International Labour Organization

unicef
for every child

Community-based market assessment for skills development and economic empowerment

Adaption and implementation of the ILO Training for Rural Economic Empowerment (TREE) methodology in Lebanon

Chtoura, Halba, Marjeyoun-Hasbaya, Minieh-Donnieh, North Beqaa, Saida, Wadi-Khaled

Summary report

February 2022

Title: Community-based market assessment for skills development and economic empowerment: Adaption and implementation of the ILO Training for Rural Economic Empowerment (TREE) methodology in Lebanon, Beirut 2022.

ISBN: 9789220365328 (Web PDF)

Information on ILO publications and digital products can be found at: www.ilo.org/publns.
For ILO publications in Arabic, please contact:
ILO Regional Office for Arab States
P.O.Box 11-4088 Riad El Solh 1107-2150
Beirut - Lebanon
Website: www.ilo.org/arabstates

Printed in Lebanon.

Contents

Acknowledgment

The ILO and UNICEF acknowledge the professional input and contribution of all the partners, experts, and staff who were involved in the preparation and the implementation of this survey and drafting of the final report. This effort required lengthy preparation and execution phases.

Particular thanks are due to the consultant Kanj Hemadeh and ILO and UNICEF core teams for all of their technical and administrative support to the survey. Also gratefully acknowledged are the contributions of social partners and their team: ANERA, Rene Moawad Foundation, Akkar Network for Development, Leb Relief, LOST, DoTrust, AVSI, who supported all activities related to the survey preparation, design, implementation, data collection, data preparation, and analysis of the survey outcomes; and coordinated the participation of local community members.

The ILO and UNICEF would like to reiterate their gratitude for the important financial funding from Donors, and the cooperation of all local community members and respondents in answering the survey questionnaires.

List of figures

List of tables

“Introduction”

Background

Training for Rural Economic Empowerment (TREE) is a programme designed to support the transition of men and women in rural or semi-urban areas into decent work using a community-based approach to income generation and skills development. By linking employment and income-generating opportunities with training and post-training support, with engagement from relevant institutional partners, TREE serves as a vehicle for the promotion of sustainable rural livelihoods. Furthermore, its focus on disadvantaged groups, such as women, young people and persons with disabilities, ensures that growth is inclusive.

Within a framework of strategic cooperation on technical and vocational education and training (TVET) and employability programmes in Lebanon, the ILO and UNICEF, in collaboration with eight local partners, have adapted the TREE research approach and implemented it in seven regions of Lebanon: Chtoura and surroundings; Halba and surroundings; Wadi-Khaled; Minieh and Donnieh; North Beqaa (Hermel, Qaa, Labweh); Saida; and Marjeyoun and Hasbaya. These seven geographic areas were selected on the basis of their known vulnerability status. It was also important that a cooperation framework was already in place between UNICEF, ILO and local partners to link findings with implementation. Fieldwork was conducted in 2020 and early 2021, and analysis was completed by 2021.

Methodology

The TREE methodology assesses market needs and opportunities, and data were collected at three levels:

- the community level, using a community profiling tool;
- at the household level, using the Consumer Demand Survey (CDS);
- at the business level, using the Market Opportunity Survey (MOS).

The community profile (CP) tool was administered to key local informants, including municipality council members, social activists, TVET programme designers and trainers, chambers of commerce and private businesses. On average, between 9 and 12 interviews were carried out in each region for a rapid mapping of the local community and its economy. The CP informed the selection of sectors for inclusion into the CDS and MOS. Four sectors with potential for youth employment and entrepreneurship were prioritized: accommodation and food services, food manufacturing, home construction and repairs, and repair of motor vehicles and motorcycles. Cross-cutting retail services were also considered. In order to deal with COVID-19 restrictions, the CDS and MOS were conducted by telephone, and sampling involved a snowball approach.

A total of 2,998 CDS questionnaires were administered, with an average of 428 surveys per geographic area. The sample comprised 52 per cent males and 48 per cent females. Around 20 per cent of the respondents were youth, and 37 per cent had achieved university-level education, including higher technical education.
A total of 1,792 establishments were interviewed for the MOS across the seven regions. Respondents included owners or managers of firms, 88 per cent of whom were male. Female respondents tended to be more highly educated than men; 59 per cent of them had achieved university education compared with 24 per cent of men. Around 87 per cent of establishments operated under single ownership, 9 per cent were partnerships, 3 per cent were SARL (limited liability) companies, and around 1 per cent were SAL (joint stock) companies.

“Key findings”

Community profile

The CP tool was used to create a socio-economic profile specific to each region, including potential economic opportunities and challenges, community structure, gender dynamics and mechanisms to include marginalized social groups in economic activities. Findings can be briefly summarized for each region:

(1) Chtoura. The main economic activities are agriculture and dairy production. Potential sectors for local development and employment opportunities include food production, accommodation and food services, tourism, and repairs and maintenance (home, electronic appliances, vehicles and motorcycles).The area is under-serviced with respect to education, health services, and infrastructure.

(2) Halba. Agriculture is the main economic sector. The region witnessed a boom in greenhouse production but growers now face significant challenges in accessing finance for investment and input supplies as a result of the multifaceted crisis. Many residents work in the public sector, notably the army and security forces. Women who work in the public sector are predominately found in education. Infrastructure and socio-economic support services (such as health) remain weak and, to a certain extent, have failed to expand despite rapid urbanization.

(3) Marjeyoun-Hasbaya. The main sources of income are from agriculture, livestock and public-sector employment. Other income comes from remittances from emigrants, and smuggling operations undertaken in certain villages. Syrian refugees work mostly in agriculture and construction. Tourism could potentially employ more youth, though the sector has been negatively impacted by COVID-19 and the economic crisis. Schools are in generally poor condition and health services are lacking and of low quality.

(4) Minieh-Donnieh. Education and health services are mostly concentrated in the larger towns and more populated areas. The area is highly dependent on agriculture for income. Trade and commerce are prominent along the main roads and in large towns. The rural eco-tourism sector was developing before the crises, and could be reprised in future.

(5) North Beqaa. Main sources of income come from agriculture, trade, and smuggling. In addition to agriculture, rural tourism and hospitality are promising sectors. Nonetheless, significant improvements can be made to both leisure and food services. The fisheries sector along the Orontes (al-Asi) river constitutes a major industry, producing affordable fish products for local markets and Beirut.

(6) Saida. The concentration of educational facilities in the city and immediate surrounds limits student enrolment from outer districts. Although diverse, higher education institutions are not interconnected academically and offer only undergraduate level or vocational training. This poses a major constraint on local economic development. Research and development functions and interlinkages between academic courses and local community needs are very weak. Most of the economic activities in Saida are within the tertiary services sector (tourism, confectionary production, restoration, craftwork and fishing). More than one third of economic activity is within the wholesale and retail trade sector, which is limited in terms of its contribution to productivity. The agriculture sector has been shrinking, giving way to real estate development and speculation, and local industries that once depended on agriculture are disappearing.

(7) Wadi-Khaled. The region suffers from weak infrastructure and poor quality education services, which affects students’ learning. The few technical schools available offer courses that are incompatible with labour market needs, leading youth to pursue education and employment elsewhere. Health services are historically scarce and of low quality, pushing residents to seek healthcare in Syria. Human resources in health are lacking. The region relies on the support of international organizations and humanitarian assistance programmes for these services. The region mainly relies on agriculture and cross-border trade, as well as illicit smuggling. Manufacturing is restricted to construction-related activities such as aluminium and steel production.

Figure 1. Map of Lebanon highlighting the regions included in the study

Wadi-Khaled

50,000 Lebanese and 21,500 Syrian refugees residents (SDC 2019, OCHA 2016)
9% unemployment rate (LFHCS 2018-2019

Halba (Akkar Governorate)

44,000 residents (61% LB, 39% Syrian)-municipality data
63% poverty rate (CAS-UNDP 2008)
9% unemployment rate (Akkar Governorate-LFHS 2018-2019)
30% illiteracy rate

Minieh-Donnieh (Tripoly governorate)

140,800 residents (87% LB and 13% Non Leb (LFHLCS 2018-2019)
57,852 Syrian refugees (estimates OCHA 2016)
44,502 Palestinian refugees (estimates OCHA 2016)
58% poverty rate (OCHA 2016)
47% poverty rate among Syrian refugees (VaSyR 2019)
18% unemployment rate (LFHLCS 2018-2019)

Saida (Saida Caza)

209,000 Lebanese, 88,000 non-Lebanese excluding Palestinian in camps (LFHLCS 2018-2019)
42,639 registered Syrian refugees (UNHCR)
89,000 Palestinian refugees including Palestinian Syrian
14% unemployment rate (LFHS 2018-2019)

North Beqaa (Baalbek – Hermel)

30,500 residents in Hermel Caza and 214,600 residents in neighboring Baalbek Caza (LFHLCS 2018-2019)
116,000 and 150,000 residents including both Lebanese and Syrians estimated for area under study
24% poverty rate among Lebanese (OCHA 2019)
78% Syrian refugees living in extreme poverty (VaSyR 2019)
11% unemployment rate in Baalbeck and 10% in Hermel (LFHLCS 2018-2019)
49% unemployment rate among Syrian refugees (VaSyR 2019)

Chtoura (Zahle Caza)

177,000 residents (79% LB, 21% non LB , LFHS 2018-2019)
21% of Lebanese living in poverty (OCHA 2016)
72% Syrian refugees living below SMEB (VaSyR 2019)
14% unemployment rate among Lebanese (LFHLCS 2018-2019)
62% unemployment rate among Syrian refugees (VaSyR 2019)

Marjeyoun – Hasbaya (Nabatiyeh Governorate)

180,200 residents in Nabatiye Governorate (LFHLCS 2018-2019)
37,784 residents in Hasbaya and 85,960 in Marjeyoun (LB, Syrian, Pal; estimates OCHA 2016)
14,000 refugees residents in Marjeyoun Hasbaya (UNHCR)
25% poverty rate in Nabatiyeh governorate (CAS – WB 2011)
43% extreme poverty among Syrian in Nabatiyeh governorate (VaSyR 2019)
8.5 % unemployment rate (LFHLCS 2018-2019)
41% unemployment rate among Syrian refugees (VaSyR 2019)

The Consumer Demand Survey

The CDS assessed level of demand and consumer satisfaction for a range of goods and services. The political and economic context at the time of research was further aggravated by the spring 2020 COVID-19 lockdown, and this certainly affected respondents' answers, as the price of goods and services became a major concern.

Demand for food services

Demand for selected food services varied across regions, with higher demand in urban areas, such as Saida, and lower demand in highly vulnerable rural areas, such as Wadi-Khaled and Minieh-Donnieh. Food services tended to be consumed more by younger age groups. Gender differences were identified in highly vulnerable areas. For example, in Wadi-Khaled, men's demand for food services was higher compared with women, with a difference of up to 20 per cent for specific services. Although the level of satisfaction was to a certain extent high, improvement is needed in terms of food safety, consumer service provision, diversity of products as well as marketing and promotion.

Table 1. Summary of food services in highest demand by region (in descending order)

Chtoura	Halba	Marjeyoun-Hasbaya	Minieh-Donnieh	North Beqaa	Saida	Wadi-Khaled
Furns Snacks	Furns Cafes	Furns Snacks	Furns Snacks	Furns Snacks	Furns Snacks Restaurants and cafes	Furns

Demand for home repairs and construction services

The demand for home repair services, including electricians, plumbers, carpenters, plasterers, blacksmiths, aluminium fitters and joiners, tilers, painters, upholsters and AC repairs, was relatively high in all regions. Around 30 per cent of households had hired an electrician over the previous year. Demand for plumbers showed a similar pattern, while demand for AC repairs was dependent on location and was high only in coastal areas. Demand for home construction services was relatively lower than that for home repairs, with approximatively 15 per cent of households hiring a skilled home construction worker over the previous year. Although consumer satisfaction was between 70 and 90 per cent, the high demand for plumbers and electricians could reflect the low quality of prior installations and the need for frequent maintenance. This suggests there is scope to improve the technical skills of home maintenance and construction workers.

Table 2. Home maintenance and construction services in highest demand by region (in descending order)

Chtoura	Halba	Marjeyoun-Hasbaya	Minieh-Donnieh	North Beqaa	Saida	Wadi-Khaled
Plumber Electrician Carpenter Painter Aluminium fitter Blacksmith	Electrician Plumber Carpenter Painter Blacksmith Aluminium fitter AC repairer	Electrician Plumber Carpenter Painter AC repairer	Electrician Plumber	Plumber Electrician Carpenter AC repairer Painter Blacksmith Aluminium fitter	Plumber Electrician AC repairer Carpenter Blacksmith Aluminium fitter Painter	Electrician Plumber Carpenter Painter Aluminium fitter

Demand for vehicle repair services

Car ownership ranged between 31 per cent in Minieh-Donnieh and Wadi-Khaled to 59 per cent in North Beqaa. Demand for vehicle repair services (replacing oil and tyres, painting and body repairs, repairing electric systems and other hardware and installing accessories) was highest for replacing oil and tyres, although demand for other services remained relatively high, with at least 20 per cent of respondents requiring car repair services over the previous year.

As Lebanese purchasing power has been drastically reduced, and banks have cut back lending for new cars, demand for car repairs is expected to increase with the ageing of vehicles. However, respondents' satisfaction with car repair services was relatively low, especially in rural areas, with satisfaction levels below 50 per cent in Halba, Minieh-Donnieh and North Beqaa.

The sector presents a significant opportunity, particularly for vulnerable youth and school dropouts to gain skills through workplace-based learning programmes. These could be conducted through public–private partnerships with branded local repair franchises, which are likely to put additional emphasis on after-sales services.

Table 3. Highest rated demand for vehicle repairs by region (in descending order)

Chtoura	Halba	Marjeyoun-Hasbaya	Minieh-Donnieh	North Beqaa	Saida	Wadi-Khaled
Replacing oil and tyres Repairing/ replacing hardware Buying vehicle accessories	Replacing oil and tyres Repairing/ replacing hardware	Replacing oil and tyres Buying vehicle accessories	Replacing oil and tyres Repairing/ replacing hardware	Replacing oil and tyres Repairing/ replacing hardware	Replacing oil and tyres Repairing/ replacing hardware Repairing electrical system	Replacing oil and tyres Repairing/ replacing hardware Painting and body repairs

Demand for renewable energy, health and other services

The survey showed that in some regions (Chtoura, Marjeyoun, North Bekaa) 10 to 15 per cent of households used solar power (mostly for heating water), while 10 per cent of households required home nursing support in Chtoura, Minieh-Donnieh and Wadi-Khaled. Demand for child and elderly care in the regions studied remained low, even in urban settings such as Saida. Individual health services (general home nursing care, child and newborn care, elderly care) also emerged as niche sectors for employment in most regions.

Access to education and social services were considered an issue in all regions except Chtoura and Saida. In fact, there is scope for working with local authorities and relevant ministries to improve access to basic services. This could help keep skilled youth in rural areas and improve the situation of the local vulnerable population, especially in the current crisis context. Maintenance and repair services, as well as hospitality services, were mentioned as "missing" (i.e. low number of suppliers), in Saida, while retail trade was an issue in Minieh-Donnieh.

Table 4. Top-rated health services in demand by selected region

Chtoura	Minnieh - Donnieh	Wadi - khaled
General home nursing care Elderly care	General home nursing care Elderly care	General home nursing care

Impact of COVID-19 on individuals

The survey results show that, because of the mixed impact of the financial crisis and the first COVID-19 lockdown, between 70 and 80 per cent of respondents reported a decrease in income, while around a third of respondents reported losing their jobs.

Table 5. Income and job loss by area (%)

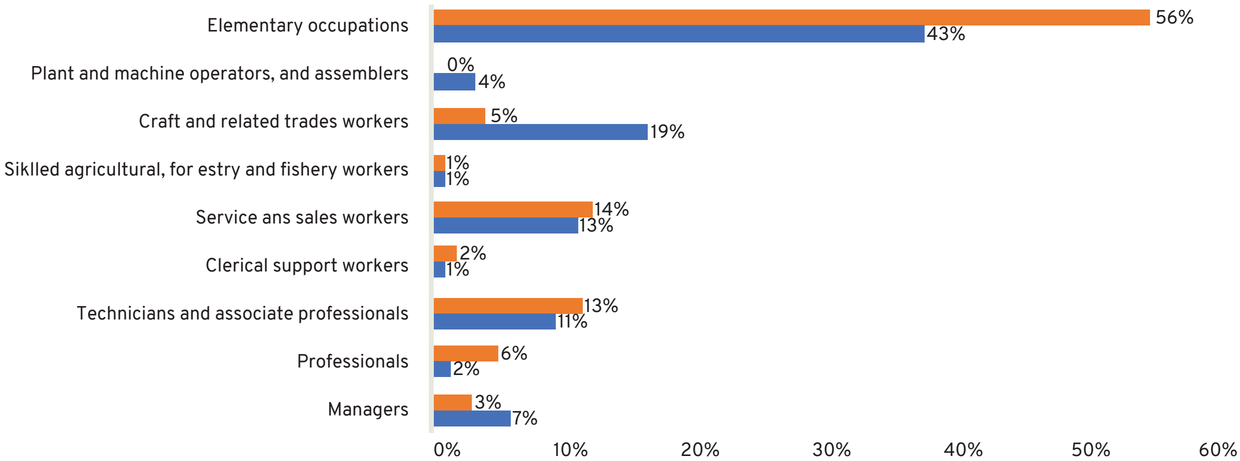
Survey item	Chtoura	Halba	Marjeyoun-Hasbaya	Minieh -Donnieh	North Beqaa	Saida	Wadi-Khaled
My household income has decreased due to the COVID-19 crisis	73	80	88	72	79	84	81
I may lose my job in the coming months	15	14	13	9	20	14	10
I (permanently) lost my job because of the COVID-19 crisis	30	29	24	40	25	22	28

The Market Opportunity Survey

Overall workforce structure

Interviewed businesses employed, on average, 4.5 workers with around 20 per cent being women. Around 69 per cent of employees were Lebanese and 27 per cent were Syrian. Around two thirds of employees were under 30 years old and around 80 per cent had a full-time permanent job. Around half of the workforce of micro, small and medium-sized enterprises (MSMEs) were in low-skill, elementary occupations; only a limited number were classified as either professionals or skilled workers. Women were also more likely to work in elementary occupations and women's participation in construction and car repairs remains limited.

Figure 2. Distribution of MSME workforce by type of occupation and gender

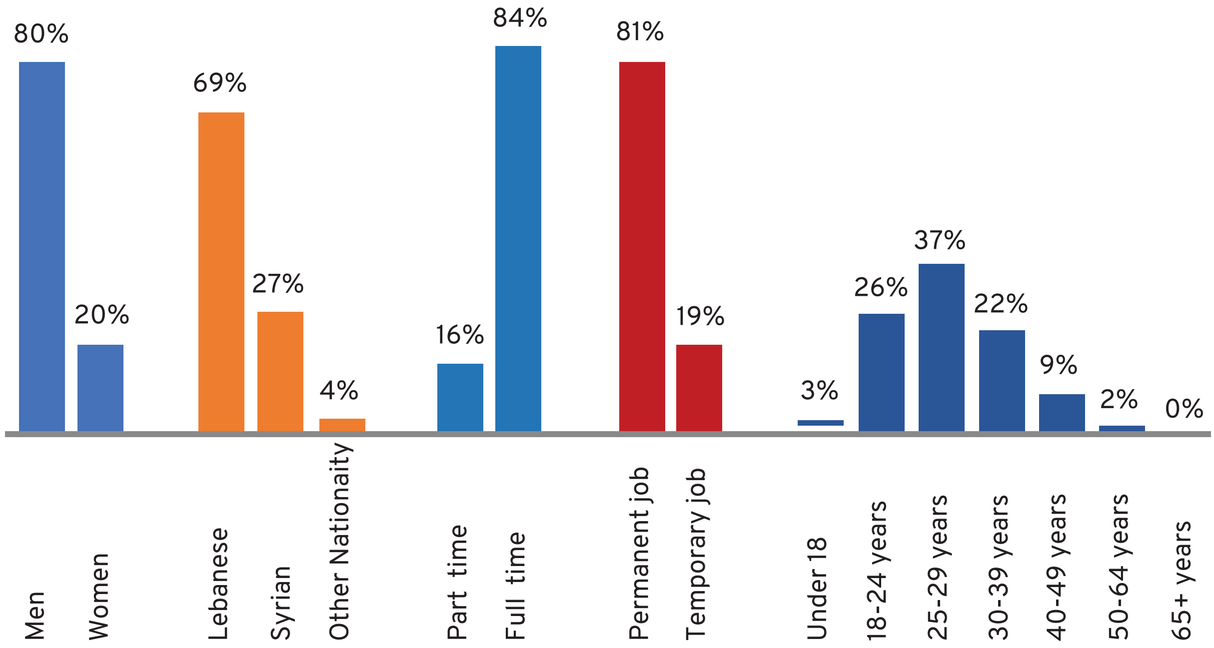


The workforce structure reflected the low level of skills and technology utilized by surveyed MSMEs, with professionals and technical and associate professionals not exceeding, respectively, 2 and 11 per cent of the total workforce. Additionally, the small proportion of clerical support workers (1 per cent), reflected the relative informality of enterprises, as well as the absence of bookkeeping, human resources management, and other general administrative support functions. It is assumed that these functions are carried out by managers, who, in most cases, were also the company owners.

Table 6. Distribution of workforce by gender, nationality, and sector (%)

	Agriculture, forestry and fishing	Food manufacturing	Other manufacturing	Construction	Wholesale retail trade	Repair of motor vehicles and motorcycles	Accommodation and food services	Other services	Other activities
Men	56	74	88	96	78	99	82	51	84
Women	44	26	12	4	22	1	18	49	16
Lebanese	36	78	70	67	81	74	71	90	72
syrian	64	18	27	27	18	17	24	10	26
Other Nationality	0	4	3	5	1	9	5	0	2

Figure 3. Distribution of workforce by gender, nationality, type of employment and age



Regional aspects

All regions exhibited a similar labour structure in terms of workers' distribution across occupations. Nonetheless, some slight differences were observed:

- In Halba, skilled workers (technical and associate professionals, services and sales workers, as well as craft and related trade workers) represented more than half of the workforce.
- In Marjeyoun-Hasbaya, women comprised 7 per cent and Syrians represented 22 per cent of the workforce.
- In Minieh-Donnieh, women's participation in the workforce (8 per cent) is characteristic of peripheral rural areas, where gender dynamics and local norms tend to restrict women to household work and childcare roles. There is significant competition between Syrians and Lebanese over skilled jobs.
- In North Beqaa, women's participation in the workforce was significantly higher than in other regions, but with a lower number of female entrepreneurs. Most women in the workforce in North Beqaa were Syrians working in elementary occupations in the agriculture sector. More than 70 per cent of workers in North Beqaa were employed in elementary jobs.
- In Saida, the 16 per cent of the workforce was comprised of women and there was a high proportion of Palestinian refugees, who represent the vast majority of workers under the category "other nationalities".
- In Wadi-Khaled, 12 per cent of the workforce was comprised by women, and around 32 per cent of the workforce was Syrian. Managers comprised 14 per cent of the workforce, largely because of the small size of firms.

Table 7. Key characteristics of the labour force by region

Region	Women (%)	Syrian Wokers (%)	Elementary Occupations (%)	No. of employees per firm
Chtaura	22	30	50	5.5
Halba	22	25	40	4.8
Marjeyoun-Hasbaya	7	21	46	4.7
Minieh-Donnieh	8	30	35	2.8
North Beqaa	30	46	72	5.7
Saida	16	11*	35	4.0
Wadi-Khaled	18	33	46	3.5

* Other nationalities, mostly Palestinians, represent 22 per cent of the workforce in Saida.

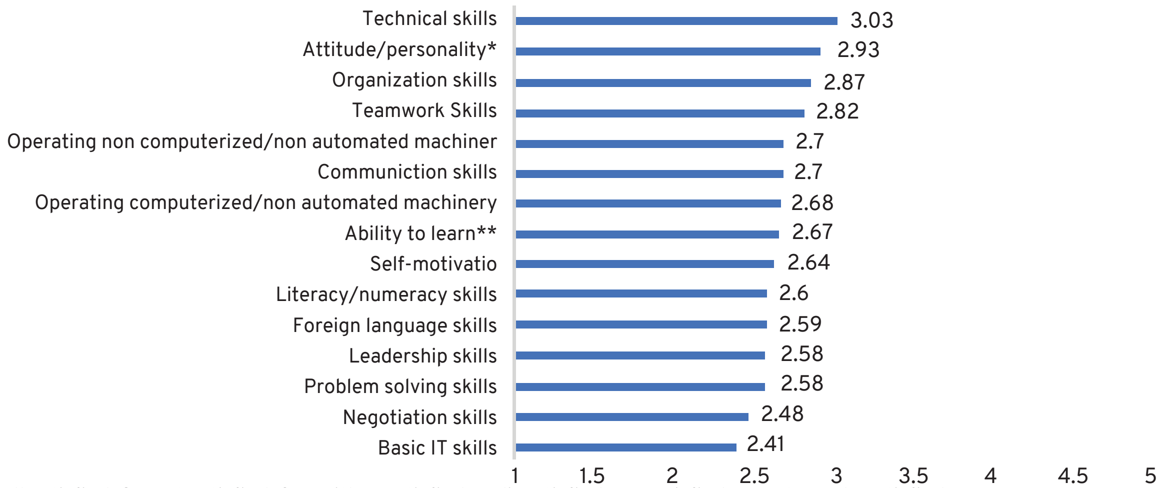
Firms' demand for skills

Employer satisfaction with current staff skills

The level of employers' satisfaction with their employees' skills tended to be low, with only technical skills reaching an average score of 3 (neither satisfied nor dissatisfied). For other skills, satisfaction ratings ranged from 2.41 for basic IT skills to 2.93 for attitude and personality.

Satisfaction was higher for managerial and clerical positions, but lower for technical and machinery operators. This was also reflected in the very low satisfaction scores given in the food and other manufacturing sectors, with most employers giving scores below 2. The level of satisfaction was around the average for elementary occupations, as well as for intermediate-skill occupations, such as services and sales, craft and related trades, and agricultural work.

Figure 4. Employers' average satisfaction scores by skill level of current staff



1= not at all satisfied, 2= not satisfied, 3= neither satisfied or dissatisfied, 4= satisfied 5= extremely satisfied,

* Work ethic, punctuality, appearance and manners; ** new ideas, methods, and concepts.

Job applicants: Skills gap

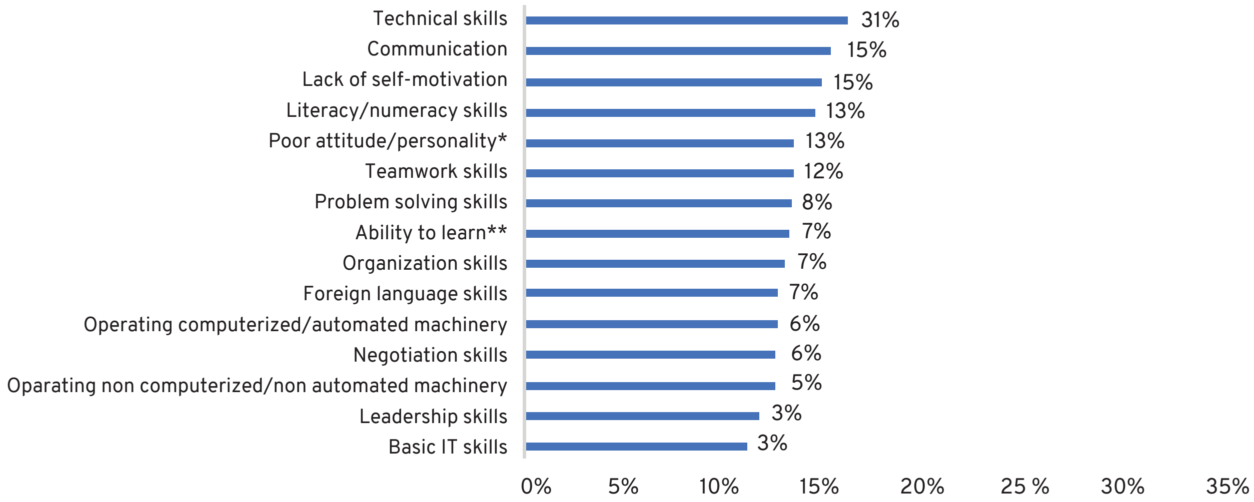
According to employers, technical skills were the most sought after; figure 5 shows that 31 per cent of respondents considered that such skills were lacking. This was in line with the low levels of satisfaction among employers with technicians and associate professionals. Lack of technical skills of job applicants was common to all occupations, although relatively lower for elementary occupations (18 per cent) and plant and machine operators and assemblers (10 per cent), compared with skilled and semi-skilled occupations where it was mentioned by 30 to 40 per cent of respondents. Furthermore, the lack of technical skills tended to be the main concern in specific sectors, particularly in car repairs (40 per cent) and construction (36 per cent).

Soft skills, such as communication and self-motivation, attitude and personality, and teamwork, were often mentioned as lacking in job applicants. This was particularly important in the construction and retails sectors where the lack of motivation was cited by 25 per cent of respondent. Similarly, in the accommodation and food services sector where teamwork, communication skills and lack of motivation were mentioned approximatively 20 per cent of respondents.

Surprisingly, lack of literacy and numeracy skills was a major concern not only for elementary occupations but also for skilled occupations such as professionals (14 per cent), technicians and associate professionals (19 per cent), as well as services and sales workers (27 per cent). Such figures are assumed to reflect the practice of micro firms hiring unskilled labourers and family members and training them on the job to undertake skilled work. Such workers can exhibit high know-how yet still have limited literacy and numeracy skills.

Basic IT skills were not considered necessary for job applicants. Although basic IT skills are increasingly required in all sectors of activity, data from the study show that information technology is not yet integrated into the operations of MSMEs, at least not in these vulnerable regions. Negotiation and leadership skills were also not perceived as necessary because of the limited prospects of firms to expand.

Figure 5. Overall skills gaps



* Work ethic, punctuality, appearance and manners; ** new ideas, methods, and concepts.

Demand for skills by region

Chtoura

In Chtoura, only a quarter of surveyed companies declared difficulties in hiring staff, reflecting the relative abundance of available labour in the area. Other points to note included:

- **Technical skills were lacking in job applicants – 41 per cent of respondents reported difficulties in hiring staff.** This was particularly the case for service and sales positions, technicians and associate professionals across all sectors. Technical skills were less of a concern for elementary positions, where self-motivation and teamwork were the major skills lacking. In fact, the lack of soft skills was a major concern for employers across all occupations, with lack of self-motivation, poor attitude and personality mentioned by 28 per cent and 21 per cent of respondents, respectively.

- **Communication skills, teamwork skills, and negotiation skills were lacking in job applicants for services and sales positions** (mentioned by 50 per cent, 38 per cent and 38 per cent of respondents, respectively). These major skills gaps were identified by firms in wholesale and retail trade, and to a lesser extent, in other services and manufacturing sectors. Improving sales and marketing strategies through employing qualified workers may help local businesses to grow, especially if Chtoura follows a local economic development strategy based on food production, tourism and trade.

- **Job applicants lack basic IT skills** (mentioned by 10 per cent of respondents). Although the figure was low, it was significantly higher than the overall average of the MOS (3 per cent). On the one hand, this indicates a low level of reliance on IT systems for managing production and sales. On the other hand, a number of local businesses in Chtoura rely on IT systems (e.g. point-of-sales systems, bookkeeping and inventory systems, as well as digital platforms used by money transfer offices and exchange bureaux, which are highly concentrated in Chtoura).

Halba

Some 70 per cent of the companies surveyed expressed difficulties in hiring staff, indicating a relatively high skills gap in Halba and surrounding areas. Other points to note include the following:

- **Lack of technical skills was a major barrier to hiring applicants for skilled and semi-skilled occupations.** On average, 27 per cent of respondents expressed a lack of technical skills among applicants. However, this figure was significantly higher (35 per cent) for skilled occupations (technicians and associate professionals) and craft and related trade workers (59 per cent). The technical skills gap was also demonstrated by the high number of job applicants lacking basic numeracy and literacy skills across all occupations and sectors (mentioned by 24 per cent of respondents).

- **Soft skills, such as self-motivation and personality, were also key concerns for employers in Halba.** The lack of these skills was mentioned by 24 per cent and 10 per cent of respondents, respectively. Concern for soft skills was higher for skilled positions compared with elementary jobs. In fact, lack of self-motivation (40 per cent) and inadequate attitude and personality (19 per cent) were concerns for respondents looking to hire services and sales workers. Communication skills (16 per cent) and teamwork (11 per cent) were also lacking. Knowledge of machine operations and basic IT skills were mentioned by just 5 per cent and 1 per cent of respondents, respectively, reflecting the low level of reliance on technology by MSMEs in Halba.

Marjeyoun-Hasbaya

In Marjeyoun-Hasbaya, 78 per cent of surveyed companies declared difficulties in hiring staff. This figure was significantly above the 50 per cent MOS average and reflects a skills gap in the region. This might be related to the low population density and the relatively smaller presence of migrants in the workforce willing to accept the low wages offered by MSMEs in the area. Several other points were noted:

- **Lack of technical skills among job applicants was the major concern (39 per cent) expressed by firm owners and managers.** This was especially the case for:
  - The construction sector, where it was mentioned by 64 per cents of respondents. In fact, the relatively ower presence of Syrian workers in the area might explain the difficulties faced by construction companies seeking skilled construction workers.
  - Technicians and associate professionals (48 per cent), and craft and associated trade workers (49 per cent).

  At the level of elementary occupations, one third of respondents mentioned difficulties hiring workers with basic skills, and a quarter of them expressed difficulties in hiring elementary workers with basic literacy and numeracy skills.

- **Soft skills like attitudes and personality (17 per cent) and self-motivation (21 per cent) were a major concern for** firm owners and managers in Marjeyoun-Hasbaya. Contrary to other regions, soft skills seem to constitute a barrier for elementary occupations, with attitude and personality mentioned by 21 per cent of respondents and self-motivation by 38 per cent. Communication, negotiation and teamwork skills seem to be less of a concern for firms in this region compared with other regions surveyed. This might be the result of the lower share of trade firms in the sample, as these firms often require these particular skills.

- **Although demand for skilled workers was generally significant, this was not the case for basic IT skills.** Only 4 per cent of respondents found difficulty hiring staff with basic IT skill. However, as in the case of Saida, there seems to be relatively significant demand for skilled workers with basic IT skills in the motor vehicle repairs sector, as electronic systems maintenance and repairs require this specific skill. Demand for machine operation skills remains relatively low.

Minieh-Donnieh

In Minieh-Donnieh only 24 per cent of surveyed companies declared difficulties in hiring workers. Such a low figure might be linked to increased competition over jobs between Syrian and Lebanese workers, especially in a context where economic activities and opportunities are limited. Nevertheless, it seems that this 24 per cent has a significant demand for skills, mostly IT skills (28 per cent), non-computerized machinery operators (29 per cent) and computerized machinery operators (17 per cent). This pattern does not contradict the overall low level of technology and management practices of micro and medium-sized firms in Minieh-Donnieh, but rather sheds light on a minority of firms that need to overcome labour market skills gaps in order to grow. For these firms, attitude and personality, as well as teamwork were important, mentioned by 29 and 34 per cent of respondents respectively. Basic literacy and numeracy skills also seem to be lacking among job applicants, not only in elementary occupations (mentioned by 32 per cent of respondents) but also for skilled occupations, such as craft and related sales workers (mentioned by 21 per cent of respondents).

North Beqaa

In North Beqaa, 57 per cent of surveyed companies declared difficulties in hiring staff. This figure was above the 50 per cent MOS average and might seem in contradiction with the low level of skills used by companies. However, local companies find certain difficulties in hiring elementary workers:

- The main concerns were the attitudes and personalities of job applicants (27 per cent of respondents) and communication skills (18 per cent). Basic technical skills (23 per cent) and basic literacy and numeracy skills (18 per cent) were also a source of concern.

- Operating computerized (14 per cent) and non-computerized machinery (18 per cent) were also concerns for employers when hiring elementary workers. Local committee members pointed out that, since local businesses cannot afford high wages, they may instead hire skilled workers but place them in an elementary position on low wages. This suggests that a significant share of workers who were classified by business owners as working in elementary occupations may actually be skilled workers receiving low wages, with minimal influence over business operations.

Saida

Some 42 per cent of surveyed companies declared difficulties in hiring staff. The skills gap in Saida is mostly driven by the local need for higher levels of production technology. Other points noted include the following:

- **Lack of technical skills among job applicants was the major concern.** Some 56 per cent of respondents expressed this concern, a rate significantly higher than the overall average of the MOS of 31 per cent. The technical skills gap was especially significant for the car repairs (66 per cent) and accommodation and food services (58 per cent) sectors. In fact, 48 per cent of firms considered that applicants for elementary job categories lacked even elementary skills. Demand for workers able to operate computerized and automated machinery was mentioned by 10 per cent of respondents, compared to 5 per cent in the survey average.

- **Lack of elementary and basic numeracy skills was a concern of 12 per cent of respondents, similar to the survey average.** Although residents of Saida might be assumed to have greater access to education because of its urban setting, compared with other regions, this figure may reflect significant levels of inequality within the city, with the most vulnerable residents limited in their access to education. Note that the Saida workforce is not highly mobile compared with Chtoura or Halba. Some 90 per cent of the population is comprised of Lebanese and Palestinians, who are assumed to be long-term residents.

- **Soft skills were less of a concern for firms.** Issues regarding attitude/personality and self-motivation were mentioned by only 8 and 5 per cent of respondents, respectively. Communication and teamwork skills tended to reflect the survey averages (between 13 and 15 per cent).

- **The significant demand for skilled workers does not apply to basic IT skills.** The latter was mentioned by only 4 per cent of respondents. Nonetheless, in the car repairs sector it was mentioned by 11 per cent of respondents, presumably because the demand for maintenance of new cars with electronic systems is higher in urban locations, where middle and upper middle-class households are more prevalent than rural areas.

Wadi-Khaled

A significant proportion of surveyed companies (52 per cent) declared having difficulties in hiring staff. However, there were no major concerns regarding the skills and attitudes of job applicants, but rather with businesses' capacity to invest and expand.

- **Given the low level of technology implemented by MSMEs in Wadi-Khaled, there was limited concern among business owners and managers (24 per cent) regarding the technical skills of job applicants.** Similarly, a limited number of respondents were concerned with jobseekers' communication (17 per cent) and teamwork skills (11 per cent).

- **For higher-skilled occupations (i.e. technicians and associate professionals) 38 per cent of respondents expressed concern about the lack of applicants' communication skills.** Local committee members suggested that this high level of concern might be related to conflict between workers and managers, especially where workers were more educated and skilled than managers.

- **Similarly, 20 per cent of firm owners and managers expressed concern about the attitudes and personalities of technicians and associate professionals**, compared with only 10 per cent concerned about applicants for elementary occupations. Demand for basic IT skills and machinery operation was extremely low (less than 2 per cent). Note that internet infrastructure, including mobile 4G services, are significantly weaker in Wadi-Khaled compared with other regions of Lebanon.

Firms' barriers to hiring

Primarily, firms exhibited a low capacity to provide adequate pay and working conditions. Some 60 per cent of interviewed employers revealed they were simply unable to afford sufficient wages to attract qualified applicants. The second barrier to hiring was the labour market skills gap. Interviewed firms expressed difficulty in filling job vacancies requiring four types of workers: elementary (33 per cent of respondents); craft and related trade workers (26 per cent); technical and associate professionals (20 per cent); and, to a lesser extent, sales and services workers (12 per cent). There were slight differences between sectors, with more difficulties in hiring elementary occupations in agriculture compared with other sectors, while demand for technical and associate professionals tended to be higher in food manufacturing, accommodation and food services and in retail and wholesale trade. Difficulties in hiring craft and related trade workers were relatively high for other manufacturing, car repairs and construction sectors (cited by more than 50 per cent of respondents). Lack of applicants with the required skills tended to be a major concern for the food manufacturing and construction sectors.

Figure 6. Firms' barriers to hiring (% of respondents)

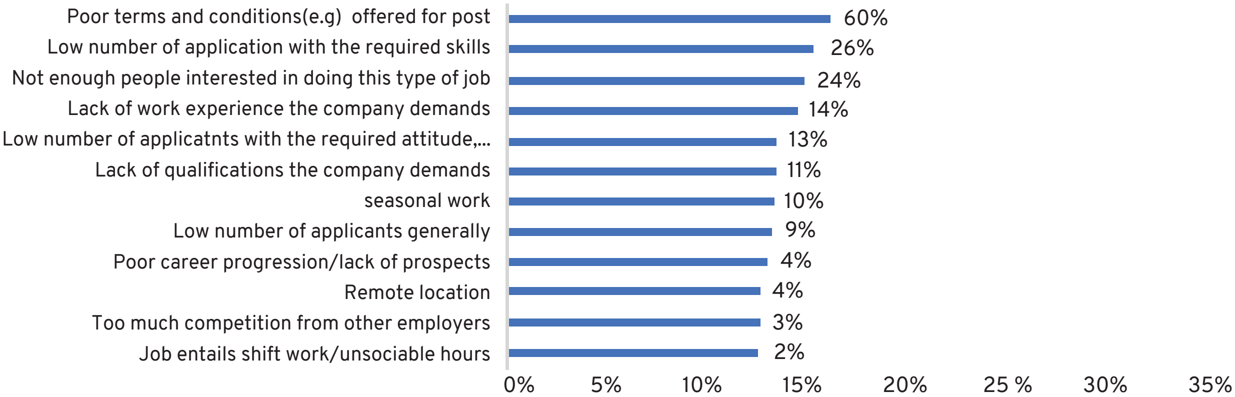


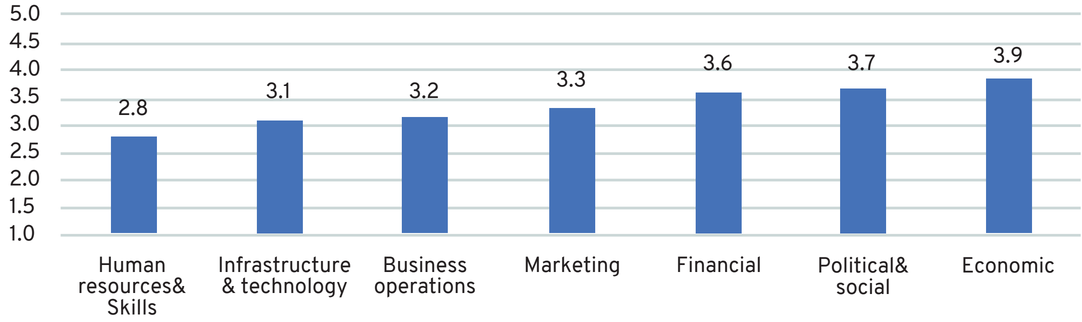
Table 8. Other barriers to hiring by selected region

Region	Other barriers
Chtoura	The low supply of labour (i.e. lack of people interested in doing a particular type of job).
Halba	The low supply of labour, particularly for craft and related trade workers, and the wholesale and retail trades sector.
Marjeyoun-Hasbaya	Low number of applicants with required skills across all occupations and sectors, particularly technicians and associate professionals, and craft and related trade workers. In general, the low supply of services and sales workers.
Minieh-Donnieh	Lack of work experience, lack of qualifications and competition between firms.
Saida	Firms' low capacity to offer good terms of employment in the accommodation and food services sector and for elementary occupations. Lack of labour supply in the accommodation and food services sector and for craft and related trade workers.

Firms' barriers to growth

The data show that the current economic situation and political instability remain major impediments to growth. Economic recession, the current political and social conjuncture (i.e. insecurity about the future, crime and social unrest), followed by a lack of access to finance were the major factors viewed as hampering MSME growth. Human resources and skills scored an average of 2.8, suggesting that firm owners tend to consider human capital as a secondary factor.

Figure 7. MSME barriers to growth



*Scoring from 1 to 5, with 5 being very important and 1 not important at all.

Table 9. Top five barriers to growth by region and importance rating (1–5)

Chtoura	
Cash shortage (US dollars)	4.5
Recession of the economy	4.5
Insufficient government support	4.5
Political instability in the country	4.4
Lack of financial support	4.2

Halba	
Political instability in the country	4.6
Cash shortage (US dollars)	4.5
Recession of the economy	4.5
Corruption	4.3 4
Lack of financial support	4.1

Marjeyoun-Hasbaya	
Cash Shortage (US dollars)	4.7
Recession of the economy	4.5
Lack of financial support	4.3
High inflation rate	4.2
Political instability in the country	4.0

Minieh-Donnieh	
Insufficient government support	4.5
Cash shortage (US dollars)	4.5
Political instability in the country	4.5
Lack of financial support	4.4
Corruption	4.4

North Beqaa	
Political instability in the country	3.9
Insufficient government support	3.7
Recession of the economy	3.7
High inflation rate	3.4
Lack of financial support	3.4

Saida	
Insufficient government support	4.8
Recession of the economy	4.7
Political instability in the country	4.6
Cash shortage (US dollars)	4.6
Poor electricity supply	4.4

Wadi-Khaled	
Insufficient government support	4.8
Recession of the economy	4.7
Cash shortage (US dollars)	4.6
Political instability in the country	4.6
Lack of financial support	4.4

“Recommendations”

The research shows that three interconnected factors are impeding employment: (1) lack of investment and low capacity for growth; (2) labour market skills gap; and (3) lack of interest in the jobs on offer, mostly because of poor working conditions or low pay. Within that context, interventions at the macro, meso and micro levels are required

The road out of the financial crisis: Macro-level actions and policies

Economic development in the areas studied in this report, as well as other vulnerable areas of Lebanon, will not be possible without macroeconomic interventions and institutional reforms. The Lebanese Government, together with relevant institutions, should develop a plan to resolve the current economic and financial crisis, including in-depth structural reforms.

National policy should aim at improving the capacity of businesses to grow while raising the overall skill levels of the Lebanese workforce. This could be implemented through national TVET strategic frameworks and by developing the necessary legal framework to institutionalize on-the-job vocational training and apprenticeships. As recommended by the ILO TREE institutional framework, a national strategic committee is required to oversee the review and implementation of an effective TVET strategy.

Local economic development plans

Economic development, in the areas under study as well as in other vulnerable areas of Lebanon, will not be possible without substantial macroeconomic and institutional reforms. The Lebanese Government, together with relevant institutions, should develop a plan to escape the current economic and financial crisis, while at the same time implementing certain structural reforms.

The design and implementation of local economic development plans (LEDPs) will prove essential if firms are to improve their investment and growth capacities. Such plans should take into consideration a set of measures and policies that ensure the inclusion of all groups from the community.

LEDPs should be region-specific and rely on local resources and capacities. It is primarily the responsibility of local authorities, such as municipalities and unions of municipalities, to lead planning in a participatory manner. Nonetheless, in the absence of public authorities’ leadership, local private-sector actors can initiate LEDP designs through coordinating with and lobbying public authorities for official endorsement and pro-active support in their implementation.

Table 10. Focus of LEDPs by region

Region	Focus of LEDPs
Chtoura and surroundings	Wholesale and retail trade, food production (especially diary), HORECA.
Halba and surroundings	Health services, formal and vocational education, leisure and HORECA, establishment of a local and environmentally sustainable industrial zone, post-harvest processing infrastructure, improvement of greenhouse agriculture.
Marjeyoun-Hasbaya	Rural tourism, including improvement of local accommodation business plans and quality of supply and services, quality of restaurants, agriculture.
Minieh-Donnieh	Tourism and agriculture in upper Donnieh. Development of a sustainable industrial zone, trade services and agriculture in Minieh.
North Beqaa	Tourism sector, including sporting activities and hospitality with quality standards. Agriculture, including the establishment of post-harvest infrastructure. Improving overall level of skills through on-the-job training for workers and business training for owners and managers, as well as enhanced vocational training and education.

Saida	Health and education services, particularly for vulnerable populations, HORECA, tourism and cultural heritage, fisheries and seaside leisure and attractions.
Wadi-Khaled	Improvement of basic economic and services infrastructure (roads, education and health services, electricity, water and sanitary networks). Improvement of retail and wholesale trades sector, agricultural production capacities, and natural resources and forest management. Creation of local cooperatives or farmers' associations and the establishment of post-harvest infrastructure.

Economic sector opportunities

With respect to sectoral interventions, the following sectors could provide economic opportunities across most (if not all) regions in the study:

- Repairs and maintenance. The financial and economic crisis has witnessed a significant increase in demand for repairs and maintenance services. This demand involves a wide range of products, from cars and motorcycles to textiles, home appliances, computers, tablets and phones, air conditioning and complex home repairs. Efforts to support the repairs and maintenance sector may also include training on the manufacturing of spare parts, including electronic spare parts, as well as waste recycling and upcycling within the technological capacity available in Lebanon. The entry costs to this sector are low and it offers significant opportunities for employment and self-employment.

- The HORECA (Hospitality, restaurant and catering) sector offers significant opportunities for employment. The research shows that the sector has significant skills gaps and skilled and semi-skilled workers are in demand. However, support for skills development at the local level will not yield the expected impacts unless linked to a LEDP.

- Manufacturing, including food manufacturing. The economic crisis has induced opportunities for some of the sub-sectors of the manufacturing sector. Food manufacturing, including dairy production, presents an opportunity for both employment and entrepreneurship. Furthermore, and depending on the context, several opportunities may exist, such as in the furniture, metals, plastics and chemicals sectors. Overall, the manufacturing sector is in need of technicians and associate professionals, as well as machine operators.

- Agriculture. This is a major component of local economies. Supporting farmers to improve their technical production is important and would help improve their income levels and standard of living. Furthermore, skills are needed to modernize agricultural production and living conditions. Modern agricultural practices would offer significant opportunities for self-employment and entrepreneurship for youth willing to engage in the sector. Nonetheless, for agriculture to have a local economic development impact, farmers should be able to keep a significant share of the value added. Thus, improving farmers' social capital and capacity to form associations and cooperatives is necessary.

- Wholesale and retail trade. Trade businesses were the most common type of business in the areas studied for this report. In fact, the sector has been booming since the start of Syrian crisis and the movement of people and goods to Turkey was agreed. However, with the recent reduction of purchasing power the sector may now be facing a crisis. Nonetheless, it still constitutes a significant opportunity for women's entrepreneurship in the regions examined and will be sustainable if women are provided with the requisite business management skills.

Training opportunities

Building on study results, it is recommended that training programmes take into consideration the identified occupations and skills gaps as per the following summary tables.

Table 11. Identified occupations in demand per surveyed economic sector

Sector	Occupation	Position
Cross-cutting with all sectors	Technicians and associate professionals Services and sales workers Elementary occupations	Assistant accountant Procurement officer Office administrator Assistant administrator Salesperson Sales assistant Shop attendant Sales assistant
HORECA and tourism	Services and sales workers Craft and related trade workers Elementary occupations	Tourist guide Cook/assistant cook Attendant, restaurant seating Waiter/waitress Operator, bed and breakfast Operator, guest house Pastry cook Cleaner Chef, fast food Kitchen assistant
Manufacturing of food product	Technicians and professionals Services and sales workers Plant and machine operators	Engineering technician – sector-specific Machinery mechanic Salesperson, market Baker Pastry cook Machine operator – sector-specific
Car repairs	Technicians and professionals Craft and related trade workers	Engineering technician – sector-specific Mechanic, car/motorcycle Technicians – automotive brakes, systems and other motor vehicle services
Maintenance and repairs (all)	Technicians and professionals Craft and related trade workers	Engineering technician – sector-specific Repairer (home appliances) Tiler Plumber Electrician

Table 12. Identified skills gaps by occupation

Occupation	Skills
Technicians and associate professionals	Sector-relevant technical skills Soft skills (personality, attitude and self-motivation)
Services and sales workers	Sector-related technical skills Communication and teamwork Leadership Basic numeracy and literacy Basic IT skills
Craft and related trade workers	Sector-relevant technical skills Soft skills
Elementary occupations	Basic technical skills Soft skills Numeracy and literacy skills

“Conclusion”

Notwithstanding the macroeconomic challenges facing the country, which can only be resolved at the highest levels, local communities can still enact local solutions in preparation for economic recovery. Across most regions, and most sectors, there was a significant lack of skills among Lebanese and non-Lebanese workers. Significant efforts are required to improve workers› technical and soft skills, and training programmes will need to take into consideration not only the skills gaps of individual workers, but also the occupational gaps for each sector.

ILO Regional Office for Arab States
ilo.org/arabstates
facebook.com/iloarabstates
twitter.com/iloarabstates

UNICEF Lebanon
Unicef.org/Lebanon
Facebook.com/UNICEFLebanon
Twitter.com/UNICEFLebanon