

Chapter III

Labor force and economic activity rates (Employment and unemployment)

1.

Labor force and economic activity rates

The category "active population" comprises – according to the ILO¹ – those who are working and the unemployed, and is also known as the total labor force. The actual labor force, however, refers to anyone who worked, even for only one hour, during the reference period (specified in the survey as "the week prior to the interview"), along with those temporarily absent from work due to sickness, holidays, maternity leave, or days-off.

Of the total population residing in Lebanon, the total labor force percentage is 32.2% and the economic activity rate for the age group 15 years and above is 44.0% (68.9% for males and 20.4% for females). The percentage of working individuals aged 15 - 65 years, when compared to the total population from the same age group, is 47.1% (22.3% for females and 73.4% for males).

- Actual labor force (age 15 and above): 1,108,129
- Actual labor force (age 15-64) : 1,062,099
- Number of unemployed (age 15 and above) : 94,442
- Number of unemployed (age 15-64) : 92,094
- Total labor force (active population) (age 15 and above): 1,202,571
- Total labor force (active population) (age 15-64) : 1,154,193

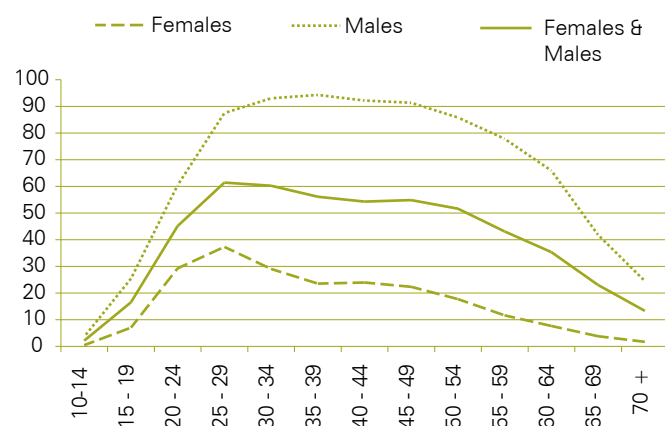
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a- Economic activity rate according to age and sex

In general, economic activity rates rise with the rise of residents' age, and reach their peak of 61.4% for either sex for the age group (25-29), and then start to gradually decline to reach a minimum of 13.3% at the age of 70 years and above for either sex. The economic activity rate for males reaches its maximum of 94.3% for the age group (35-39); interestingly, for males aged (15-19), the economic activity rate is only 25.4%. For women, the economic activity rates are much lower than those for men, and reach their maximum with the age group (25-29) to become 37.3%. See table (3-1)

Table (3-1)**Economic activity rates according to age and sex**

Age group	Females	Males	Females & Males
15-19	7.0	25.4	16.5
20-24	29.2	60.4	45.1
25-29	37.3	87.5	61.4
30-34	29.0	93.0	60.2
35-39	23.5	94.3	56.1
40-44	23.9	92.2	54.3
45-49	22.3	91.3	54.8
50-54	17.7	85.8	51.6
55-59	11.6	77.8	43.1
60-64	7.6	65.9	35.3
65-69	3.8	41.8	23.0
70 and above	1.7	24.5	13.3
Economic activity rate for ages 15 years and above	20.4	68.9	44.0
Economic activity rate for age group 15-64 years	22.3	73.4	47.1

Diagram (3-1)**Economic activity rates by age and sex**

b - Economic activity rates by governorate

The highest economic activity rate is found in Beirut, (51.1% of the residents of Beirut are economically active), with the lowest economic activity recorded in the Bekaa (37.7%). The economic activity rate for all of Lebanon, when disaggregated by sex, shows a clear difference, with the male economic activity rate reaching 68.9%, versus 20.4 for females. See table (3-2)

Table (3-2)
Economic activity rates by governorate

Governorates	(15 and above)		Females and Males (15 and above)	Females and Males (15 – 64)
	Females	Males		
Beirut	36.2	69.9	51.1	56.4
Mount Lebanon	23.7	70.8	47.2	50.6
North Lebanon	11.2	70.7	40.0	41.9
Bekaa	10.9	64.2	37.7	40.2
South Lebanon	16.6	65.3	39.7	42.3
Nabatieh	19.4	63.6	40.8	44.5
Lebanon	20.4	68.9	44.0	47.1

2.

Characteristics of actual labor force (or working individuals) aged 15 and above**a- Distribution of actual labor force by age and sex**

Working women make up 23.3% of total working individuals in Lebanon, with male workers representing 76.7% of total workers. The percentage of young workers of aged 15-24 represents 16.7% of total workers, and the percentage of working elderly (65 and above) is 4.2%. The age group 15-64 represents 95.8% of Lebanon's total actual labor force. See table (3-3)

Table (3-3)**Distribution of actual labor force by age and sex**

Age group	Females	Males	Females and Males
15-19	3.6	4.2	4.1
20-24	17.1	11.2	12.6
25-29	20.0	13.6	15.1
30-34	14.8	13.9	14.1
35-39	12.0	12.6	12.4
40-44	12.0	11.6	11.7
45-49	8.4	9.6	9.3
50-54	5.6	8.0	7.5
55-59	3.2	5.9	5.2
60-64	1.9	4.4	3.8
65-69	0.8	2.6	2.2
70 and above	0.6	2.4	2.0
Total	100.0	100.0	100.0

b- Distribution of actual labor force by educational attainment

The survey's results demonstrate that 20.1% of workers hold a university degree. However, those who only attained an elementary education make up the highest percentage of workers, at 28.1%. Twenty-two percent of workers achieved an intermediate education, while 4.5% of workers are illiterate. See table (3-4)

Table (3-4)**Distribution of actual labor force by educational attainment and sex**

Attained educational level	Females	Males	Females and Males
Illiterate	3.6	4.8	4.5
Literate (read & write)	2.0	5.4	4.6
Pre-school	0.3	1.1	0.9
Elementary	11.4	33.1	28.1
Intermediate	13.2	24.7	22.0
Secondary	20.6	14.6	16.0
University	34.1	15.9	20.1
*Inapplicable	14.8	0.3	3.7
Total	100.0	100.0	100.0

* This category includes both individuals with an unknown educational level and those who were not asked about their educational level, such as domestic workers.

c- Distribution of actual labor force by governorates and sex

The governorate of Mount Lebanon comprises 44.1% of total working residents in Lebanon, followed by North Lebanon (17.5% of total workers). Beirut contains only 13.1% of total workers, followed by the Bekaa (10.9%), South Lebanon (9.3%) and finally Nabatieh (5.1%). See table (3-5)

The percentage of female workers, out of the total number of workers, in Beirut is relatively high, (39.9%), when compared to the 23.3% of female workers in Lebanon as a whole. The percentage of female workers declines in the Bekaa (14.4%) and in North Lebanon (14.1%). See table (3-6)

Table (3-5)**Distribution of actual labor force in Lebanon by sex and governorate**

Governorates	Females	Males	Females and Males
Beirut	22.5	10.3	13.1
Mount Lebanon	46.8	43.3	44.1
North Lebanon	10.6	19.6	17.5
Bekaa	6.7	12.2	10.9
South Lebanon	8.2	9.6	9.3
Nabatieh	5.1	5.0	5.1
Total	100.0	100.0	100.0

Table (3-6)**Distribution of actual labor force per governorate by sex**

Governorates	Females	Males	Total
Beirut	39.9	60.1	100.0
Mount Lebanon	24.7	75.3	100.0
North Lebanon	14.1	85.9	100.0
Bekaa	14.4	85.6	100.0
South Lebanon	20.7	79.3	100.0
Nabatieh	23.5	76.5	100.0
Lebanon	23.3	76.7	100.0

d- Distribution of actual labor force by profession status

Workers are distributed by profession within the following categories: employers; self-employed; salaried employees; wage earners paid on weekly or hourly basis, or based on their productivity; workers with family or relatives with or without wage; apprentices, trainees or workers without wage. The "salaried employees" category represents 49.1% of total workers, followed by the category of self-employed workers – on their own or with the help of household members – representing 28.5% of total workers. See table (3-7)

Table (3-7)**Distribution of actual labor force by profession status**

	Profession	Percentage
	Employer hiring wage earner	5.1
(Self employed, working alone or with help from family members (with or without wage		28.5
	Salaried employee	49.1
	Employee paid weekly, hourly or according to productivity	13.0
	Worker with family or relatives, with wage or without wage	3.3
	Apprentice, trainee or volunteer worker with charitable or humanitarian organizations	1.0
	Total	100.0

e- Distribution of actual labor force by employment categories

The jobs and professions of workers and employees are categorized according to the international categorization of jobs and professions adopted and applied by the ILO². The results were based on the largest 10 categories, as shown in Table (3-9). "Skilled workers"³ make up 19.2% of workers, followed by "unskilled workers"⁴ at 15.5%, "general and corporate managers" at 10.7%, and "service sector workers and salespersons" at 10.5%. Specialists⁵ comprise 9.6% of workers, with "drivers" making up 9.1%, "office employees" 8.9%, "intermediate professions"⁶ 7.4%, and 4.7% for "skilled agricultural and fishery workers." See table (3-8)

² The International Classification of Jobs and Professions, 3rd ed. known as ISCO – 88, ILO, Geneva.

³ This category comprises handcraft workers and manual workers who work in construction, printing, food preparation, leatherwork, etc.

⁴ This category comprises workers who do not have any specific skills and who work in sales, cleaning, agriculture, fishing and construction, etc.

⁵ This category comprises specialists within scientific professions, licensed teachers and professors, doctors and engineers, etc.

⁶ This category comprises the middle scientific professions of education, physics and biology, etc.

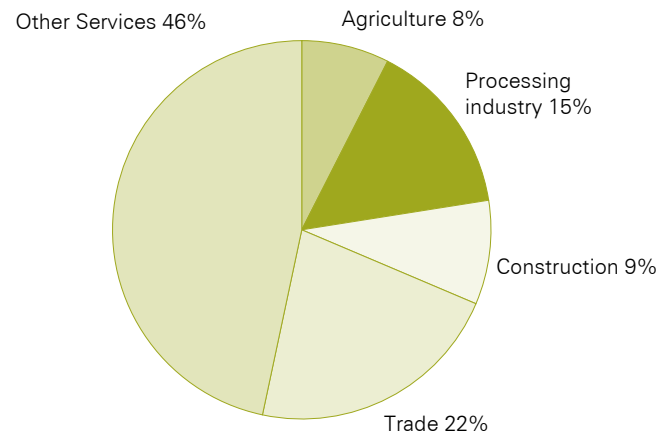
Table (3-8)
Distribution of actual labor force by employment category

Employment category	Percentage
General and corporate managers	10.7
Specialists	9.6
Intermediate professions	7.4
Office employees	8.9
Service sector workers and salespersons	10.5
Agricultural and fishery workers	4.7
Skilled workers	19.2
Drivers	9.1
Unskilled workers	15.5
Armed forces	4.4
Total	100.0

f- Distribution of actual labor force by the economic sector of the employing institution

Of the total workers in Lebanon, 46.7% work in the service sector⁷, 22.1% in trade, and 15.0% in processing industry, mining and quarrying. Meanwhile, 8.7% work in construction and 7.5% in agriculture. See diagram (3-2). Furthermore, 85.8% of total workers work for private sector companies and institutions, while 12.9% are employed by the public sector institutions and 1.2% by institutions and organizations from other sectors (i.e. international organizations, civil or partisan organizations...).

Diagram (3-2)
Distribution of actual labor force by economic sector



g- Distribution of actual labor force by health insurance type

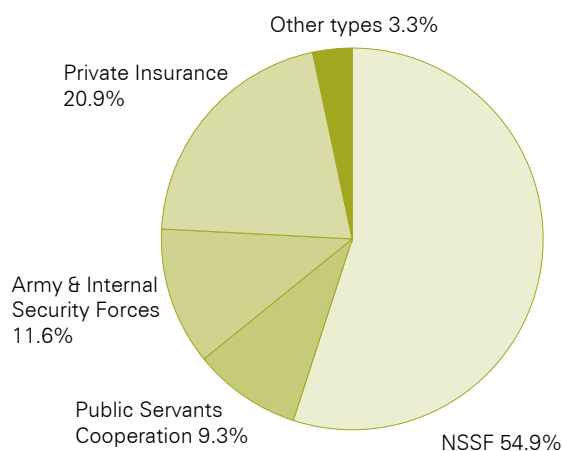
The survey results indicate that 50.8% of workers do not receive any health insurance at all. However, 49.2% of total workers are covered by at least one type of health insurance. Of Lebanon's total workers, 27.0% are covered by the National Social Security Fund (NSSF), and 10.3% are registered with private insurance companies, either at their own expense, at the expense of their employer, or through an institution or syndicate/union. Additionally, 5.7% of total workers benefits from the Army and Internal Security Forces private insurance systems, 4.6% of workers are insured through the Public Servants Cooperative and 1.6% receive other types of insurance. See table (3-9)

⁷ This category comprises education, health, hotels, restaurants, financial services and insurance, etc.

Table (3-9)**Distribution of actual labor force by insurance coverage and type**

Insurance coverage	Type of insurance or insurance institution	Percentage
	(National Social Security Fund (NSSF	27.0
	Private insurance (at own expense or employer's expense, or through an (institution or union	10.3
	Army and the Internal Security Forces	5.7
	Public Servants Cooperation	4.6
	(Other type (outside Lebanon, municipality, mutual fund, UNRWA	1.6
Covered	Total number of those benefiting from a certain insurance	49.2
Not covered		50.8
	Total	100.0

Of the workers receiving only one kind of health insurance, they are covered by the following types of insurance: 54.9% by NSSF, 11.6% by the Army and ISF private insurance systems, 9.3% by the Public Servants' Cooperative and 3.3% receive another type of health insurance. See diagram (3-3)

Diagram (3-3)**Distribution of workers covered by only one health insurance type, per insurance type****h- Distribution of actual labor force by work duration and usual number of working hours**

The results show that 88.8% of all workers have permanent jobs, versus 6.3% who work temporarily⁸ and 4.7% seasonally⁹. The regular weekly working hours can be defined as the hours during which work is done within a typical week. The concept of regular working hours applies to those present at their work, as well as those who are temporarily absent from work. The survey results reveal that 50.0% of total workers in Lebanon usually work more than 48 hours per week, and 25.0% of total workers work more than 60 hours a week.

⁸ Temporary work: irregular work done upon demand (construction workers, porters, consultants, etc.)

⁹ Seasonal work: work performed during specific seasons that are repeated every year (agricultural or touristic seasons, beaches, etc.)

R. Hussmanns, F. Mehran and V. Verma, Surveys of the Economically Active Population, Employment, Unemployment and Underemployment, Arabic ed. (Geneva: International Labour Organization - ILO, International Labour Bureau - ILB, Economic and Social Commission for Western Asia - ESCWA, 1996), p: 97

3. Unemployment and unemployment rates

The standard measurement of unemployment,¹⁰ according to the ILO, is based on three criteria which must be simultaneously satisfied to be classified as unemployed— as pertains to those aged 15-64 years in most countries.

- They should not have carried out any work during the reference period (specified as the week prior to the interview)
- They should be available for work
- They should have actually sought work

Thus, the survey considers all individuals who have not obtained any work during the reference period, who are not temporarily absent from work, who are available for work within the two weeks following the interview, and who actually searched for a job during the four weeks prior to the interview, as unemployed. Based on this definition, the unemployed rate in Lebanon is estimated at 7.9%.

But ILO has allowed, in some special cases, a different definition for unemployment¹⁰ that includes those who do not have a job and are available for work, but are not actually seeking a job. According to this wider definition, the estimated unemployment rate in Lebanon is 9.7% (12.3% for females and 8.9% for males). However, in accordance with what is applied in most countries, the first definition will be adopted in this chapter.

The unemployment rate is equal to the percentage of the total of unemployed compared to the total active population (labor force), and not the total population. A 26.9% unemployment rate, for instance, for the age group (15-19) does not mean that almost one quarter of this age group is unemployed, but rather that the percentage of the unemployed, when compared to the workers and the unemployed combined, is one quarter of this age group.

The unemployment rate for the age group 15 years and above is 7.9% (8.0% for age group 15-64), with 9.6% for females and 7.4% for males. A rise in this rate is noted for the age group (15-24 years). See table (3-10)

Table (3-10)
Unemployment rate by age and sex

Age group	Females	Males	Females and Males
15-19	26.3	27.2	27.0
20-24	17.3	17.3	17.3
25-29	10.7	7.8	8.7
30-34	7.2	5.1	5.6
35-39	5.4	3.9	4.2
40-44	6.6	3.5	4.2
45-49	4.7	2.7	3.1
50-54	1.3	3.6	3.2
55-59	1.7	2.5	2.4
60-64	1.9	4.4	4.1
65-69	0.0	6.5	6.0
70 and above	0.0	3.8	3.6
Unemployment rate (15 years and above)	9.5	7.3	7.9
Unemployment rate (15-64 years)	9.6	7.4	8.0

The highest unemployment rates for either sex occur for those carrying an intermediate certificate (9.2%), followed by those holding the secondary certificate (8.7%), then a university degree (8.2%). By comparing female and male rates, a clear rise in rates is noted for women at all educational levels. See table (3-11)

Table (3-11)
Unemployment rate by educational attainment and sex for age group 15 and above

Educational attainment	Females	Males	Females & Males
Illiterate	4.4	5.0	4.9
Literate (read & write)	14.4	4.9	5.9
Pre-school	14.2	4.4	5.3
Elementary	12.6	7.2	7.7
Intermediate	15.1	8.2	9.2
Secondary	9.2	8.6	8.7
University	10.3	6.9	8.2
Total	9.5	7.3	7.9

¹⁰ A ruling regarding the international criteria was introduced in 1982 that allows the relaxation of the "seeking work" criterion in some cases. This ruling applies only to cases where the traditional means for job seeking are limited, the labor market lacks organization or has a limited scope, and where the absorbing labor force is not sufficient, or the labor force within it is mainly self-employed. Thus, the unemployed become those individuals who do not have work and are available for work, but who did not actually seek work. It is noted that such cases exist mostly in developing countries, where the unemployed do not actively seek work, and where some of them even believe that no work corresponding to their skills is available in their area or at particular times of the business cycle. See: R. Hussmanns, F. Mehran and V. Verma, *Surveys of the Economically Active Population, Employment, Unemployment and Underemployment*, Arabic ed. (Geneva: International Labour Organization - ILO, International Labour Bureau - ILB, Economic and Social Commission for Western Asia - ESCWA, 1996), p: 105.

The unemployment rate for all of Lebanon is estimated at 7.9% for both sexes. The highest unemployment rates are recorded in Beirut and Nabatieh, and the lowest in the governorates of North Lebanon and the Bekaa. See table (3-12)

Table (3-12)
Unemployment rate for age group 15 and above by governorate and sex

Governorate	Females	Males	Females and Males
Beirut	8.8	10.8	10.0
Mount Lebanon	9.7	8.1	8.5
North Lebanon	7.4	4.6	5.0
Bekaa	5.6	5.5	5.5
South Lebanon	13.4	7.1	8.5
Nabatieh	13.6	8.4	9.6
Lebanon	9.5	7.3	7.9

4. Characteristics of the unemployed aged 15 and above

a- Distribution of the unemployed by sex and marital status

Females constitute 28.7% of the total unemployed, while males constitute 71.3%. The youth category (15-24) represents 48.4% of the total unemployed, and the elderly (65 and above) 2.5. See table (3-13). Moreover, the survey results show that 80.1% of the unemployed never married, while the married unemployed form 17.7%, and widows/widowers, divorcees and the separated make up 2.3% of the total unemployed.

Table (3-13)
Distribution of the unemployed by age and sex

Age group	Females	Males	Females and Males
15-19	12.2	19.8	17.6
20-24	33.9	29.5	30.8
25-29	22.9	14.5	16.9
30-34	10.9	9.5	9.9
35-39	6.5	6.4	6.4
40-44	8.1	5.3	6.1
45-49	3.9	3.4	3.5
50-54	0.7	3.7	2.9
55-59	0.5	1.9	1.5
60-64	0.3	2.6	1.9
65-69	---	2.3	1.6
70 and above	---	1.2	0.9
Total	100.0	100.0	100.0

b- Distribution of the unemployed by educational attainment

University degree holders represent 21.2% of the total unemployed, while 27.6% of the total unemployed attained an elementary level education, and 26.2% have an intermediate level education. See table (3-14)

Table (3-14)**Distribution of the unemployed by educational attainment and sex**

Educational attainment	Females	Males	Females and Males
Illiterate	1.6	3.2	2.7
Literate (read & write)	3.2	3.5	3.4
Pre-school	0.5	0.6	0.6
Elementary	15.6	32.5	27.6
Intermediate	22.3	27.8	26.2
Secondary	19.8	17.3	18.0
University	37.0	14.8	21.2
Inapplicable	---	0.3	0.3
Total	100.0	100.0	100.0

c- Distribution of the unemployed by governorate

The survey results show that 48.2% of the unemployed are from Mount Lebanon, 17.1% from Beirut, 10.8% from North Lebanon, 10.1% from South Lebanon, 7.4% from the Bekaa and 6.3% from Nabatieh. See table (3-15)

Table (3-15)**Distribution of the unemployed by governorate**

Governorate	Females	Males	Females and Males
Beirut	20.7	15.7	17.1
Mount Lebanon	47.6	48.4	48.2
North Lebanon	8.1	11.9	10.8
Bekaa	3.8	8.9	7.4
South Lebanon	12.2	9.2	10.1
Nabatieh	7.7	5.8	6.3
Total	100.0	100.0	100.0

d- Distribution of the unemployed by means for job seeking, and according to time spent job seeking

Of the various means for job hunting adopted by the unemployed during the four weeks prior to the interview, the one most resorted to was through acquaintances and friends (72.5% of the unemployed), followed by advertisements and newspapers at 13.3%, then directly asking employers (12.1%). Only 1.7% of the unemployed resorted to the remaining other means, such as regular or electronic mail, private employment/recruitment offices or the National Employment Office, in addition to workers' gatherings.

Of the unemployed, 40.5% have spent a period of less than six months job hunting, 22.6% spent between six months to one year searching, while 34.2% have searched for more than a year. Additionally, of the unemployed, 52.9 have never worked; meaning those who have already worked at least once represent 47.1% of the unemployed.