



COUNTRY ANALYSIS 2005
LEBANON

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Summary

Lebanon has a population of just over 4 million people. By 2000 its war-damaged physical infrastructure had been substantially reconstructed. The economy, however, is still facing significant difficulties, with the overall deficit in 2004 reaching almost 16% of gross domestic product (GDP) and the public debt amounting to one and a half times Lebanon's GDP. Lebanon's economy is currently in difficulty and the political crisis is aggravating the economic situation and worsening the business climate. 'Signs of the end of Paris-II financial dynamics are obvious.' ('Lebanon Quarterly Update', World Bank).

The unemployment rate is estimated to be 14–18%. Unemployment is a particular problem among new labour market entrants. In 2001 the unemployment rate for the 15–24 age group was 22%, a figure made up of a rate of 19% for young men and an alarming 30% for young women. Other striking features of the Lebanese employment situation include the influx of foreign workers into the country's labour market and the large number of Lebanese people seeking and obtaining employment abroad.

The increase in unemployment among educated workers suggests that the education system is failing to adapt the skills of the future labour force to the needs of the labour market. Learning achievements and the links between education and the labour market need to improve markedly if Lebanon is to have the necessary skills to compete in the global knowledge economy. The two main issues for the sector are: (i) the low levels of efficiency and quality; and (ii) the weak public institutional, steering and management capacities.

Future donors support in the field of human resource development (HRD) should include interventions dealing with the quality and sustainability of the education and training system. It should aim to (a) improve the quality of the education system by improving the effectiveness and efficiency of educational institutions, enhancing the training of teachers and trainers and improving the educational research and development function; (b)

enhance the capacity for steering and evaluating the education system by supporting institutional development and implementing mechanisms to evaluate public and private institutions; and (c) promote continuing training by fostering well-designed cofinancing arrangements and creating the structural preconditions for reaping the benefits of such training.

A range of instruments could be utilised. This would include (a) catalyst/pilot activities, with the aim of obtaining tangible results that could be used as a benchmark and success story for the whole system; (b) a bottom-up approach through educational institutions and non-governmental organisations (NGOs), which are more responsive and open to development than central administrations; and (c) with some preconditions, SWAP intervention phased in two stages. The first phase should prepare the ground for successful implementation. The second phase could then be dedicated to the implementation of a sector programme within the conducive environment created during the first phase.



1. Current situation and trends in human resources and labour market development

Political situation

The transitional phase that is now underway in Lebanon, following the withdrawal by Syria all of its forces from the country and the organisation of the legislative elections, is being closely observed by the United Nations and other international organisations. Of particular interest is the emerging democratisation, which remains vulnerable, and the civic consensus based on the centrality of Lebanon as a nation state. The latter could in the future have a significant impact on the institutional capacity of the state, particularly its ability to lead reforms.

Economic situation

Lebanon has a free-market economy and a strong laissez-faire commercial tradition. There are no restrictions on foreign exchange or capital movement, and bank secrecy is strictly enforced. There are practically no restrictions on foreign investment. However, the investment climate suffers as a result of corruption, arbitrary licensing decisions, high taxes and fees, archaic legislation and a lack of adequate protection of intellectual property.

The Lebanese economy is based primarily on the service sector, which accounts for approximately 60% of GDP. The major sub-sectors are commerce, tourism and financial services. The post-conflict era has also witnessed a significant boom in construction.

From 1992 Lebanon embarked on a massive reconstruction programme to rebuild the country's physical and social infrastructure, devastated by both the long civil war (1975 – 90) and the Israeli occupation of the south (1978 – 2000).

In February 2001 the government presented a reform programme and an ambitious economic policy to the World Bank and the EU presidents at a Paris-hosted conference (Paris I). The programme focused on economic revival and sustainable growth, privatisation, fiscal consolidation and structural reform, and monetary and financial stability. The government has also maintained a firm commitment to the Lebanese pound, which has been pegged to the dollar since September 1999.

In November 2002 Lebanon submitted a comprehensive programme on its financing needs to the Paris II Donors' Conference and succeeded in obtaining pledges totalling USD 4.4 billion, including USD 3.1 billion to support fiscal adjustment and USD 1.2 billion to support economic development projects.

In July 2003 the International Monetary Fund (IMF) publicly commended the government for its efforts on fiscal reform and debt restructuring, while expressing concern over delays in privatisation and securitisation, and urging fiscal consolidation, economic reform and improvement in the overall domestic political climate.

Monetary stabilisation coupled with high interest rate policies aggravated the debt service burden, leading to a substantial rise in budget deficits. Thus the government accumulated significant debt, which by 2004 had reached USD 35 billion, or 190% of GDP, with the ratio of budget deficit to GDP reaching 16.6%.

Lebanon's economy is currently in difficulty, and the political crisis is aggravating the economic situation and worsening the business climate. Various indirect indicators point to a slowdown in economic activity: performance in the tourism, trade and construction sectors has declined compared with a year ago. The most recent World Bank publication, 'Lebanon Quarterly Update' states that 'signs of the end of Paris II financial dynamics are obvious'.

Table 1: Key economic indicators¹

Indicators	2001	2002	2003
GNP (USD billion)	16.7	17.3	18.1
GNP growth	2%	2%	3%
PIB per inhabitant (USD)	4,734	4,819	4,935
Inflation rate	-0.4%	1.8%	1.4%
External Debt (USD billion)	12.5	17.1	..

Social situation

Lebanon has pockets of serious poverty, but little statistical information on its extent and depth are available. A recent study (Council for Development and Reconstruction (CDR), 2003) estimates the absolute poverty line for 2001 to be LBP 509,000, or some USD 340, per month for an average household of 4.64 members. According to the study, on this basis around 7.1% of Lebanese households are living under the absolute poverty threshold. The average poverty gap in the country is estimated at around LBP 95,000 or USD 63. Though this varies significantly across regions, it can be taken as an indication of the fragile nature of the status of the poor. While the demographic profile of poor families is not uniform, some common characteristics can be identified. Poor families tend to be larger than other families, they are younger and have high dependency ratios. Poor families report higher drop-out rates, lower levels of educational achievements, higher levels of public school enrolments and higher illiteracy rates. Economically, poor families have low activity rates and lower average numbers of workers per family; they are more involved in handicrafts and agricultural activities. Small-scale self-employment is the predominant work status among these families (CDR, 2003).

The labour market

Characteristics of the labour market

According to the 1997 labour market survey 1.25 million people were in employment, 1.41 million were inactive and 1.24 million were in education, of a total estimated population of 4.01 million people. The active population (employed and unemployed) was around 34% of the total. In 2001, 35% of the population was active, 32.2% was inactive and 32.1% were in education (USJ, 2003)². The male labour force participation rate was 53% compared to only 15% for women.

Some of the most striking features of the Lebanese employment situation are, however, not reflected in the official statistics. These features include the influx of foreign workers into the Lebanese labour market and the large number of Lebanese people seeking and obtaining employment abroad. An estimated 1.4 million foreign workers, over 80% of them Syrians, are employed either formally or informally primarily as unskilled and semi-skilled workers in the construction sector (39%), seasonal agricultural jobs (33%), municipal and sanitation work (20%), the service sector (8%) and industry (2%). The majority of the foreign workers are not registered, and work at salary levels well below those established for Lebanese workers. The low salary level for semi-skilled work adds to the very low esteem in which manual work is held by the Lebanese population in general.

Despite the lack of concrete figures concerning Lebanese emigration, it is generally accepted that emigration is most common among those with higher education and higher skill levels, including graduates from the higher end of technical education. In fact a high level of education is seen as a passport for emigration.

There is a clear mismatch between the supply of and demand for educated people in certain occupations and types of education. This is particularly the case for higher education graduates, who

¹ Sources: IMF Data (April 2004); World Bank; Oanda.

² Université Saint Joseph (USJ), 'L'entrée des jeunes Libanais dans la vie active et l'émigration', Preliminary results of a population and labour market survey, Faculté des Lettres et des Sciences Humaines, Université Saint Joseph, Beirut, 2003.

consequently often occupy positions that would normally require only a technical education. One example is the large number of graduates qualified in accounting, which far outnumbers the needs of the labour market.

Gender issues

The 1997 National Employment Organisation (NEO) survey of employment indicated that the level of education of working women is higher in relative terms than that of men: 27.5% of women have a university degree compared with 18.4% of men, and 38.3% have completed secondary education compared with 21.0% of men. The female labour market population is relatively young (68% under the age of 30); this population includes a large number of single women (48.6%), which reflects the tendency of women to leave the labour market as their family responsibilities increase. Women's overall rate of participation in the labour market continues to be much lower than that of men, even though the law promotes gender equality: the rate for women is 27.8% compared with 72.2% for men. Statistics show that 24.4% of the female active population are employed in the education sector, 16.0% in services and commerce, 15.34% in domestic work, 11.5% in industry and 8.34% in health and social work.

Unemployment

Unemployment increased significantly during the war and, following significant employment growth in the mid 1990s, has once again risen in recent years. According to the Living Conditions Survey, unemployment was around 8.6% in 1997 (ASC, 1998), while the USJ survey gives an unemployment rate of 11.5% for the end of 2001 (USJ, 2003)³. Estimates from international organisations put the current unemployment rate considerably higher at 14–18% (ETF (2001) and World Bank data).

Unemployment is a particular problem among new labour market entrants (USJ, 2003). In 2001 the unemployment rate for the 15–24 age group was 22%, a figure made up of a rate of 19% for young men and an alarming 30% for young women. The unemployment rate for young men is reduced by the fact that many of them (more than 5% of the age group) are in military service (and counted as 'working'). Unemployed young people account for more than 70% of the unemployed population. Around half of these are first-time jobseekers. The increase in unemployment appears to be primarily as a result of the increased labour participation of women: the unemployment rate for women more than doubled from 7.2% in 1997 to 18.2% in 2001 (ibid.). Each year an estimated 48,000 new jobseekers enter the labour market, of whom some 20,000 are graduates from universities and vocational/technical colleges.

Labour market institutions

Although a number of institutions do occasionally prepare labour market surveys with the assistance of international organisations, these are not produced on a regular basis. An example of this is the work of the National Employment Office (NEO). The capacity for undertaking labour market needs assessments is limited and essentially quantitative. A qualitative understanding of labour market needs does not exist. The other main task of the NEO is to improve the link between demand and supply through guidance and counseling, vocational training and placement services. However, its capacity in terms of human and financial resources is limited, and it is unable to fulfill this task in a satisfactory way.

A number of NGOs provide vocational guidance, training and intermediation services. Examples of such institutions are the Al Kafaat Foundation, the Young Men's Christian Association (YMCA) and the Movement Social.

Size and constraints of the informal micro-enterprise (IME) sector

In Lebanon, as elsewhere in the region, the IME sector is of major importance for the economy. Despite this, no statistical information or analytical studies on the IME sector are available. It is estimated that the sector provides employment and incomes for 285,000–460,000 people, which would mean that the IME sector accounts for 25–40% of total non-farming employment. Trade is the most important IME

³ Université Saint Joseph (USJ), 'L'entrée des jeunes Libanais dans la vie active et l'émigration', Preliminary results of a population and labour market survey, Faculté des Lettres et des Sciences Humaines, Université Saint Joseph, Beirut, 2003.

activity (constituting 45% of estimated IME employment), followed by manufacturing (25%), transport (taxi) and services. Some observers refer to a process of 'labour informalisation', in which the number of registered enterprises is declining while at the same time the number of unregistered micro-businesses is increasing.

It appears that the government of Lebanon is not yet very interested in small-scale economic activities. There exists no policy framework for small business development, and apart from the social fund activities supported by the EC, there are as yet no special support programmes for this sector. Moreover, the IME sector has so far not organised itself into associations or other representative bodies.

Summary

In general the Lebanese labour market is characterised by a low employment rate, an influx of foreign workers that matches the size of the domestic labour force, and a growing informal sector. Unemployment is especially high for new entrants to the labour market and there is a clear mismatch between the supply of and demand for educated people in certain occupations and types of education.

There are no active labour market policies, and the country's one employment office has very limited capacities in terms of staff, resources and facilities to provide relevant services to individuals and enterprises.

2. Contribution of HRD to socio-economic development

The lack of up-to-date data seriously compromises analytical work on the Lebanese education and training system. Statistics used by different directorates are often not comparable. There is even less reliable data available on the private sector. With an absence of information on the most elementary parameters of the education system, the following analysis is based on the most recent data available and also on the ETF's knowledge of the situation in Lebanon.

Organisation and structure of the education sector

Since 1994 the education ladder has comprised the following four elements.

- Primary education of six years' duration is free and compulsory for children aged 6–11 years.
- Intermediate education (lower secondary) of three years' duration is provided free to children aged 12–15 years.
- Secondary education of three years' duration provides the choice of an academic or a vocational track.
- Higher education is also available.

In 2000 a general reorganisation of the various government ministries and agencies was undertaken. This led to the establishment of the Ministry of Education and Higher Education (MEHE), under which were regrouped the following departments.

- Directorate General of Vocational and Technical Education (DGVTE)
- Directorate General of Education
- Directorate General of Higher Education
- Center for Educational Research and Development (CERD)

General education

Enrolment

In 2002 Lebanon had a total of 2,677 schools, of which 1,324 were public and 1,353 private; 381 of these were religious or other specialty schools. During the same academic year 899,508 students were enrolled in general education, with 604,804 at the elementary level, 188,411 at the intermediate level (44% of these in public schools) and 106,293 at the secondary level (54% of these in public schools). In recent years there has been increased pressure on public institutions (and finances), and enrolment statistics show that there are growing numbers of children (estimated at 25,000) moving from private to public schools, particularly in the post-primary grades. This trend can be partly explained by the high cost of education in private schools and by the economic setbacks experienced by Lebanese families. It is a trend that is expected to continue in the coming years.

Role of the private sector

The Lebanese education system is unique in the region, with nearly 60% of total enrolments in grades 1–12 being in non-government schools. The private sector has always played a pivotal role in education provision and financing. It is divided into two clusters: for-profit schools and subsidised schools. The private sector is extremely heterogeneous; it comprises a wide range of institutions with diverse objectives, which appear to differ enormously in their quality and performance.

Higher education

Higher education in Lebanon is provided by about 41 colleges and universities. Only two of these are public institutions: the Lebanese University and the Lebanese Academy of Fine Arts. Both the private and public sector are administrated by the MEHE. Admission to higher education institutions is based on the 'Baccalauréat libanais'. The reorganisation and upgrading of the private sector was a major concern of the former Minister of Education and Higher Education. In 2002 there were 124,730 students enrolled in registered institutions of higher education (recognised by the MEHE), resulting in 15,686 graduates.

Vocational education and training

The formal system

In Lebanon the MEHE is the main authority for training, although there is fragmentation in the technical vocational education and training (TVET) sector, with other ministries, such as those for Social Affairs, Agriculture, Labour, Tourism and Health, responsible for TVET in their respective areas. Within MEHE, responsibility for TVET is assigned to the Directorate General of Vocational and Technical Education (DGVTE).

Formal VET is an integral part of the education system in Lebanon. After six years of primary education, pupils can choose between a general education pathway and a vocational and technical pathway. The mainstream vocational pathway includes a two-year cycle for obtaining a basic vocational qualification (CAP) and continues with an additional two-year cycle providing a vocational qualification (BP) to complete intermediary education. Upon completion of this stage, pupils can choose between a technical baccalauréate (BT) and the dual system (DS) to fulfil the secondary education requirements. The system provides easy transfer from different levels of general education into corresponding levels of vocational and technical education, though not vice versa. Until now it has been necessary to undertake an additional one-year programme after the DS in order to continue in the education system. In contrast the BT provides immediate access to higher vocational education in the form of a three-year cycle to obtain a higher technician's diploma (TS), and an additional two-year cycle to obtain a technical diploma (LT). The BT also provides access to university.

Total enrolment in technical and vocational education has increased from 45,984 in 1997/98 to 66,950 in 2002/03, with 35.4% and 46.4% of students attending public schools respectively.⁴ All types of technical and vocational education programmes are provided in technical schools. At the beginning of the school year 2004/05 there were 76 public technical schools compared to 54 public schools in 2002/03. This increase is a result of the on-going school building programme. The aim is to increase total enrolment to 90,000 by 2010, two-thirds of whom should be able to attend public schools. There are also almost 400 private providers, divided into two main groups: for-profit schools and those run by not-for-profit NGOs.

In 2000/01 the total number of teachers in the public schools was 4,109. Teachers in the public VET schools represent a group of heterogeneous individuals, in that wide differences in their academic qualifications and practical work experiences can be identified. A large proportion of them are part-time staff who lecture for a few hours a week at one or more schools. The current recruitment and evaluation systems do not take account of teachers' levels of competence.

Private VET sub-sector

The private VET sector is dispersed across small companies and focuses mainly on non-capital-intensive training subjects (namely tertiary subjects). This sector has flourished by offering an alternative to fill the gaps between the levels of supply and demand at public schools. The sector is divided into two main categories: one category consists of schools run as profit-making establishments; the other category is schools run by NGOs, and mainly subsidised by the government and by local and international donors (students' contributions are minimal). In both categories there are noticeable variations in the quality of both the programmes offered and the teachers. The results of the official examinations for the various degrees clearly show the success rates of students from different private schools and the large gap that exists between the best-and worst-performing schools.

All private VET schools should be controlled by DGVTE with regard to their methods and delivery of national/civic education and physical education, along with their health and safety procedures. DGVTE should also control aspects of these schools that relate to official degree programmes offered: these aspects include the implementation of the official curricula, technical and pedagogic resources, the examinations system and teachers' qualifications. In practice, the fact that the DGVTE has limited physical and financial resources means that its control of private schools is almost nonexistent.

Private VET schools are not authorised to issue any diplomas or certificates in relation to accomplishments in technical education or any certificates of competence for any trade. Private schools wishing to offer their students an opportunity to participate in the national official examinations⁵ organised by DGVTE in June/July of each year must follow the official curricula and related regulations issued by DGVTE. In 2000/01 the total number of students in private schools was 56,174 (58.3% of them following official degree programmes and the remainder following special school programmes), and the total number of teachers was 6,856.

Private schools also offer short-term programmes (usually 3–12 months, which can extend to 2 years in rare cases). The contents and methods of delivery of these programmes are under the total control of the schools themselves, without any interference from DGVTE.

The non-formal system

Non-formal vocational training in Lebanon mainly takes the form of short accelerated courses at different entry levels and complexities, up to a maximum of nine months' duration. Completion of such training is acknowledged with a certificate that has little public recognition. The total number of students enrolled in non-formal vocational training is not known. Non-formal vocational training is also provided by both public and private providers. Many of the 382 private institutions provide accelerated training courses at different levels. Public provision is available through five training centres established in schools within the formal system that are run by the Department for Vocational Training of the DGVTE, two training centres and three mobile units operated by the Ministry of Labour, and around 70 community development centres operated by the Ministry of Social Affairs. In addition the National

⁴ 'Skills for the knowledge economy: Lebanon country paper', World Bank, September 2003, p. 14.

⁵ These include: Certificat d'Aptitude Professionnel (CAP), Brevet Professionnel (BP), Baccalauréat Technique (BT), Technicien Supérieur (TS), Licence Technique (LT), and Licence d' Education Technique (LET).

Employment Office and the Ministry of Social Affairs both make training available to their client groups by sub-contracting to private providers.

NGOs are playing an active role in the provision of training, targeting those with low educational achievements, and especially women. The most prominent of these training activities are those provided through the Intensive Vocational Training Project. Such training is based on regular courses offered by seven participating centres but is condensed into full-time (three-month) and part-time (six-month) courses. The government can play an important role in channelling funds to support an enlarged role for NGOs in training for the informal sector.

Continuing training

Little is known about the continuing training sector in Lebanon. Training in the private business sector is offered by a small number of consulting firms, as one of several services offered to clients. Some of these firms prepare, advertise and deliver training courses on management and HRD subjects to paying participants. Consulting firms also offer training within companies through custom-built courses. These are usually designed on the basis of the results of a needs assessment survey conducted by the consultants. The selection of trainees can also be part of the consultants' assignment. On the other hand, some large and medium-sized organisations in the private sector that have an established human resource department with a training section run their own in-house training. This is carried out by company trainers, where they exist, or with the assistance of training consultants. Furthermore, some sector-based organisations, such as the Association of Banks, offer regular lectures and seminars dealing with subjects suggested by their members.

Policy, governance and management

General education

The government's immediate priority in the education sector is, understandably, the reconstruction and rehabilitation of schools, mainly through the Council for Development and Reconstruction (CDR). In 2004 CDR planned to build 90 new schools. In parallel, the government engaged in more qualitative and long-term initiatives: a restructuring of the system into four cycles; the launch of a curriculum reform; the engagement and training of teachers in the use of the new curriculum; and revising the examination and analysis of student achievements. Nevertheless, a clear strategic approach towards education is still absent.

In 1999 a high-level committee undertook identification of policy goals for the general education stream. In 2004 a participatory approach was adopted to identify key themes for reforms: access and equity; financial resources; governance; human resources; quality; and the role of the school in Lebanon's development. The concrete formulation of the education strategy is yet to be finalised.

Vocational education and training

The VET system has suffered from the absence of a comprehensive policy linking it to the needs of the labour market. Five-year plans have mainly addressed the number of students that should be enrolled in vocational and technical education, the proportion that should be able to attend public institutions and the number of schools to be built. In 2001 the government of Lebanon took the first steps in drafting a strategic framework for the development of the TVET sector. A strategy document was prepared and approved by the minister and subsequently ratified by the Council of Ministers. It describes the context and current status of TVET in Lebanon, and presents guidelines and a statement of intent for its reorientation. The topics discussed relate mainly to governance; finance and accountability; stakeholders and labour market links; relevance, quality and efficiency; and institutional capacity development and management. The intention is that during 2005 a development plan to implement the strategy will be prepared and a fully operational TVET Planning, Monitoring and Evaluation Unit established. A Vocational Education Management Information System is also expected to be operational by mid 2005.

Higher education

There is no information available on on-going reforms in the higher education sub-sector. The most recent and interesting initiatives in this sector include (i) the national workshop on the reorganisation of

private higher education, held in 2004 under the auspices of the Minister of Education, which covered licensing and assessment issues, management responsibilities, management of pedagogical, technical and administrative resources, quality assurance and support services, and assessment monitoring and continuing improvement; and (ii) the science, technology and innovation policy initiative (STIP) for Lebanon, which aims to create high-quality jobs and investment and investment opportunities, and which has been implemented under the auspices of the Lebanese National Council for Scientific Research (NCSR) and supported by the UN Economic and Social Commission for Western Asia (ESCWA), UNESCO and Arab League Educational Cultural and Scientific Organization (ALECSO).

Summary

The Lebanese education system is unique in the region, with an important private sector that has always played a pivotal role in education provision and financing. Though the NGOs do not play a formal role in the definition of VET in Lebanon, in reality the NGOs are involved in much innovation within the system and should be considered as important actors in the VET system.

Following the civil war the government's immediate priority in the education sector was the reconstruction and rehabilitation of schools and TVET institutions. The qualitative and more long-term reforms are progressing very slowly in both the general education and VET sub-sectors. The MEHE, with its limited physical and financial resources, is unable to steer and assess the quality of private and public schools.

3. Current EU interventions in education and training in Lebanon

MEDA VET project

The EC is preparing a new project in the VET field. The project's specific objective is to promote a sustainable and replicable model for matching the demand for and supply of skills in the agro-food sector. The project is intended to achieve the following results: (i) an improvement in the ability of the agro-food industry to identify and formulate its skill needs; (ii) the creation of a VET institution through a partnership of the Syndicate of Lebanese Food Industries and the DGVTE; (iii) the provision of information on employment and training opportunities in the agro-food sector to individuals and enterprises.

Other EU initiatives

A number of EU-funded projects have supported several NGOs in the development of vocational training, particularly for socially disadvantaged groups. This assistance has included equipment and technical assistance to develop training courses. Two feasibility studies have also been carried out in the printing and agro-food sectors. These studies examined the feasibility of creating relevant education and training facilities in the two specific areas.

Key lessons learned from EC support

The EC has to date been reluctant to support the education sector. With the exception of the previous education project and the continuing TEMPUS initiative, its intervention in the sector has been very selective and has focused on support to civil society, taking a target group approach rather than a system approach.

4. Significant investment by other donors in the field of HRD

Since the end of the civil war Lebanon has received support from a number of different sources, including multilateral and bilateral donors and international NGOs. In terms of financial contributions, most of the support has been for the school building and refurbishment programme. However, assistance has also been provided to improve the relevance and quality of education and VET.

World Bank

The World Bank is a major donor in the education sector. In the late 1990s two loans of USD 56.57 million and USD 63 million were negotiated for general education and VET respectively. Both projects failed to achieve their target objectives. As a result, in early 2004 agreement was reached with the government to adopt an integrated sector-wide approach to the further development of education in Lebanon. The new project is focusing primarily on: (i) developing an integrated sector strategy for the general and vocational education streams; (ii) undertaking a comprehensive assessment of the financing of both public and private general and vocational education; (iii) undertaking an organisational review; and (iv) developing an education management information system.

Other banks and funds

The construction of a total of 42 new schools is being financed through the Arab Fund for Social and Economic Development (USD 30 million), the Islamic Development Bank (USD 30 million) and the OPEC Fund for International Development (USD 4 million).

Gesellschaft für Technische Zusammenarbeit (GTZ)

Since 1996 the German organisation GTZ has supported the introduction of a three-year dual vocational education programme in cooperation with the Department for Technical and Vocational Education. The objective of this project (EUR 1.5 million) is to improve the availability of skilled workers in the Lebanese labour market through the introduction of a cooperative vocational training system. There are currently a total of 900 students enrolled in the programme. The purpose of the programme is to ensure that students obtain industry-relevant vocational education through the involvement of employers in the definition of needs and curricula as well as in the delivery of practical training. Other components of the project relate to the development of a three-year post-secondary 'Meister' programme which follows at least two years of practical work experience after the end of the dual programme or BT. The project also addresses the training of trainers.

Key lessons learned from donors' support

The first key lesson learned from both of the on-going initiatives in the VET sector (GTZ and the World Bank) is that government ownership of a project's concept is vital, and that early involvement of the implementing institutions is particularly important. The second lesson is that projects should give adequate attention to improving the technical and managerial capabilities of the institutions concerned. A further lesson is that the capacity to absorb international assistance appears to be greater at the level of individual institutions than at the systemic level. Close cooperation with donors is necessary for the design and implementation of further EC support. The EC should capitalise in particular on work undertaken in the education sector by GTZ and the World Bank, and should take lessons from failures, particularly in the VET sector.

5. Main challenges for HRD and labour market related reform and modernisation processes

The increase in unemployment among educated workers suggests that the education system is not tailoring the skills of the future labour force to the needs of the labour market. Learning achievements and the links between education and the labour market need to improve markedly if Lebanon is to have the skills to compete in the global knowledge economy. The two main issues for the sector are: (i) the low levels of efficiency and quality; and (ii) the weak public institutional, steering and management capacities.

Quality of education and training

Effectiveness and efficiency

The general education sector is faced with a need to address issues of weak institutional and management capacity and low levels of efficiency and quality. Furthermore, complex political, religious and community relationships interfere in decision-making regarding school facilities and their location. Low levels of internal efficiency are mirrored by a great deal of repetition and high drop-out rates at all levels of education (18.9% at the elementary level, 22.8 % at the intermediate level and 10.6% at the secondary level). The recent performance of Lebanese students in international standardised testing was poor, reinforcing concerns about the declining quality of education.

With regard to the VET sub-system, the success rate in the national examinations for official degrees, as prepared and administered annually by DGVTE, can be used as an indicator of the performance of the present VET system. In 2000, 9,616 students successfully passed and graduated, representing about 55% of the total number of candidates. It should be noted that the practice of lowering the examination pass marks in some fields and for some degrees was widely used in the past to maintain the success rates at acceptable levels. However, these rates indicate that the young people leaving the formal education system are not equipped with any particular skills or competences that are validated by schools and DGVTE. The current system is not based on a modular structure that would allow such validation. On the other hand, employers in the private business sector complain that technical school graduates are not adequately equipped with technical knowledge and managerial skills.

Research by the ETF in 2001 and 2003 indicates that there is an evident mismatch between the output of the VET provision and the skill needs of industries and services. This results in a supply-driven model with low levels of internal and external efficiency. It leads to a growing imbalance between the overall supply of and demand for labour and to an increase in unemployment. Among other causes, three key problems contribute to this mismatch, and need to be addressed: (i) insufficient knowledge of the actual labour market, which creates unfavourable conditions for the promotion of skills and employment; (ii) the weak institutional framework of labour institutions; and (iii) the lack of labour market information.

Curricula reform

The lack of labour market information has produced outdated curricula in terms of both the occupations for which individual education programmes exist and the vocational and technical content taught within a given programme, which has not kept pace with technological developments. Furthermore, the relationships between the main components of the curricula need to be reviewed, i.e. between general education, vocational and technical education and the practical components. The lack of labour market information has not been addressed through a partnership between the productive sector and the VET system, and the revision and development of curricula are still to a large extent driven by educationalists. A major criticism of VET in Lebanon is the low level of practical training. There is no existing mechanism that provides structured workplace training for students and trainees, and most school workshops are inadequately equipped for ensuring that students and trainees are able to gain relevant practical skills.

The weak role of the Center for Educational Research and Development (CERD) in the educational research and development field, and particularly in the area of VET, is a major constraint for the successful design, implementation and evaluation of curricula reform. The VET unit within CERD is understaffed and has a low level of expertise in the field.

Teacher and trainer training

The level of training for teachers and trainers entering the profession is considered to be inadequate for the delivery of modern VET programmes, and initial teacher training implemented by the Institut pédagogique national de l'enseignement technique (IPNET) has not been adapted to the revised VET curricula. Furthermore, trainers often do not have sufficient experience in industry to enable them to deliver training of the appropriate quality. This situation is not addressed through continuing staff development for teachers and trainers. Less than 10% of teachers and trainers currently participate in upgrading courses every year. Moreover, the career path of teachers and trainers, with its low salary levels, is not seen as sufficiently motivating.

Institutional and steering capacities

A Higher Council for TVET was established in 1960 with a mandate to provide long-term advice to the Minister of Education. The Council comprises 11 members representing public administration, social partners and private VET providers. While a body of this nature can potentially play a valuable role, it is understood that no meetings have been held for a number of years, leaving all decision-making in the hands of the minister and advisers.

Furthermore, the participation of the social partners in the steering of TVET services is constrained by the lack of a private sector strategy for HRD and limited capacity to contribute to the steering of the system.

The capacity of MEHE is also at a low level, partly because it is grossly understaffed. In the VET sub-system the DGVTE continues to have problems in terms of its ability to absorb the technical assistance provided by donors and to manage the system. The lack of capacity is also mirrored in the inadequate licensing system for private training providers and the absence of evaluation tools for public ones, resulting in a lack of information on the quality of training provision in both the private and public sectors.

The Ministry of Education's insufficient institutional capacity to design and implement systemic reforms is a major issue that should be addressed in the future.

Summary

As the analysis of the two sub-sectors (general education and TVET) shows, it is apparent that there is a series of core issues that are interconnected and common to both sectors: low quality, inadequate institutional and steering capacities, and slow reform processes.

6. Levers in HRD and related labour market policies through which sustainable system reform can be triggered

Fields of cooperation

It is evident that significant 'hard' investments that will incur a high level of recurrent cost have now been made (the building of schools and VET institutions). International support should therefore include interventions dealing with quality and sustainability, for both the public and private sectors, including NGOs.

Improving the quality of the education system

Improving the effectiveness and efficiency of education institutions

The objective is to enhance the participation of communities in the decision-making process at school level through capacity building, and through the introduction of greater autonomy for schools and VET institutions in financial management, personnel management and pedagogical matters. This could be achieved by, for example, reviewing and modernising the internal organisation of educational institutions in order to make them more client-oriented; improving the links, at operational level, between educational institutions, local communities and enterprises, which could lead to a better quality of teaching and training delivery. This should include equipping the educational institutions concerned with facilities appropriate to revised curricula and the use of new technologies.

Enhancing the training of teachers and trainers

The management and organisation of teacher and trainer training is an important starting point in underpinning reform efforts in the education system, particularly in the VET sub-system. International support should aim to make the Institut pédagogique national de l'enseignement technique (IPNET) a centre of excellence. The institute would be responsible for all training of teachers and trainers, including pre- and in-service training, and for constantly monitoring and evaluating the skills of teachers and trainers. Furthermore, the institute should have the resources, confidence and authority of the government, private training providers and key stakeholders of industry to become the reference point for HRD within the education system.

Improving the educational research and development function

The development of sound national capacity to undertake studies relating to skill needs, curriculum development and the assessment and evaluation of students and institutions, and to adopt innovative approaches to education. It should also support the necessary institutional restructuring and professional development of local staff. Ideally, educational research and development and sector analysis should emerge from collaborative efforts of the Center for Educational Research and Development (CERD) and universities under the auspices of the MEHE. Donors' interventions should include capacity building for the establishment of a sustainable system for educational research and development through sustainable partnerships between CERD and public and private universities.

Developing institutional capacities

The sustainable implementation of systemic reforms requires an adequate institutional context. The Lebanese education system currently lacks the capacity to change, without substantial international support. EC support for institutional development should be long-term-oriented and should target in particular the most stable in terms of management and structure the "meso" level (DGVTE, CERD and IPNET). This should broadly cover strengthening the operations and human resources of each institution and the process of coordination across institutions.

Institutional development should also help in specifying national evaluation policies; implementing mechanisms to evaluate institutions and to establish rules for the accreditation of public and private institutions; evaluating the costs and benefits of training and education; and assessing the achievements, quality and outcomes of education and training.

Promoting continuing training

The active population of Lebanon is increasing. Given the clear evidence of market failures in continuing training in the Lebanese context, donors should support the Lebanese government in its role in developing continuing training by promoting well-designed co-financing arrangements; creating the structural preconditions for reaping the benefits of continuing training (through information, guidance and a transparent certification system); improving delivery and quality control by using the existing resources of public and private educational institutions (VET and higher education); and working for improved policy coordination and coherence between different ministries and social partners.

Instruments

The following section describes a range of instruments that could be used to implement the above mentioned interventions.

Catalyst/pilot activities

The World Bank's experience in the education system demonstrated that an immediate systemic approach in Lebanon is very risky, and in most cases ineffective. The system requires more catalyst/pilot actions that can be implemented immediately, given the inadequate institutional framework and the lack of skilled administrative staff. Such catalyst/pilot activities should allow the VET system to obtain tangible results that could be used as a benchmark and success story for the whole system.

Bottom-up approach

A bottom-up approach seems to be the most relevant and effective approach for donor intervention in Lebanon. Various donor projects have demonstrated that schools, lycées, colleges and other institutions are more responsive and open to development than administrations and supporting institutions. This has also been the case for initiatives in other areas (such as the EC project for municipalities). This approach could be used when supporting the improvement of the effectiveness and efficiency of educational institutions.

Is SWAP relevant?

It is clear that the situation in Lebanon, and particularly in the country's education system, is not receptive to immediate SWAP intervention, although the World Bank is planning such intervention (see the section on donor support). If SWAP intervention is to be designed, it should be phased over two stages. The first phase should prepare the ground for successful implementation, particularly through the development of institutional capacities, the elaboration of regulations guaranteeing successful implementation, and the initiation of pilot projects and bottom-up approaches that prepare the ground for more important developments. The second phase could then be dedicated to the implementation of SWAP within the conducive environment created during the first phase.

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