trust and solve problems. Business owners also stressed the importance of honesty and trustworthy employees, a perception which results from good communication. Employers stressed, furthermore, the importance of technical, job-specific skills, such as sewing or those required of an electrician.

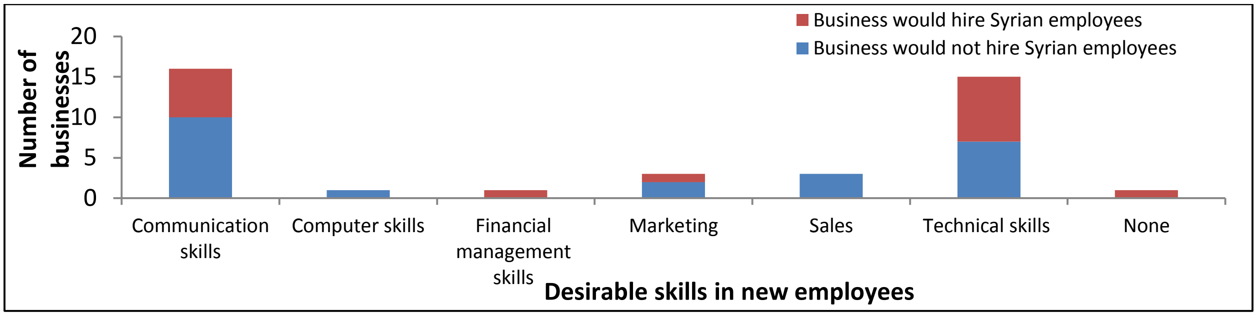

Figure 22. Desirable skills in new employees

As illustrated in **Erreur ! Source du renvoi introuvable.**, **18% of the Lebanese and Syrian interviewees reported that improved communication skills would help them to find a job, or a better job for those currently employed**. Language and computer skills are also components of better communication; **36% thought that English language skills and 31% thought that better computer skills would help them to find better employment. 27% reported that better technical skills would help them find employment**. Unfortunately, beyond the indications mentioned above, the limited participation of business owners in the survey did not enable a statistically relevant validation of job seekers' perceptions from a labour demand perspective.

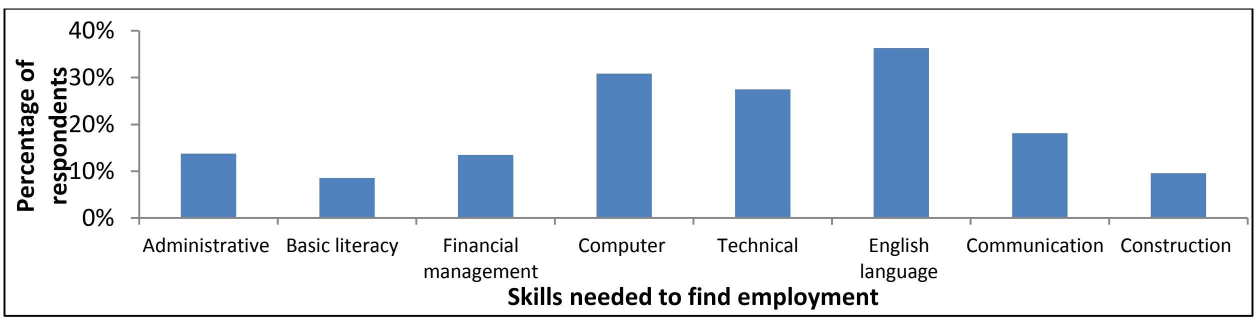

Figure 23. Skills needed to find better employment

Over 50% of respondents were interested in training and Lebanese females and Syrian males were the groups of respondents most interested in training. Of respondents, two thirds of Lebanese females and Syrian males were interested in receiving training. This number was slightly lower for Syrian females and Lebanese males: 59% and 56% respectively. It should be noted that the sample size of Syrian females interviewed was significantly smaller than other groups (29). As illustrated in **Erreur ! Source du renvoi introuvable.**, the majority of interviewees aged 18 to 45 were interested in training, and **the interest in training decreased with age**, although almost half of all those interviewed between the ages of 46 and 55 were still interested receiving training to improve their opportunities of finding employment.

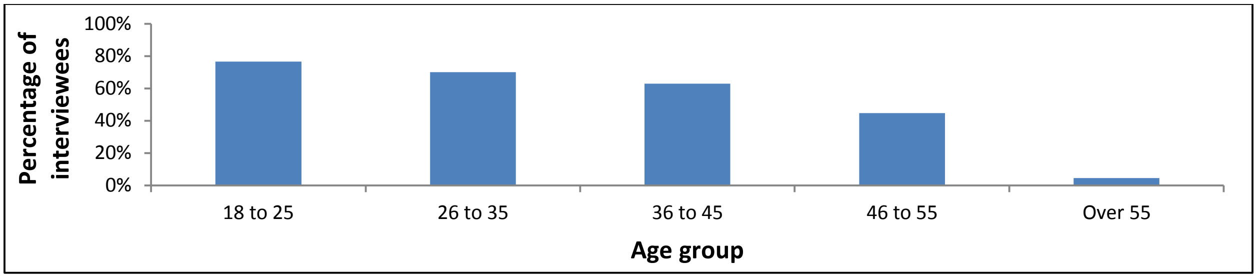

Figure 24. Interest in training per age group

<u>3.3.2 Sector growth</u>

As outlined in the introduction to this report, the Syrian crisis has affected business owners, as well as workers. In order to gain a greater understanding of the impact of the crisis on labour demand, business owners were asked how the crisis had impacted their business. It should be noted that, due to the small number of business respondents, findings are not statistically representative, although they do provide qualitative information.

Almost one third of businesses that would hire Syrian employees reported that their business performance had improved compared to the previous year, while no improvements were reported by businesses who would not hire Syrians. As illustrated in Figure 25, business owners reported improvements primarily in four sectors' situation: construction, hospitality, manufacturing and tourism. Furthermore, almost half of the businesses that would not hire Syrian employees reported that the crisis had had a negative effect on their business, compared to 13% of businesses that would hire Syrians. Those that reported a **positive growth attributed it primarily to an increased labour supply and increased number of customers from among the Syrian community**. One key informant highlighted that although the majority of Syrian refugees are poor and cannot afford luxuries, or even basic items, there is still a large number of Syrians who have resources and can benefit the local economy.

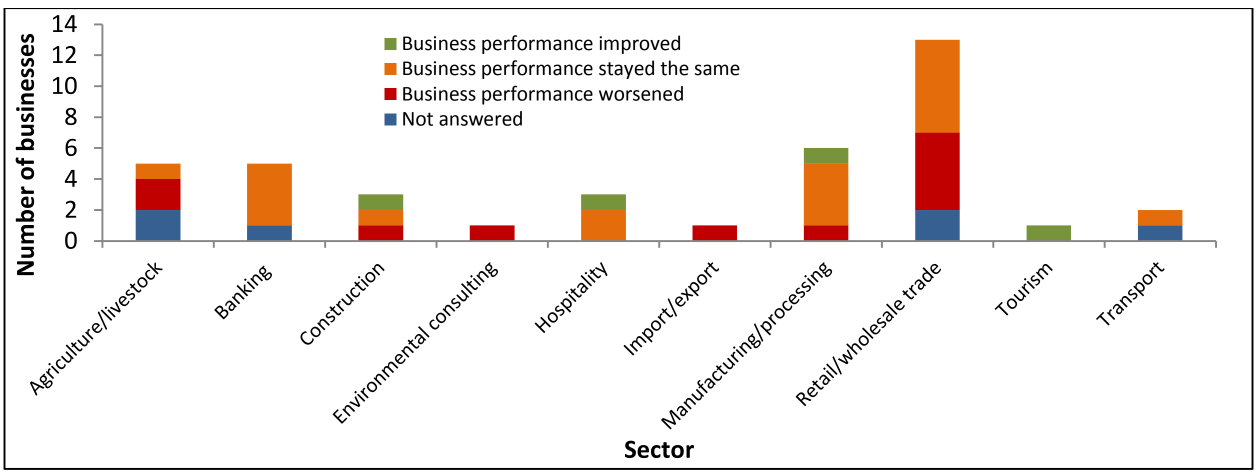

Figure 8. Business performance compared to last year

Furthermore, another indication of growth is whether the business had hired, or planned on hiring more employees. **82% of businesses that would hire Syrian staff had hired within the last six months, compared to 65% of business that would not hire Syrian staff**. Almost half (47%) of businesses hiring Syrians planned on hiring in the next six months, compared to only 40% of businesses that would only consider Lebanese employees. This is also potentially due to a high turnover of staff in industries that hire Syrians, such as construction and agriculture.

Business owners were asked what the two biggest challenges facing their business were in order of priority (**Erreur ! Source du renvoi introuvable.**). **Lack of effective or enforced regulations was the most commonly reported challenge facing businesses**; this resulted, according to key informants, in competition from informal businesses that do not follow regulations. Other key factors mentioned by business owners included **lack of access to reliable electricity supply**, which results in high operational costs, and loss of productivity during shortages. Indeed, disruptions to public services and infrastructures have been highlighted by employment experts in Lebanon as important barriers to growth.

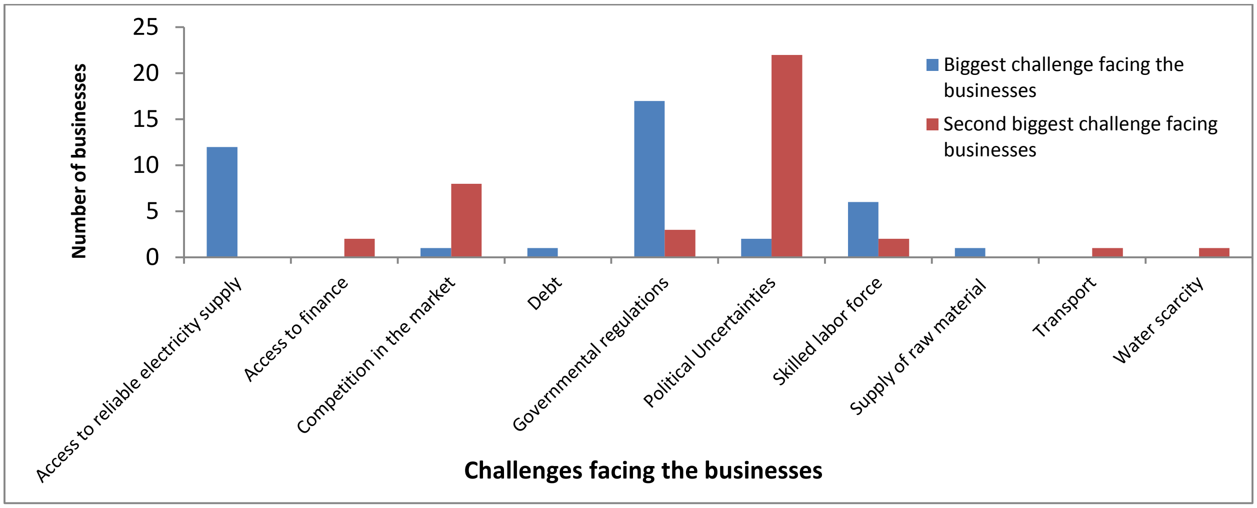

Figure 9. Challenges facing businesses

Political and security uncertainties were another major challenge reported by business owners and key informants, particularly those working in the hospitality and real estate industries. A key informant, for instance, illustrated some of the challenges faced by the agricultural sector as a result of the Syrian crisis, which has resulted in increased production costs for many Lebanese farmers who had long grown accustomed to importing low-cost agricultural products from Syria. The agricultural sector, if supported, could be a key driver of employment for vulnerable households from both communities according to some key informants.

3.3.3 Potential for new businesses

In order to identify potential opportunities for the establishment of new businesses, both Syrians and Lebanese were asked if they had considered opening new businesses, and what obstacles they had faced in doing so. Furthermore, Syrians were asked about products or services that were potentially available to them in Syria but not in Lebanon, as this could provide indications for support towards a niche market with growth potential.

60% of Lebanese and 25% of Syrians had considered opening a business; however, as illustrated in **Erreur ! Source du renvoi introuvable.**, **lack of financial resources and capital was the most commonly reported obstacle**. Approximately one in three Lebanese respondents also reported that a lack of business management skills had deterred them from starting a business. Inter community tension was not a big obstacle for Lebanese respondents, only 3% reported that this would stop them from opening a business; however, 12% of Syrians reported that this would be a concern.

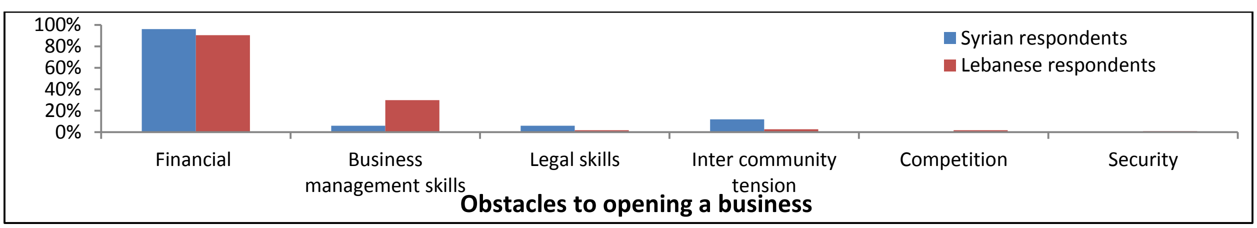

Figure 10. Reported obstacles to Syrians and Lebanese opening a business

Most Syrian respondents (80%) reported the same products were available in Lebanon as in Syria. Only 14% reported that there were some products not as readily available in Lebanon, including: clothes (13%), chicken (6%), medicine (5%) or milk (4%). These products are available in Lebanon, although they may not be as accessible as they were in Syria. Conversely, only one in four Syrians reported that the same services were available in Lebanon as in Syria, and the majority identified a number of services that were not available to them, including: healthcare (47%), education (31%), water (11%), electricity (8%) and transport (2%). The majority of these basic services were available for Syrians free of charge in Syria, and are available in Lebanon; however, Syrians are likely to be facing challenges in accessing these services, notably due to high cost and privatisation, and saturation due to population increase. In any case, **no opportunity for new niche markets was identified through this assessment**.

Conclusion

This study allowed for the identification of a number of trends to inform market-based livelihood programming in Lebanon. Due to the limited number of business respondents, findings in relation to sector-specific trends and opportunities are not statistically representative, and so should be taken as qualitative indications.

Overall, 59% of those interviewed were employed; however, this percentage differed between communities and also by gender. **81% of Lebanese males and 71% of Syrian males in households interviewed were employed**. The participation rate of females in the workforce was much lower; **approximately half of Lebanese women in the households interviewed were employed** (46%) and **only 8% of Syrian females were working**.

There were **significant differences between genders and communities with respect to the income generated from employment**. The average full time monthly average salary of approximately $380 for males and $207 for females, and one in four Syrians reported only finding work one to three days per week. It is significant that **the average wage of Syrian workers does not cover the cost of basic needs**; the Survival Minimum Expenditure Basket in Lebanon is $435[12]. The average monthly salary for Lebanese was almost four times that of Syrians: $914 and $832 for males and females respectively. Only 2% of employed Lebanese were working less than five days per week.

Syrians in respondent households were found to be working **across 13 sectors**; the majority of Syrian males were working in **construction, followed by agriculture**. Lebanese were working across **18 different sectors**, including retail or trade (**the highest employer for this group**), finance, insurance and agriculture. These findings were consistent with the results from business interviews: the sectors that relied on Syrian labour include: **agriculture, construction and manufacturing**. Although there were reports of Syrians working in service industries, such as retail and hospitality, business owners were not as likely to hire Syrian employees. **Almost half of employed Syrians (45%) were able to find work in the same sector** that they had worked in Syria, although this was generally **not possible for those with previous jobs requiring higher qualifications** such as engineering, finance or education. These were mostly either not employed or had found jobs in other sectors.

Business owners that **hire both Lebanese and Syrians rate the performance of Syrian employees higher than Lebanese in relation to technical skills, commitment, discipline and overall ability**. This could be a result either of the skills required for these specific sectors or of the reluctance of skilled Lebanese to engage in low-cost labour. On the other hand, businesses that do not hire Syrians had a more positive perception of Lebanese employees than businesses that do hire Syrians.

Close to **one third of Syrian males and females had not received any formal education**: 28% and 30% respectively; whereas **education levels were much higher within respondent Lebanese households** with only 10% of females and 4% of males in the same situation. As such, it is not surprising to note a **strong correlation between whether businesses would consider hiring Syrian employees and their education expectations**. There was little difference between the education level of Syrians who were employed and unemployed, suggesting that **education levels do not affect access to employment for the Syrian community**, most likely as a result of the primary availability low-skilled employment opportunities**.** In contrast, Lebanese workers had completed a higher level of education than those that were not employed.

A higher proportion of Syrian than Lebanese males were unemployed: 25% compared to 11%**.** However, most likely as a result of the high turnover in sectors typically employing Syrian workers, the **length of unemployment was longer amongst Lebanese males, with** only 43% of those unemployed having worked in the past six months, as compared to 66% of Syrian males. The reasons for unemployment differed between the two male communities: **the most common reason for Lebanese having left employment was low salaries (52%)**, whereas **almost half of Syrians were fired due to a disagreement with their previous employer**. However, **both male communities faced similar issues when seeking new employment**, primarily a lack of opportunities in their area. Syrians also reported facing discrimination and limited access to available opportunities. Similarly**, female unemployment was significantly higher among Syrian households** (92%) than among Lebanese (54%), **although reasons for being unemployed were similar**, mostly because of a lack of education and skills, and of responsibilities within the home or social factors.

[12] As defined by the Interagency Cash Working Group in Lebanon

Most business owners interviewed **considered communication and technical (job-specific) skills** to be the most important skills in an employee. Both Syrian and Lebanese respondents reported that better **communication skills** (18%), **including English language skills (36%) or computer skills (36%)** would help them find better or new employment. **27% reported that better technical skills** would help them find better employment; this percentage was higher amongst Syrians: 36% compared to 18% of Lebanese. As these skills are job specific, supporting employers to provide on the job training courses, or linking such trainings to job placements with interested employers would be beneficial to these job seekers. **Over 50% of respondents were interested in training**, although this interest decreased with age.

60% of Lebanese and 25% of Syrians sampled had **considered opening a business**. 98% reported lack of financial means and approximately one in three Lebanese respondents also reported that a lack of business management skills had deterred them from starting a business. **Small scale financing of new businesses coupled with business management courses** are an option to overcome these barriers.

Business owners **in four sectors reported business improvement since the beginning of the crisis**: construction, hospitality, manufacturing and tourism. Furthermore, b**usinesses that hire Syrians reported more positive results than those that do not**: 82% of businesses that would hire Syrian staff had hired within the last six months, compared to 65% of business that would not hire Syrian staff – although this could be linked to the high turnover of staff in such professions. Furthermore, almost half of the businesses that would not hire Syrian employees reported that the crisis had had a negative effect on their business, compared to 13% of businesses that would hire Syrians. Those that reported a **positive growth attributed it primarily to an increased labour supply and increased number of customers** from among the Syrian community.

The **agricultural sector is a major employer of vulnerable Lebanese and Syrians,** in fact it was the second largest employer of both the Lebanese and Syrians interviewed (after the retail and construction sectors respectively). Furthermore, business owners in the agricultural sector **do not consider education to be an important factor when hiring**. Therefore, supporting the growth of this sector presents a significant opportunity **to boost employment among vulnerable populations**.

Business owners identified the **lack of effective or enforced regulations**, the **lack of access to a reliable electricity supply** and **political uncertainties** as the main challenges to the growth of their businesses. **Community Support Projects designed to improve the access of businesses to basic services such as electricity,** could therefore have a beneficial impact on growth and employment in target areas**.** Furthermore, support could be provided **towards the design and implementation of policies and programmes targeting new small business owners**, particularly to address issues related to access to capital, raised as the main challenge for the start of new businesses.

Whilst exploring the potential for new businesses, this assessment sought to identify products or services that were in demand from among the Syrian community, but were not available in target areas at present, as this could present a potential market for new businesses. However, no such opportunity was identified, as it seems that **most goods and services required by the increased customer base which refugees constitute are already available in Lebanon, albeit not always accessible to vulnerable populations due to high costs**.