THE ROLE OF HIGHER EDUCATION INSTITUTIONS IN ADDRESSING YOUTH UNEMPLOYMENT IN LEBANON

by

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This qualitative study investigates how higher education institutions address youth unemployment in Lebanon. Using a descriptive study design, it maps out the issues and potential solutions within the environment the universities are embedded from the perspectives of leading policy makers in the field of higher education in the country. The policy perspectives of university rectors, government officials, and private sector employers are charted and then compared in relation to youth unemployment, jobless graduates and the higher education institutional role. The theoretical framework, which has been derived from the human capital literature and higher education institutional theories, guides analysis of interviews with institutional policymakers. The core study finding offers support for the compilation of fundamental data and official demographic statistics, which will influence any potential policy reform to be considered. Results suggest that there are differences and similarities between the different participant groups in identifying the roots, risks and responses to the problem of youth unemployment in the Lebanon. Additional findings point to a centrality of institutional role in the mitigation of the crisis of jobless graduates in the country. Among policy recommendations to follow the data compilation are joint efforts to address policy reform in the higher education subsector in Lebanon.
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1.0 INTRODUCTION

Youth\textsuperscript{1} unemployment has grown into an epidemic in Lebanon because its youth population is at a peak; it has an overcrowded higher education market; and concerns for socio-economic status in the country do not match labor market needs. In addition, the global economic crisis has also added to this problem because it has become a custom in the country for the Lebanese youth to travel abroad in pursuit of employment. However, with the onset of a global economic recession, many of these young women and men lost their jobs and were faced with the difficult decision of returning to their homeland to find that it also did not have any job or career options to offer.

Amidst this crisis, universities play a pivotal new role in addressing the youth unemployment problem for they are among the institutions that prepare the labor force for the most educated people in the country. In the past, the country was growing and graduation almost guaranteed job placement. This is no longer the case. In this chapter, the context of youth unemployment crisis is presented with special focus on the Law on Higher Education (1996). Additionally, this section presents the general purpose of the study and the research questions that guided the inquiry.

\textsuperscript{1} The United Nations youth definition (persons between the ages of 15 and 24) will be used for the purpose of this study (See Section 2.1).
1.1 CONTEXT OF THE PROBLEM

The purpose of this study is to determine how the youth unemployment crisis is being addressed by higher education institutions in Lebanon through the investigation of the perspectives of policy makers: local university presidents, permanent civil servants\(^2\), and employers within the local labor market. This study examines the reasons for youth unemployment in Lebanon with an investigation of the social and economic factors that influence the current situation, and explores how the institutions of higher education can make a difference. The study illustrates aspects of the current youth unemployment crisis in Lebanon. It presents an urgent call for higher education institutions to respond to the escalating condition in the country mapping both theoretical and policy frameworks of human capital.

The global economic crisis beginning in 2008 has greatly impacted the economy in the Middle East and North Africa (MENA) region, particularly fragile states with weak economies such as Lebanon. Today’s young people missed the prosperous economy of the past and now face a weak economy in which they are expected to be productive members (Salehi-Isfahani and Dhillon, 2008). The labor market and related policies constitute a critical component of these countries’ economies (Gonzalez et al., 2008). With unemployment on the rise, it is critical for policymakers to address issues pertaining to the youth population in these countries.

Higher education institutions are now called on to play a significant role as Lebanon struggles to create economic and social opportunities for young citizens to match their education with their expectations. This study examines the perspectives of policy makers on the reasons for

\(^2\) It is significant to include permanent civil servants as they are able to provide a longitudinal view of the ministry they represent for they have been in the particular ministry for a considerable time as opposed to the ministers themselves who come and go with the different political regimes that govern the country.
the youth unemployment in Lebanon and the role of higher education institutions in the country relative to this crisis. This study will contribute to a deeper understanding of the links between education and the demands of the labor market and the high incidence of joblessness youth face today.

1.1.1 Regional Context

The youth population\(^3\) is currently at a historical peak in Middle East and North Africa (MENA) with an aggregate unemployment rate for those between the ages of 15 and 24 at nearly 25 percent, compared to the world average of 14 percent (Dhillon and Yousef, 2009; Salehi-Isfahani and Dhillon, 2008; Kabbani and Kothari, 2005). It is estimated at 66.2 million young men and women (Chaaban, 2007). This population is projected to continue to grow in the coming years. According to the United Nations Population Fund, the annual growth rate for 2000-2010 is estimated at 1.2 percents for the world and 2.5 percent for the Arab states (Omran, 1998). This is further observed in the region’s population momentum. The number of people entering their reproductive years annually is higher than those exiting, consequently leading to a geometric increase of marriage—in a conservative culture as that of the MENA region. Societal norms expect marriage at a young age, on average within the twenties (Omran, 1998). In the face of this population growth, the region faces a weakening economy. There has been a break out of a number of civil revolutions to overcome the existing political regimes because people have been suffering from the rise in living expenses and the unemployment rates. According to forecasts from the International Labor Organization (ILO), total unemployment in the MENA has

\(^3\) See Section 2.1 for definition of Youth.
increased by 3 million in 2009 (Assaad and Roudi-Fahimi, 2007). Young people in the region are greatly impacted by this weakening economy, as youth employment is highly sensitive to fluctuations in economic conditions.

Several factors are leading to increased youth unemployment in the MENA region as well to a long transition time before young people land their first job after completing their higher education. Some of these factors lay within the supply side and others can be found within the demand side of the labor market. Labor demand and supply imbalances that affect workers worsen the overall performance of a country’s economy by increasing the unemployment rate, particularly those countries with a strong reliance on human capital in the absence of natural resources (Gonzalez et al., 2008). Several explanations of the observed trends of youth unemployment may be attributed to the school-to-work transition and the skills mismatch between education and the labor market.

### 1.1.2 Local Context

A similar situation of the mismatch of skills between educational institutions and the labor market is reflected in Lebanon. Young people in the country face a struggle to secure a larger stake in their economy and society. The National Survey of Households Living Conditions for 2007 reports that youth represent 19.5 percent of the total population of Lebanon (Ministry of Social Affairs, 2009). This youth population is projected to continue to grow in the coming years. In the near future, however, the population growth between 2010 and 2040 will eventually shift the youth bulge and transform the Lebanese population into an aging population. This projected shift indicates that it is now critical to build the human capital of the country’s youth. Today’s youth need to contribute the productivity of the country. As they age, however, they will
become more dependent (dependents defined as those aged over 65), creating an increasing burden on society for more dependents is argued to consume more resources rather than accumulate increases in savings and investments (Dhillon and Yousef, 2009). Despite this future shift in the youth bulge, the youth population is projected to remain at a considerably high level in comparison with the rest of the world (DESA, 2009).

With this wealth of human capital, it is critical for Lebanon to take advantage of its youth population. This population will comprise the working-age population before it transitions to a dependant population by 2040 (Dhillon and Yousef, 2009). There are a number of contextual factors that impact youth employment opportunities in Lebanon. Among these factors are the current global and regional economic recession, and the socio-economic status in the country, including aspects such as the growing national public debt, market restrictions, youth emigration trends, the political instability and human security, and the country’s education system. In addition, outdated labor laws and nepotism tend to impact youth employment opportunities in the country.

The recent economic decline in the region has impacted the Lebanese youth population significantly (Dhillon and Yousef, 2009). Although Lebanon is not an oil-producing country, it is greatly impacted by the downturn of the economic situation of the region for it is one of the leading exporters of skilled and semi-skilled labor to neighboring oil-producing countries (Gonzalez et. al, 2008). Most graduates who choose to leave the country explain that they do so in search of better career opportunities and working environment (UNDP, 2009).

The national public debt has become a burden on the country. After the end of the Lebanese civil war in 1990, the public debt skyrocketed, reaching US$47.35 billion in the second quarter of 2009, reflecting an increase of US$15.6 billion since 1997 (UNDP, 2009). It also has
been argued that Lebanon’s economy has been underperforming due to a number of other reasons, including the lack of government initiatives. For example, the United Nations Development Program (UNDP) claims that Lebanon suffers from a lack of investments due to high start-up and shut-down costs for businesses (UNDP, 2009). Other investment impediments include corruption and a set of fiscal incentives favoring the allocation of resources to non-tradable sectors, such as tourism (Berthelemy et al., 2007). For example, the government has been supportive of tourism-related occupations and jobs. This growth has, however, hindered the employment of the educated youth because the non-tradable sector relies heavily on low skilled workers, as opposed to tradable sectors where sectors are in direct competition with foreign trade.

In addition to the above mentioned obstacles to youth employment, a number of challenges exist within the market, both at the supply side and at the demand side. Research on unemployment concludes that the educational system outcomes (supply) do not align with market demand (Galal, 2002). Galal (2002) further argues that the link between education and employment is broken, leading to a pressing need to maximize the private and societal returns to education.

Youth emigration has become a cultural and societal expectation, particularly in relation to skilled labor force of Lebanon. Lebanon’s youth are not finding their expectations met due to the paucity of available jobs, the types of jobs offered, and the salaries that are being offered (UNDP, 2009). Therefore, the majority of the new labor market entrants are opting to leave the country in search for a better opportunity abroad. This has led to a brain drain which may be gradually but progressively eroding the country of its active and productive population. Furthermore, it is estimated that 24 percent of the Lebanese labor force have post-secondary
education; whereas almost 50 percent of emigrants hold a university degree. This leaves Lebanon with only a 12 percent educated labor force (UNDP, 2009). This is coupled with the continuous flow of low-skilled foreign workers into the country (UNDP, 2009). Lebanon is exporting many of its skilled and educated youth.

Despite these negative aspects to emigration, some may argue that remittances that are gained from this social trend have sustained families within the country (Nahas, 2009; UNDP, 2009). Lebanon received twice as much money from emigrant remittances ($5.2billion) in 2006 than from Foreign Direct Investment ($2.6billion). Eighty percent of these remittances, however, have been used for daily household consumption rather than direct investments. Lebanon is thus slowly being shaped into a dependency economy, where emigrant remittances serve as financial patches for national economic sustainability (European Investment Bank, 2006; Chaaban, 2009 interview; UNDP, 2009).

Political instability and human security threats have also greatly impacted the youth unemployment situation in the country. Following the assassination of the former Prime Minister Rafik Harriri in 2005, Lebanon witnessed large scale hostilities nationwide in 2006. The conflict resulted in more than 1,187 deaths, 4,398 injuries, destruction of infrastructure, disruption of essential services and the displacement of an estimated 25 percent of the population (Klap and Yassin, 2008). It was projected that youth unemployment would increase as a result of the 2006 war, particularly due to its effect on the tourism and other economic sectors (Klap and Yassin, 2008). An estimated 30,000 jobs were lost and around 20 percent of the youth are believed to have emigrated as a direct result of this war (UNDP, 2009). The political instability and human security threats have thus been a chronic impediment for foreign investments in the country. These two factors consequently have further encouraged youth immigration.
The education sector also impacts the employment situation for youth in the country. Despite the efforts that the Lebanese government has put forth to improve its education system, it has failed to keep up with the advancements that have taken place globally (UNDP, 2009). For example, the laws regulating the higher education subsector in the country may create special impediments to youth employment by influencing the rate of jobless graduates. The main law that regulates the private sector of higher education was issued in 1961 by which a Council for Higher Education was established with a mechanism of licensing new higher education institutions (MEHE, 2009). This law was first issued to regulate the higher education sub-sector. It is made up of 28 articles that outline the legal framework for establishing and running private higher education institutions (Nahas, 2009). Another attempt at regulating the higher education subsector was the decree number 9274 that was passed in 1996 by the Ministry of Education and Higher Education, known as the Ministry of Culture and Higher Education at the time. It modernized the 1961 Higher Education Law and set new conditions and the criteria for licensing new private higher education institutions (Traboulsi, 2010; MEHE, 1996). This decree consisted of 11 articles, particularly highlighting the establishment of an Education Committee that is tasked with looking over the applications for the establishment of new higher education institutions (Nahas, 2009). This decree had an influential impact on youth employment because with its introduction, the country witnessed an increase in the number of higher education institutions. Although some may argue that this decree has also provided an ease of access to higher education in the country, others also argue that the decree led to a drop of quality of higher education in Lebanon as well as an excess of graduates that the local labor market cannot absorb. Today, Lebanon has 28 private universities that are legally recognized by the government, but only one public university, the Lebanese University (LU). Almost 45 percent of the total university students in the country are enrolled at the LU. Moreover, with the rise in the number
of private higher education institutions in the country, many ‘for profit universities’ in Lebanon are now recruiting inadequately prepared students. These students are being competed for by institutions whose own survival depends on the success in the market. This overcrowding of the higher education market has led to an increase in the student enrollment in universities. In fact, Lebanon has one of the highest higher education enrollment rates among the Arab States, with 30 percent of the Lebanese youth aged 20-24 are registered at one university or another in the country (UNDP, 2009).

This situation calls for an urgent move on the part of the higher education systems in the country. It is critical for universities to align both the education and the local and regional labor market needs in an attempt to address the escalating issue of unemployment. There is a large body of empirical evidence that shows that education is significant for rapid economic growth and economic returns, but only if they are aligned with labor markets and state citizenships. The economic returns for any investment in education depend on the demand of labor (Dhillon and Yousef, 2009; Galal, 2002). Thus, investments in higher education should be viewed as a mechanism to impact the country’s whole economy. Lebanon is characterized by a high level of education expenditures, estimated at 9.1 percent of the country’s GDP according to the 2004 household survey on expenditures on education, which in turn is faced with a low demand for skilled labor (Nahas, 2009). Furthermore, gross private returns to education are very low, estimated at 9 percent in Lebanon compared to 21 percent worldwide (UNDP, 2009). Despite this low return to education that is being experienced in the country, Lebanese still put forth private investments in education because of the perceived return they expect, which had proved true in the past. This paradox maybe also explained in a number of ways, one of which is Lebanon’s export of labor. In order to move Lebanon towards a growing economy, it is essential
to employ the right mix of skills by investing in the Country’s human capital. Employment is viewed as the vehicle through which education is translated into growth and equitable distribution of this growth (Psacharopoulos and Patrinos, 2002; Sen, 1997; Becker, 1993; Psacharopoulos, 1981, 1993, 1995; Schultz, 1971; Mincer, 1958). Moreover, it is critical to examine the main sectors of the economy that are growing rapidly and determine employment needs in these sectors. The political context in Lebanon coupled with the current economic crisis the country is facing along with the social insecurities, presents an even more pressing need for a resolution of the youth unemployment crisis for a better future.

1.1.3 Institutional Context

The Lebanese higher education system originated in 1866 with the founding of the first institute of higher education in the region. El-Amine (1997) categorized the growth and development of the Lebanese higher education system into three stages: Foundation, Nationalization, and War. El-Ghali (2008) proposed a fourth stage, the Revitalization Stage, spanning from the 1990 to the present.

During the Foundation Stage, from 1866 to 1950, foreign missionaries established two universities in Lebanon, the Syrian Protestant College, which in 1920 became the American University of Beirut (AUB) and the University of St. Joseph (USJ) (El-Amine, 1997). The role and influence of AUB, founded in 1866 which was known at that time as the Syrian Protestant College, as an institution of higher learning extended beyond Lebanon serving youth from across the Middle East region. In 1875, USJ was founded by a group of monks and has maintained strong ties with the University of Lyons in France (El-Amine 1997). Three other higher education institutions were founded during this stage. The American Junior College for Women,
today known as the Lebanese American University (LAU), was founded in 1924, and followed by the Lebanese Academy for Fine Arts (ALBA) in 1937. ALBA, was the only higher education institution that when founded had no foreign affiliation. The third institution was the Near East School of Theology. This institution remains today as one of the few higher education in the region to prepare students in the study of theology.

The Lebanese University (LU) marked the beginning of the Nationalization Stage in 1951 (El-Amine, 1997). LU, as the only national university in the country, is a public, government operated institution, with five campuses: East and West Beirut campuses, Tripoli campus, Sidon campus, and Zahle campus. LU is made up of 17 faculties with 47 branches in various locations across the country. While originally founded with the primary purpose to train teachers for secondary schools it has greatly expanded its program offerings to include training for a number of other professions. In 1959 it was granted a license by the Lebanese government to teach all of its study programs and award LU graduates bachelor's, master’s, or PhD degrees. At LU, instruction is relatively free. Students pay only minimal fees for registration, and those enrolled in teacher training programs receive stipends. The University follows the French model of higher education in most of its colleges and institutes and in a few cases employs the United States course credit system. The LU is a public institution, thus the government provides approximately 98 percent of LU’s revenues. The remaining revenue comes from student fees and publications (El-Amine, 1997; UNICEF, 1997). LU’s budget is mostly composed of faculty and staff salaries. Expenditure for research and libraries represents a very small proportion. Student costs at private universities do not compare to the student costs at LU. For example, tuition fees at AUB for the 2007-2008 academic year ranged between US$10,080 and US$10,680 per year, whereas tuition fees and total expenditures at LU for the academic year 2007-2008 reached a maximum of
US$1,000 per year (International Colleges and Universities, 2008). The Beirut Arab University (BAU), a private institution of higher education, was established later during the Nationalization Stage in 1960. It is financially supported by Alexandria University of Egypt and operates under the auspices of the Moslem Philanthropic and Benevolent Society of Beirut.

The Nationalization Stage was also marked by significant changes to the higher education subsector in the country. In 1961 the government passed the first Lebanese law regulating higher education, later modified in 1967 by the Supreme Advisory Council of the MEHE, specifying new licensing procedures and regulations. These procedures were further modified in 1996 and later in 2007 to legitimize new institutions founded in the past decade.

The War Stage began soon after the outbreak of the civil war in the country in 1975. The war inflicted large losses in terms of human lives and the social and physical displacement of people causing poverty and social inequality in Lebanon. During these difficult times, higher education pursuits shifted to an external focus, with foundations and families encouraging and funding students to study abroad. Among the most prominent foundations to support this endeavor was the Harriri Foundation.

Soon after the war ended in 1990, higher education pursuits shifted back to responding to internal local demands. During the Revitalization Stage, the higher education subsector witnessed significant growth in terms of the total number of higher education institutions, programs offered, students enrolled, and higher education graduates. Overall student enrollment in higher education increased 34.2 percent since 2001; with 167,165 students enrolled in the Lebanese higher education subsector during the academic year 2007-2008 (Center for Research and Development, 2009). While the public sector, represented by the Lebanese University, remained relatively stable, the growth in student demand to attend higher education resulted in a
major expansion of the private sector. Student enrollment across universities in Lebanon was marked by an unequal growth between 2001 and 2007. Figure 1 (p.13) illustrates this unequal growth in student enrollment in private universities and the one public university in Lebanon.

This growth was coupled with the absence of national policy to address the needs of the higher education subsector. As a result, signs of instability arose in the subsector. Today, the subsector at large struggles with issues of accountability and quality assurance.

![Figure 1 Student Enrollment Trend](source.png)

*Source: Center for Research Development (2007)*

1.2 **RESEARCH QUESTIONS AND THEIR SIGNIFICANCE**

The study addresses the following questions:

1) From the perspectives of policy makers (government officials, university leaders, and labor market representatives): To what degree is youth unemployment a problem in Lebanon?
2) What institutional policies are in place to address the youth unemployment crisis in the country?

3) What policy changes, if any, should be made to address the youth unemployment crisis?

These questions will build both on theoretical and policy frameworks related to human capital theory and transition management, and their implications for youth unemployment. These frameworks need to be mapped in depth in order to provide a deeper understanding of their implications for both national and institutional policy.
2.0 LITERATURE REVIEW

This chapter presents current and relevant literature pertaining to youth unemployment. The first two sections discuss youth demographics that foster the problem of unemployment in Lebanon. The subsequent section outlines the market conditions of supply and demand which place restrictions and limitations on youth employment in the country. The chapter concludes with an overview of policy initiatives that have been suggested in the literature for addressing youth unemployment. These policy initiatives are mapped at multiple sectors, particularly the government sector, the private sector, and the higher education subsector.

2.1 DEMOGRAPHICS

Lebanon is a small country in the Middle East and North African (MENA) region with an estimated population of 4,143,101 (CIA: The World Factbook, 2011). The country’s working age group (15-64 years) consists 68 percent of the total population, with almost half aged between 15-24 years. Similarly, the MENA region has one of the largest cohorts of young people in the world, in proportion to its population. Youth in the Middle East constitute about one-third of the region’s population. This “youth bulge” presents a strong supply-side pressure on the labor market (Salehi-Isfahani and Dhillon, 2008). Furthermore, according to forecasts from the International Labor Organization (ILO), unemployment in the Middle East and North Africa is
estimated to increase by 3 million in 2009 (Assaad and Roudi-Fahimi, 2007). Young people are particularly vulnerable, as youth employment is highly sensitive to fluctuations in economic conditions. Lebanon is no exception to its neighboring countries in the region. The country is also facing an unemployment crisis which is particularly heightened within the youth population. In order to better understand the concepts that will be further addressed in this question, following are basic definitions for key terms that will be used throughout the discussion.

**Youth.** Current literature defines youth as those between the ages of 15 and 29. This range reflects the transitions to adulthood experienced by many in the region (Dhillon and Yousef, 2009). However, the United Nations (UN) defines youth as persons between the ages of 15 and 24 (DESA, 2009). The UN further distinguishes between teenagers (15-19) and young adults (20-24). For the purpose of this paper, and for limited data availability, the UN youth definition will be adopted. Ages 15 to 24 represents a period in life when one makes the transition from childhood to adulthood, moving further away from dependence towards independence (Dhillon and Yousef, 2009; Salehi-Isfahani and Dhillon, 2008; Assaad and Roudi-Fahimi, 2007). Among the most significant social and economic changes experienced at this stage are education, marriage, and entrance into the job market. According to the UN, youth make up 18 percent of the global population, with the majority (almost 85 percent) living in developing countries (DESA, 2009). According to the National Survey of Households Living Conditions for 2007 in Lebanon, youth represent 19.5 percent of the total population of the Country (CAS, 2009). Although this population is projected to decrease to 15 percent in 2025, the large youth cohort will still pose a challenge for the country and for the labor market (Assaad and Roudi-Fahimi, 2007).
Labor Market. The literature offers a variety of definitions of what constitutes the labor market. One of the prominent approaches defines the labor market as a homogeneous area sharing common labor market characteristics. Another approach in the literature addresses the labor market as a nodal area with boundaries that contain the inter-relations between its constituent entities, primarily the employers and the employees (OECD, 2002). The labor market is comprised of two basic components: workers who look for the best jobs, and the firms that look for profits (Dhillon and Yousef, 2009). In the labor market, the government uses regulations, such as minimum wages and occupational safety, in order to achieve goals of public policy. For the purpose of this research, the labor market will be defined as the area within which employers (demand) compete for employees (supply) (OECD, 2002).

Unemployment. According to the International Labor Organization (ILO), the unemployed are defined as those people who have not worked more than one hour during the short reference period but who are available for and actively seeking work. The ILO further explains this definition by distinctively dividing the pool of unemployed people into three categories: the “unemployed” entails all people above a specified age who during the reference period were either “without work”, that were not in paid employment or self-employed; "currently available for work", that is were available for paid employment or self-employment during the reference period; and/or “seeking work”, that is had taken steps in a specified reference period to seek paid employment or self-employment. It is essential to distinguish between youth unemployment in the context of developing countries such as the western world and youth unemployment in developing nations such as Lebanon. In the developed world, the inability of young people to find employment is usually related to the lack of minimum professional skills required in the context of sophisticated and modernized environments. On the
other hand, unemployment in developing countries is observed to rise generally with education levels (Cholwe, 2007). The youth unemployment rate in Lebanon was estimated at 9.9% in 2007, a sharp increase from 8.5% in 2004 (CAS, 2009).

It is essential to note that there is limited literature available on youth unemployment in Lebanon, particularly due to limited data, which makes it imperative to explore available literature on youth unemployment in the wider context of the MENA region. There is recent evidence of a growing body of research investigating the causes of youth unemployment, the impact of policies on youth unemployment and the very nature of youth unemployment at a regional level. The aggregate unemployment rate for those between the ages of 15 and 24 years in the region remains at nearly 25 percent, compared to the world average of 14 percent (Dhillon and Yousef, 2009). These unemployment rates (for the national populations) vary considerably across the MENA countries, ranging from 11 percent in Qatar in 2004 to 32 percent in the West Bank and Gaza in 2002 (Kabbani and Kothari, 2005) (Table 1).

Table 1 Ranking MENA Countries by Unemployment Rates (most recent year)

<table>
<thead>
<tr>
<th>Youth Unemployment Rate (15-24)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>6%</td>
</tr>
<tr>
<td>Qatar</td>
<td>11%</td>
</tr>
<tr>
<td>Kuwait</td>
<td>13%</td>
</tr>
<tr>
<td>Morocco</td>
<td>17%</td>
</tr>
<tr>
<td>Yemen</td>
<td>19%</td>
</tr>
<tr>
<td>Iran</td>
<td>19%</td>
</tr>
<tr>
<td>Bahrain</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Lebanon</strong></td>
<td><strong>22%</strong></td>
</tr>
<tr>
<td>Syria</td>
<td>26%</td>
</tr>
<tr>
<td>Egypt</td>
<td>28%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>28%</td>
</tr>
<tr>
<td>Jordan</td>
<td>30%</td>
</tr>
<tr>
<td>West Bank Gaza</td>
<td>43%</td>
</tr>
<tr>
<td>Algeria</td>
<td>53%</td>
</tr>
</tbody>
</table>

Lebanon presents a similar situation to its neighboring countries in the region. The youth population in Lebanon is currently high, currently estimated at 31% of the population of working age and 21% of the labor force, and is projected to continue to grow in the coming years. The population growth rate in Lebanon is currently estimated at 1.1 percent (CAS, 2009; RMF, 2011). With a projected growth rate of 1.2 percent between 2000 and 2015, the population is expected to reach 6 million by the year 2029 (UNDP, 2009). According to the World Population Prospects (2009), the median age of the Lebanese population is 28.8. This youth bulge can be better illustrated in the population pyramids below. Figure 2 (p. 19) presents the population pyramid for all residents in Lebanon, with youth consisting 19.5 percent. However, when only Lebanese are considered, as shown in figure 3 (p.20), this rate increases slightly to 22.9 percent.

Source: CAS (2009)

Figure 2 Population pyramid for residents of Lebanon
Furthermore, figure 4 (p. 21) explains that the population growth projected for youth in Lebanon between 2010 and 2040 will shift this youth bulge and transform the Lebanese population into an aging population. This is due to decreased fertility trends that are being currently witnessed in Lebanon. This projected shift indicates how critical it is to build on the Country’s youth human capital, a group considered to be the current potential producers in the population, in order to capture the benefits of this production in the years to come when most of this portion of the population will become dependents. Despite this shift in the youth bulge, the population pyramids below illustrate that the youth population is projected to remain at a considerably high level, and the number of 15-24 year-olds is still expected to increase.

Source: CAS (2009)

Figure 3 Population pyramid for native residents of Lebanon
2.2 MARKET/EMPLOYMENT OPPORTUNITIES

It is essential for Lebanon to take advantage of this youth population, which is considered a working-age population, before it transitions to a dependent population by 2040 (Dhillon and Yousef, 2009). However, there are several aspects that challenge employment opportunities for the youth. Researchers have presented multiple approaches to addressing youth unemployment in the policy literature. One approach argues that young workers often need time to decide on their career path and thus spend time either seeking a job or change jobs frequently until they land the job that they are most comfortable with and suits their preferences (Orszag and Snower, 1999).

On the other hand, others argue that youth are at a disadvantage in the labor market. A number of unemployment theories support this policy debate, such as insider-outsider, labor-union, and efficiency wage theories (Orszag and Snower, 1999). According to these proponents, young people are prone to be “outsiders”, when firms most often have a preference to hire insiders. Moreover, young people are usually deprived in wage negotiations, and often have little
influence on unions (Orszag and Snower, 1999). This is clearly reflected in the reported 2008-2009 UNDP National Human Development Report for Lebanon, where the largest percentages of long-term unemployment levels are found among the youth.

There are several aspects within the labor market in Lebanon besides the youth criteria that challenge employment opportunities for youth both at the supply side and at the demand side.

Supply side challenges: institutional production. Most significant of the challenges of the supply side is the mismatch between education output and employment demands in Lebanon. Lebanon has been facing a persistent increase in the number of graduates of specific educational categories, such as engineering and law, to a pool of unemployment (Chaaban, 2007, 2008). Consequently, there seems to be a mismatch between the pattern of educational outcomes and the market demand in the country. The current educational system, particularly in higher education, does not seem to provide its graduates with the necessary skills, such as working with technology, working with others from culturally diverse backgrounds, etc., to realize the potential personal and social benefits of education. As shown in Table 2, the unemployment rate for youth within the age group of 15-24 (22.2 percent) is more than double the national average (8 percent) (UNDP, 2009). Looking more closely at this figure, there does not seem to be a significant difference in the unemployment rate between females and males within the youth age group. Therefore, all young people in Lebanon, regardless of their gender, seem to be facing hurdles in employment.
Table 2 Unemployment Rate by gender for the age group 15 and above (2007)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Females</th>
<th>Males</th>
<th>Females and Males</th>
</tr>
</thead>
<tbody>
<tr>
<td>15–19</td>
<td>26.3</td>
<td>27.2</td>
<td>27</td>
</tr>
<tr>
<td>20–24</td>
<td>17.3</td>
<td>17.3</td>
<td>17.3</td>
</tr>
<tr>
<td>25–29</td>
<td>10.7</td>
<td>7.8</td>
<td>8.7</td>
</tr>
<tr>
<td>30–34</td>
<td>7.2</td>
<td>5.1</td>
<td>5.6</td>
</tr>
<tr>
<td>35–39</td>
<td>5.4</td>
<td>3.9</td>
<td>4.2</td>
</tr>
<tr>
<td>40–44</td>
<td>6.6</td>
<td>3.5</td>
<td>4.2</td>
</tr>
<tr>
<td>45–49</td>
<td>4.7</td>
<td>2.7</td>
<td>3.1</td>
</tr>
<tr>
<td>50–54</td>
<td>1.3</td>
<td>3.6</td>
<td>3.2</td>
</tr>
<tr>
<td>55–59</td>
<td>1.7</td>
<td>2.5</td>
<td>2.4</td>
</tr>
<tr>
<td>60–64</td>
<td>1.9</td>
<td>4.4</td>
<td>4.1</td>
</tr>
<tr>
<td>65–69</td>
<td>0</td>
<td>6.5</td>
<td>6</td>
</tr>
<tr>
<td>70 and above</td>
<td>0</td>
<td>3.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Unemployment rate (15-64 years)</td>
<td>9.6</td>
<td>7.4</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Lebanon Central Administration for Statistics (2008)

Furthermore, within the unemployed youth population, youth between the ages of 20 and 25 years who are graduates of higher education institutions and colleges face higher unemployment rates (RMF, 2009). Furthermore, out of the 22.2 percent of unemployed youth, only 14.8 percent hold an elementary school degree, whereas 27 percent hold university degrees (RMF, 2009). This may be accounted for by better understanding the nature of jobs that are undertaken by the educated versus those accepted by those who only have basic education. Similar to a number of countries in the MENA region, most educated youth in Lebanon will not settle for a job that they perceive is lower than their preparation (Galal, 2002). Moreover, these young women and men will not accept jobs that offer salaries that do not match their expectations.

Youth unemployment further varies among the educated according to the type of educational attainment. Table 3 shows the unemployment rates among the unemployed educated.

---

youth population. In the past decade, new graduate medical students have been facing the highest unemployment rates in Lebanon, followed by graduates of law schools (Abourjeili, 2003). Despite this seemingly large supply of graduates, 21 percent of employers still report the unavailability of qualified and skilled labor (RMF, 2009). This reflects a shortcoming of the educational system in producing the suitable mix and quality to meet the labor market demand (Galal, 2002).

**Table 3 Unemployment by Major (1994-1998)**

<table>
<thead>
<tr>
<th>Major</th>
<th>Unemployment Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicine</td>
<td>17.4</td>
</tr>
<tr>
<td>Social Sciences-Law</td>
<td>11.2</td>
</tr>
<tr>
<td>Information Sciences</td>
<td>4.3</td>
</tr>
<tr>
<td>Education, Arts, and Journalism</td>
<td>N/A</td>
</tr>
<tr>
<td>Literature</td>
<td>1.7</td>
</tr>
<tr>
<td>Engineering</td>
<td>1.4</td>
</tr>
</tbody>
</table>


Another dimension of the challenges of the supply side is the reliance on imported labor from neighboring countries to fill skill gaps in the national labor pool (Gonzalez et al., 2008). Although these skill gaps that are being filled by an imported workforce may be considered less prestigious jobs and of low-skilled workers, when denied by Lebanese workers, they tend to increase the unemployment rate in Lebanon. On the other hand, Lebanon is a major exporter of labor, particularly skilled workers. Many argue that export of labor is the best approach to be taken to addressing the issue of unemployment in the country. Most youth have been heading to the Gulf countries, such as Saudi Arabia, the United Arab Emirates, and recently Qatar, in search of a job, while families back home have been counting on the economy of remittance in order to make the day to day living. Table 4 shows the distribution of Lebanese emigrants abroad. In addition, it has been reported that almost 60 percent of Lebanese emigrants are among the youth
Table 4 Lebanese Emigrants by Country/Region

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gulf Countries</td>
<td>27%</td>
</tr>
<tr>
<td>United States</td>
<td>19%</td>
</tr>
<tr>
<td>Australia</td>
<td>15%</td>
</tr>
<tr>
<td>Canada</td>
<td>12%</td>
</tr>
<tr>
<td>Germany</td>
<td>7%</td>
</tr>
<tr>
<td>Syria</td>
<td>7%</td>
</tr>
<tr>
<td>France</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: UNDP (2009)

population (UNDP, 2009). Officials and lead institutional policy makers argue that temporary migration for employment purposes secures that money will be sent back home. As such, it is essential to note that most of the remittance money is used for day-to-day living expenses instead of investment. Moreover, many of those who had left Lebanon in search of better opportunities just a few years ago have begun returning back to Lebanon because of the deteriorating economic situation both regionally and globally. This reality, although slow, is still being denied by most government officials and university presidents (UNDP, 2009).

Despite both the import and export of labor within the country, nationals still dominate the labor pool. There seems to be a dire need for government regulation of the market for education. Closer alignment of the local and regional labor market demands are to be placed within perspective of the supply granted by the government in terms of the quantity and quality of institutions established (Galal, 2002).

Demand side challenges: the labor market. Reform in the supply side may seem more critical; however the reform on the demand side is as pressing. Lebanon depends heavily on small business and entrepreneurial investments and a limited public sector in its economy due to the lack of natural resources (Gonzalez et al., 2008). On one hand, the labor market seems to be quite rigid due to the laws governing businesses' hiring and firing practices, leading to distortions
and skewedness in policies, consequently leading to a limited demand for labor. Therefore, there seems to be a need for the private sector to invest and grow in order to increase the demand for new graduates. However, many factors play against private sector investments, particularly national and human security concerns that are recurrent in the country.

In addition to slow economic growth and policy distortions, labor regulations and policy-induced distortions may have also restricted employment for youth, particularly in the public sector. For example, minimum wages and hiring and firing regulations tend to restrict the entrance of youth into the public sector. In both developed and developing countries, youth have been discriminated against in the labor market (Orszag and Snower, 1999). However, in Lebanon the people’s perception of the need for a university degree has kept the supply of university graduates high in hopes that they will be able to land a secure and “good” governmental job (Salehi-Isfahani and Dhillon, 2008). However, with the strict hiring regulations in place within government offices, young people have had less of an opportunity to address their needs and dreams. As a result, many young people who have not been able to leave the country in search of employment, have opted to join the informal sector in an attempt to make a living in tough economic times. Unfortunately, the existing regulations do not protect workers in the informal sector, although this seems to be a growing proportion of the youth employment. Thus, the youth who are trying to be creative in securing an escape from the unemployment that haunts them are being trapped by the numerous regulations that seem to be working against them and the limited resources they have access to.

It is also critical to acknowledge the impact of the labor laws in the country that regulates employment. Labor laws in Lebanon are outdated and discourage hiring. For example, the government places the responsibility of insuring employees on the employer, setting high
termination costs and high nominal payroll contributions/taxes under social insurance that sum up to 23.5 percent (UNDP, 2009). Furthermore, the National Social Security Fund, which is in essence supposed to act as a social insurance for employees, is inefficient, which further decreases the demand for Lebanese labor (UNDP, 2009). The open immigration law for foreign workers also places a lower demand on Lebanese labor, and depreciates its cost. Therefore, with high unemployment, particularly for the educated, creating an abundance of human capital for employers to select from, and poor social security for employees, one is faced with limited employment opportunities (UNDP, 2009).

Finally, nepotism, a phenomenon that is evident within the Lebanese society, has always had a significant impact on employment dynamics. Nepotism in Lebanon is demonstrated in employment opportunities by favoring relatives and friends over others who are qualified (UNDP, 2009). Thus, employment prospective does not necessarily rely on objective criteria of hiring. This is particularly true within the public sector. However, it is also important to note that nepotism is not a new phenomenon within the Lebanese society. It dates back to the Ottoman Empire (UNDP, 2009). This has led to the hiring of a number of people who are not necessarily qualified to perform. Accordingly, the public sector has become overstaffed, overcrowded, and particularly corrupt. Nepotism coupled with a drive for education in the hopes of securing a government job has contributed significantly to youth unemployment in the country.
Education is not a guarantee against unemployment in Lebanon. In fact, unemployment rates in Lebanon are highest among the youth with relatively high levels of educational attainment. Table 5 displays the distribution of one percent of the Greater Beirut labor force by education surveyed in 2000. The unemployment rate for female university graduates, particularly those with a bachelor’s degree, is almost double those of the male university graduates in the country. Therefore, women seem to face more problems than men in seeking employment upon graduation.

Table 5 Distribution of Labor Force Sample according to Education

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Females (%)</th>
<th>Males (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterates</td>
<td>12.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Elementary Schooling</td>
<td>9.6</td>
<td>16.9</td>
</tr>
<tr>
<td>Middle Schooling</td>
<td>7.1</td>
<td>12.1</td>
</tr>
<tr>
<td>Secondary Schooling</td>
<td>11.6</td>
<td>19.1</td>
</tr>
<tr>
<td>Vocational Certificate</td>
<td>10.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Bachelor of Arts/Bachelor of Science</td>
<td>42.2</td>
<td>28.6</td>
</tr>
<tr>
<td>Master of Arts/Master of Science</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td>Ph.D.</td>
<td>0.8</td>
<td>1.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Dah and Hammami. Returns to Education in Lebanon. (2000).

Despite poor labor market outcomes for educated youth, parents in Lebanon continue to make educational investments for their children based on the signals they receive from the labor market. Parents and students alike perceive “good jobs” as requiring a university degree. Moreover, the returns to education\(^5\) have been found to be higher for those who have higher

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\(^5\) The rate of return in Table 6 reflects the relationship between the education level and earnings. All educational levels were found to be strong determinants of earnings in the study conducted by Dah and Hammami (2000).
educational levels. Table 6 shows that education in Lebanon is a strong determinant of earnings, although not necessarily a strong determinant of employment.

Table 6 Return to Education in Lebanon

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Return to Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>28.15</td>
</tr>
<tr>
<td>Intermediate</td>
<td>37.16</td>
</tr>
<tr>
<td>Secondary</td>
<td>47.7</td>
</tr>
<tr>
<td>Vocational</td>
<td>71.43</td>
</tr>
<tr>
<td>University(^6)</td>
<td>40.78</td>
</tr>
<tr>
<td>BA/BS</td>
<td>76.83</td>
</tr>
<tr>
<td>MA/MS</td>
<td>127.05</td>
</tr>
<tr>
<td>Ph.D.</td>
<td>187.20</td>
</tr>
</tbody>
</table>

*Source: Dah and Hammami. Returns to Education in Lebanon. (2000).*

Both the push towards the attainment of a higher education degree and the numerous hurdles facing the educated youth in Lebanon create a need for reform in multiple sectors. There have been multiple initiatives in an attempt to address the youth unemployment crisis in the country. Some of these policy initiatives have been successful and others have failed. This section will address policy solutions at three levels: the government sector, the private sector, and the higher education subsector.

### 2.3.1 Government Sector

High youth unemployment rates have recently become a major policy concern across the MENA region, with a youth bulge observed in each of the countries. The literature suggests that policymakers must expand opportunities for youth by addressing three main, interrelated challenges: gaining a better understanding of the rapidly changing context in which young people are growing up across MENA countries; focusing on the quality as well as the quantity of

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\(^6\)“University” refers to having an individual who has had a university education but not necessarily a degree.
jobs; and addressing social inclusion issues as means to tackling employment-related issues (Dhillon and Youssef, 2009). These initiatives require the development of country-specific policies as well as collaboration across the MENA countries due to the high rate of migration across states within the region.

Among the policy recommendations discussed in the literature, there is a need for labor laws and regulations that provide incentives for employers to give new entrants access to formal jobs, particularly young people. Furthermore, the slow growth in labor productivity in Lebanon reflects the incapability for the creation of new jobs. Emigration has been sought in order to overcome this problem. As such, countries like Lebanon have become highly dependent on remittances causing them to forgo talented productive labor (Chaaban, 2010). Gross remittances to Lebanon amounted around 20 percent of the country’s GDP in 2008 (IMF, 2009). Policies that support both the creation and sustainability of new jobs, such as providing tax breaks, have been strongly encouraged. Moreover, governments are encouraged to undertake structural reforms to promote investments (Chaaban, 2010). In Lebanon’s case, it is essential for the government to also pursue national security in order not only to encourage these investments, but also to retain them.

Researchers assert to the fact that public institutions play a critical role in the labor market in Lebanon, especially for the educated youth (Salehi-Isfahani and Dhillon, 2008). The public sector in the country has always employed the largest portion of the labor force (Salehi-Isfahani and Dhillon, 2008; Kabbani, 2009; UNDP, 2009). However, recent policy recommendations have advocated reducing the number of public sector workers. This may be difficult to achieve as economic incentives and institutions within the country continue to provide the secure image of a government job (Kabbani, 2009). Furthermore, nepotism presents
yet another hurdle in the face of reducing public sector employment, especially with the sectarian division within the country. Each sect is represented by an official elected representative within the government, who in turn hires people of her/his sect, usually friends and relatives. This also presents yet another obstacle in the face of youth who do not necessarily know the “right” person but possess the needed qualifications and skills. Emigration once again has been the way out for these young people.

A common trend that has been observed across the policy recommendations for governments is the inclusion of youth in the decision making processes on issues related to them (Chaaban, 2010). For example, until recently youth in Lebanon were not entitled to vote in elections that are held in the country. In addition, the minimum age for running for parliamentary elections remains at 25, this excluding the largest proportion of the population. The initiation of strategies for the social integration of youth is strongly recommended. An example of such a strategy for social integration of youth is a Yemeni initiative, the Labor Market Information and System, which was recently introduced. Its purpose is to develop strategies for employment technical and vocational training, particularly emphasizing youth needs and involvement (Chaaban, 2010). Such an initiative provides the means for youth to become more actively integrated into the society.

Addressing issues of socio-economic inclusion of youth can help governments in addressing employment related issues. For example, a number of aspects relating to youth transition into adulthood have gone unrecognized by governments similar to Lebanon. Marriage and housing are among these issues besides education and employment. Researchers believe that improving these transitions would have a favorable impact on the labor market and employment trends in the country (Chaaban, 2010).
Finally, governments are encouraged to understand the context of unemployment within the country in order to provide appropriate employment services. Among these employment services are training and income support through employment insurance (Chaaban, 2010). A deeper understanding of the context of youth unemployment would thus enable policymakers to embark on initiatives such as making labor market interventions and establishing macro-economic reforms (World Bank, 2005; Chaaban, 2010). Other policy reform recommendations include providing better linkages for the unemployed with areas and regions with high employment opportunities. For example, the National Employment Office (NEO) in Lebanon has been established under the tutelage of the Ministry of Labor in order to conduct studies on the local labor market, career guidance and counseling, and provide linkages between those seeking employment and potential employers. However, the NEO has not been fulfilling its mission due to the lack of funding. Improving means of transportation, such as the infrastructure and subsidized transportation, have also been recommended when addressing issues of unemployment in the country.

2.3.2 Private Sector

In this section, discussion of the private sector addresses both employers and financial institutions within the country. Lebanon’s labor market is one of the most rigid markets in the MENA region due to policies governing the private sector, particularly those of hiring and firing. The labor market rigidity in the country is an indicator of the severity of the rules governing private employment. Table 7 shows the indices of economic freedom of the MENA region countries. These indicators show that Middle Eastern countries rank high in the labor market rigidity.
For example, employers within the private sector accrue high costs of firing. It is recommended that reform within the private sector primarily begins with an increased flexibility in hiring and firing practices (Salehi-Isfahani and Dhillon, 2008). This produces a higher turnover, providing employment opportunities for the youth as it becomes easier to hire a new employee.

The private sector can also play a role in addressing issues of wages and labor costs. Employers within the private sector in Lebanon are required to follow wage scales that set pay according to the level of schooling. Therefore, they are unable to send appropriate signals to the youth as to which skills are in demand (Salehi-Isfahani and Dhillon, 2008).

Other policy recommendations address the role of private sector in nurturing an entrepreneurial climate by not only eliminating impediments, but also providing access to

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7 The labor freedom index is one of the ten components of the economic freedom index. According to the Heritage Foundation (2010), economic freedom is defined as “the fundamental right of every human to control his or her own labor and property”. The labor freedom index is measured on a scale from 0 to 100, where 100 represents the maximum freedom. It is composed of six quantitative factors that are equally weighed, such as minimum wages, hiring and firing laws, etc.
microfinance and credit. Therefore, it is recommended that financial institutions present affordable and accessible loan initiatives to support job creation and entrepreneurship endeavors of the youth in the country. Lack of access to credit and micro-finance has limited the young people’s ability to develop their own businesses (Salehi-Isfahani and Dhillon, 2008).

2.3.3 Higher Education Subsector

The higher education subsector in Lebanon is taking more responsibility for the youth enrolled in universities. This is evident in the job fairs held on campus for recruitment purposes, as well as some optional training programs. Reform of the higher education system is needed in a way that it becomes compatible with the market demands in order to maximize the private and social returns from education (Galal, 2002). Therefore, it is essential for the higher education institutions in the country to realize that they now are not only responsible for the skills gap within the labor demand and supply curve, but they are also jointly responsible for addressing the labor absorption gap within this curve. Although some institutions realize the need to address this gap, most institutions still are trapped within the “quantity” dilemma and race to the top, forgetting that successful graduates also entails employed graduates.

Among the suggested reforms higher education institutions can undertake is the introduction of community colleges and vocational schools into the market. These colleges provide skilled labor that is in demand in today’s local and regional labor market as opposed to the traditional majors that constitute the majority of the unemployed youth population today. Another alternative is the introduction of leadership and entrepreneurial skills across all majors offered by the institutions. Therefore, these skills would no longer be limited to business majors, but they would cut across the social sciences as well in order to encourage entrepreneurship.
initiatives among the graduates. In support to this reform, micro credit projects need to be supported in order to encourage entrepreneurship among the youth. These micro credit projects call upon other players in the society in order to make it possible for the youth to apply the skills gained during their education.
3.0 CONCEPTUAL FRAMEWORK

This chapter presents two different but complimentary theoretical frameworks that will serve as the foundation for the inquiry of the main research topic. The first section maps the human capital theory as it relates to labor force production. Theories of human capital have been in development and debate since the early 1930’s with the work of leading pioneers such as Adam Smith, H. von Thünen, Irving Fisher, Alfred Marshall, Theodore Schultz, and Gary Becker. Human capital theory presents a foundation to the study of labor economics and labor force production, which is critical to this study as it looks at universities as places where labor force is created. The second section introduces literature on the role of universities within societies, exploring a contemporary framework of transition management that has been adapted from studies of governance in environmental issues. The chapter concludes with a framework which can be used to analyze the perspectives of policy makers of the role of universities in addressing the youth unemployment crisis in Lebanon.

3.1 THE HUMAN CAPITAL THEORY

Human capital theory created historic shifts in thinking about the value of labor. For thousands of years labor was generally measured in terms of quantity, often the more the better. This view evolved overtime and quality slowly emerged as a differentiating factor.
As the industrial revolution created new jobs, new skills were needed to manage it. Thinking began to slowly shift from labor quantity as measured in hours, to labor quality, as measured by skills. Formal education became an increasingly necessary part of the modern world. Human capital became the field of economics that constructed thinking about labor quality. Labor quality concerns shifted thinking about education quality towards the concepts of investments and returns within the production process.

Two levels of human capital development through educational investments have been constructed over time. The first level is about educational investments that produce national returns. The second is about educational investments that produce individual returns. As a consequence national investments have often focused on mass literacy efforts to ensure that as many people as possible in the country have access to a modern civil state. To some extent nations have also invested in tertiary education both to create a cadre of governing elites as well as knowledge producers that help create capital wealth and jobs. On the other hand, individual or family investments tend to focus on specialized skills training that produces lifetime returns. This view helps families make long-term generational transitions. Together, these two major investment sources provide the core inputs in the human capital necessary for both modern states and generational transitions.

The next section will explore these streams of literature. It will address debates of the theory that have been highlighted in the context of youth unemployment crisis in Lebanon.

3.1.1 Macro-Level Human Capital Perspective

Human capital, as defined by education, health, and motivation, has always been viewed as essential for individual and social progress (Marshall, 2005). Human capital investment has
become one of the highly advocated strategies that developed nations are pursuing today, particularly at a time of rising unemployment rates. Human capital has been identified not only as a key determinant of growth and poverty alleviation, but also as a critical for human development (Baldacci et al., 2004). Adam Smith introduced human capital as a fixed capital, what is not circulated (Becker, 1993). Smith advocated that it is the how one is nurtured makes a difference not only in the lives of individuals, but also in the economy of nations, particularly that of one’s education (Sen, 1997). Education was developed as central to the concept of human capital, which became fundamental to the field of labor economics. Economists viewed education as both consumer and capital good. As a capital good, education has been seen as a tool to develop the human resources necessary for economic and social transformation of nations. The relationship between education and labor has been given particular attention due to the relationship established between the level of education and the level of earnings in labor markets.

Modern Human capital theory evolved in the 1940s from neoclassical economics by leading economists and philosophers such as H. von Thünen, Irving Fisher, and Alfred Marshall, concluding that investments in man bring forth benefits to the nation as well as to the individual. It was later elaborated on in the 1960s due primarily to work by authors such as Schultz and Becker. Based on the work of a number of researchers and theorists, the human capital theory claims that formal education is critical and necessary to advance the capacity of a population particularly the participatory capacity within the labor market (Becker, 1993; Schultz, 1960; 1971). It is further argued that a push towards higher education is highly desirable, particularly in developing countries, in order to provide these countries with competent leaders (Lewis, 1955). Therefore, the education sector within a nation state is seen as the platform for raising the skill
level of workers which ultimately lead to higher economic productivity. It has also been argued that a better educated workforce is more adaptable and is thus better equipped to deal with rapid changes in the economic environment (Becker, 1993).

**National Economic Growth: Labor Force Creation.** The rapid economic growth for society has been seen as a manifestation of investment in education at the macro level. By definition, economic growth is an increase in a country's ability to produce goods and services whereas economic development is the sustained increase in the economic standard of living of a country's population, normally accomplished by increasing its stocks of physical and human capital and improving its technology (Solow, 1956). W. A. Lewis (1955) set out a comprehensive framework for studying economic development in his book *The Theory of Economic Growth*. He outlined a number of efforts countries may pursue in order to achieve economic growth, such as making efforts to economize, pursuing an increase in knowledge, and an investment in human capital through education.

In recent years, the spectacular growth in East Asia has given education and human capital their current popularity in the field of economic growth and development (Lucas, 1990; Baker and Holsinger, 1996). The enhanced performance of individuals due to education has been found to lead to increased productivity, which in turn can add to the wealth of the state that invested in its human capital. For example, it has been found that a country with higher literacy scores experiences an increase in per capita GDP growth (Coulombe and Tremblay, 2006). Furthermore, it has been argued that as the real income of individuals rises due to higher levels of education, they will be able to afford expenditure on education, which in turn will increase a country’s human capital (Lewis, 1955). Smith (1976) views the externalities to education
essential to the proper functioning not only to the economy, but also necessary for the well being of a democratic society (Olaniyan and Okemakinde, 2008).

Furthermore, the contribution of education to economic growth and development occurs through the increase of the existing labor force’s productivity (Lewis, 1955). Therefore, education plays a significant role in the economy of a nation, augmenting individuals’ human capital and leading to greater output for society while at the same time improving earnings for the individual worker. Lewis (1955) further argues that an individual with some level of education is considered a more competent worker than someone who has never been to school, which in turn shows the importance of education to promoting economic development. As such, it is essential for a nation state to invest in its human capital in order to prepare a labor force that will be able to advance the country into the next era and help in the development of its people, particularly in the case of developing nations. Figure 5 (p.40) shows the impact of education, both at the micro- and macro-levels, particularly highlighting the resulting economic growth and development at the macro-level, such as higher productivity, increased earnings, an increase in the labor force, and externalities such as lower population growth and improved population health.

Economic Growth and Social Welfare. The economic growth of a state depends on the accumulated returns to education (Psacharopoulos and Patrinos, 2002). Insights on the rate of returns to education began in the 1980’s with the work of Robert Lucas, and were further quantified with
the studies conducted by Psacharopoulos in 98 countries. Psacharopoulos’s (2002) findings imply that private and social rates of return to education are high, with the private rates of return being higher than the latter. His policy implications note that the top priority should be given primarily to primary education as it yields the highest returns to investment in developing countries, although secondary and higher education are also socially profitable investments. This argument was primarily supported by Lewis (1955) who advocated that universal education should be among a nation’s immediate objectives. However, Psacharopoulos (1991) noted that there is a large discrepancy between the private and social rates of return to investment particularly in higher education suggesting that there is room for private financing at the university level, which in turn takes a partial cost burden off of the state. This is particularly evident today in a time of higher education massification and an increase in the private demand for education which has redefined the distribution of financial benefits and burdens of education.
In a country such as Lebanon, private investments in higher education are seen as the only way for individuals and families to gain social mobility and improve their economic status. However, this is no longer true due to a number of factors which will be discussed in the sections to follow.

Another aspect of the effect of education can be seen in the changing composition of a nation’s economy by sectors. With the increased investments in education, many developed economies have moved from agricultural sector to a growing service and manufacturing sector which makes more use of an educated labor force (Dahlin, 2005).

In addition to the economic factors pursued by nation states as a result of investment in human capital, it has been argued that human capital is often considered a social development aspect of society because of its noneconomic returns (Schultz, 1960). Education enables individuals to become competent and responsible citizens. This is achieved by giving them an opportunity to acquire an understanding of the values they hold, an appreciation of what they mean to life, and better equips them with the knowledge and skills needed to make better decisions that would impact their lives (Psacharopoulos, 1995; Baldacci et al., 2004). Although these concepts do not have any impact on the earnings won in the market, they contribute to the improvement of social welfare of the state.

Amartya Sen\(^8\) distinguished between human capital and capabilities, providing a unique social perspective on human capital and investments in education. According to Sen (1997), human capital concentrates on the agency of human beings in increasing production possibilities, whereas human capability focuses on the ability of human beings to lead lives they have reason to value and to enhance the choices they have. He argues that while economic prosperity helps people to lead freer and more fulfilling lives, so does social attainments such as education and

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\(^8\) An Indian economist and philosopher, and the winner of the Nobel Memorial Prize in Economics
health care. However, Sen adds that these “social developments” must be considered as developmental similar to economic growth, since they help humans to lead longer, freer, and more productive lives, in addition to the role they have in increasing individual incomes. Moving from the individual to the state, Sen (1997) adds that governments should be measured against the concrete capabilities of their citizens, one of which is the availability of education. Thus, human capital investment in education has significant social benefits as much as it has economic returns to the individual and the society. It affects human well-being not only in directly increasing human qualities and skills for economic production and market exchange, but also in enlarging individual opportunity sets by giving people new possibilities to enrich their lives (Lanzi, 2007).

3.1.2 Micro-Level Human Capital Perspective

If economic growth and development of a state can only be achieved through the advancement of its people; then, it is essential to consider the human capital investments at the micro level, particularly in contexts such as Lebanon where private investment in education has been the trend for quite some time.

Individual Economic Growth: Education and Earnings. Becker (1993) articulated that education and training are among the most important investments in human capital. In relation to labor economics, he provided that among the significant evidence were findings that more highly educated and skilled people almost always tend to earn more than others, and unemployment was strongly inversely related to education. As such, the human capital analysis assumes that education and schooling raise earnings and productivity by means of providing knowledge, skills, and a way of approaching and analyzing problems (Becker, 1993, p. 19). Therefore, for
individuals, investment in human capital is seen as returns in the form of individual economic success and achievement (Olaniyan and Okemakinde, 2008). The more education individuals acquire, the better they are able to perform on a job, such as being able to better acquire new skills and familiarize themselves with new technologies.

Mincer (1974) supported the influence of investment in human capital for individual benefits, arguing that investment in education plays a role in the determination of individual age-earnings, despite the myriad of other influences that may impact actual earnings (Blinder and Weiss, 1976). During the period of study, an individual is likely to forego some labor market earnings, but following the investment, the higher educational attainment has proven to lead to higher earnings and an increased probability of employment (Borland, 2002; Schiller, 2008). Therefore, workers experience an increase in earnings due to the increase in the level of education (Psacharopoulos and Patrinos, 2002).

*Human Capital and Employment Issues.* Becker (1993) further distinguished between general and specialized training due to its impact on the wage earned as a result within the labor market. He claims that workers with general training enhance their productivity for all types of jobs, while these with specific training enhance their productivity for a specific type of job only. As such, it is concluded that employers compete more for the worker with the general type of training, and that this human capital accumulation provides a mechanism for competition within the labor market giving individuals an incentive to become educated. However, human capital may have adverse consequences on the employment prospective. Although human capital may increase the rate of job offers, consequently decreasing unemployment duration, it may also increase the individual’s reservation wage\(^9\), inversely increasing the unemployment duration.

\(^9\) The reservation wage is defined as the lowest wage at which an individual is willing to work.
(Evans and Koch, 2006). Furthermore, today, investment in higher education in particular is seen as creating a supply side crisis by increasing the supply of graduates faced with a weak demand of labor. Moreover, the large supply of educated labor force is leading to lower earnings due to a greater competition for the limited available jobs. With the continuing trend of increased higher education graduates, this phenomenon is projected to persist unless it is coupled with increased job creation in the high skilled labor. Despite these negative externalities to investments in education, expected higher future earnings with more education continue to increase the demand for education, with the belief that a higher education brings on higher probabilities of finding a job for every level of education and improves social mobility (Kodde, 1988).

3.1.3 Human Capital and Complimentary Capitals

Human capital is distinguished from other forms of capital because it is represented in man, representing at the same time a source of future satisfaction, or of future earnings, or both (Schultz, 1971). Thus, people are seen as an important part of the wealth of nations, and reliance on the endowment of natural resources is no longer valid as the only mode of modernizing an economy and achieving economic growth. The basic development argument in a number of countries compensated for a lack of physical resources by extensive and equitable development of human resources (Baker and Holsinger, 1996). However, other forms of capital have recently become popular as complementary to human capital particularly in the labor market. Developing human capital for institutional success requires attention to these other complimentary capitals, among which are social and organizational capitals (Stiles and Kulvisaechana, 2003). The French sociologists Pierre Bourdieu, in 1986, followed by the American sociologist James S. Coleman, in 1988, were the first to develop the concept of social capital. The central proposition of the
social capital theory is that networks of relationships are a valuable resource in facilitating action and increasing the efficiency of behavior (Coleman, 1988; Stiles and Kulvisaechana, 2003). Unlike human capital, the capacity resulting from social capital is inherent in social relationships rather than in individuals (Phillips, 1999). Therefore, social capital is significant in influencing the development of human capital, which is embodied in the skills and knowledge acquired by an individual. It is embodied in relations among persons, where people will develop strong contact networks and in turn earn higher rates of return.

Human capital is also influenced by the concept of organizational capital. Organizational capital was first introduced in the work of the economist John F. Tomer in 1973. Organizations are being increasingly influential on economic productivity and workers’ capital development. Organizational theory encompasses concepts beyond those introduced by the human capital theory, such as explaining an alternative source of economic growth and productivity related to inter-organizational behavior, particularly by employees (Tomer, 1987). Unlike human capital, organizational capital is vested in the relationships among workers rather than in the workers themselves. For example, this capital is formed by efforts to change the firm’s organization, particularly the formal and informal relationships and patterns of activity within the enterprise (Tomer, 1981). However, a hybrid of the organizational and human capital has been introduced as embodied in workers in the form of attitudes and knowledge created through the socialization process (Phillips, 1999). Accordingly, organizational capital focuses on the interpersonal and intergroups relationships developed within the organization to ensure its effectiveness and efficiency (Tomer, 1981). Therefore, organizational capital provides conditions for the human capital to be formed as well as a context through which human capital can influence productivity and economic growth.
Human capital becomes a stronger asset to society when coupled with complimentary capitals such as social and organizational capital. In the context of labor economics, human capital has moved beyond the individual and the state to also embrace the idea that knowledge can be shared among groups of people and institutions in order to yield higher returns to investments (Tomer, 1987; Stiles and Kulvisaechana, 2003).

3.1.4 Critique of the Human capital Theory

Despite the supporting arguments scholars of the human capital theory have provided, they have been characterized for their self-disclosure of critical aspects of the theory (Sweetland, 1996). Both philosophical and moral and methodological criticisms have been conceived. One of the philosophical and moral critiques of human capital theory is that the presence or absence of human capital is taken at face value and then used to predict and explain various outcomes principally differences in earnings and return to education (Steinberg, 1985). Critics have come to the conclusion that the pitfall of the human capital approach is by not exploring human factors that yield economic dividends, but rather treating these factors in isolation, apart from the constellation of historical, political, social, and economic factors with which they are bound (Steinberg, 1985; Beach, 2009). Thus, in lumping together disparate factors under the heading “human capital”, economists have confused a number of influential elements among which are class and culture, and treated the market place as if it parceled out its rewards in society to the culturally deserving who have the “right” qualities to overcome every impediment of race and class to reach the economic pinnacle (Steinberg, 1985). These discriminations have been further explored in the labor market when calculating the benefits of investments in human capital. These benefits, which are usually calculated “on the average”, have been found to mask real
inequalities of earnings based on race, class, gender, and region residence in what continues to be a socially stratified society in most nations (Beach, 2009). In this regard, human capital theory is viewed as an overly simplistic theory that cannot adequately perceive social inequalities.

The narrow use of human capital in devaluing people by transforming education into a mere production process is yet another critique of human capital theory. Through this lens, education was reduced from a complex human activity to a mere productivity equation (Fitzsimons, 1997; Beach, 2009). In this respect, human capital theory is seen as one that has brought respect to laborers, but at the same time reduced the value of education to a simple economic investment, masking the larger social segmentation, segregation, and discrimination that remains in labor markets today (Beach, 2009). Another philosophical and moral critique of the human capital theory is brought forth by the mere thought of investment in human beings. It is argued that the theory reduces man to a mere material component, or a capital good, even if it does not rid her/him of freedom (Schultz, 1961). Proponents of this view believe that the popular interpretations of the human capital theory devalue man.

Among the major problems in the application of the theory has been the failure for it to account for a growing gap between people at two different levels. On one hand, it has been found that the theory deepens social stratifications. The resultant social stratification is represented in a classification of people into groups based on shared socio-economic characteristics, such as the educated elite and the common people. Furthermore, this not only leads to a widening gap between social classes, but also between the developed and developing countries, keeping those in the developed zone in a constant head start. On the other hand, the more urgent gap is the one created between people’s increasing learning efforts and knowledge base and the diminishing
number of available jobs to which people can apply their increasing knowledge to (Olaniyan and Okemakinde, 2008).

Finally, one of the most significant debates facing human capital theory is the screening or filtering theory (Dore, 1976; Woodhall, 1987). Advocates of human capital theory tend to explain education as an investment which transforms individuals, making them more productive. On the other hand, advocates of the screening theory suggest that records of educational performance are usually seen as simple “signals” of underlying ability, which in turn account for the higher earnings of the educated (Dore, 1976). Consequently, the degree earned by an individual is seen as a symbol or signal of one’s ability, and educational records themselves become prominently the threshold for the competition for jobs and earnings.

The growing gap between people’s increasing education and limited availability of jobs, and the screening impacts of the theory create a rigid labor market, particularly with the changing demographics around the world. For example, individuals who get higher degrees and better educational records are given an advantage over others because employers expect them to be “better” and more productive due to their educational attainment, contributing to the rigidity of hiring within the labor market. Therefore, this makes the decision to invest in education a controversial one taking into consideration the current status of labor markets around the world and the deteriorating global economy. However, it is essential to acknowledge that despite these critiques, investments in education as a human capital continue to persist in growing numbers across all levels of education.
3.1.5 Capital Creation and Youth Unemployment in Lebanon

Lebanon is among the very few countries in the MENA region with high literacy rates and large cohort of educated youth. Investments in education in the country have produced a highly literate population in comparison with the populations of other countries in the region, and Lebanon’s illiteracy rate has continued to decline despite the civil war (UNDP, 2002). However, these investments in the country’s human capital have not necessarily produced strong private and social returns that are supported in the literature on the theory. Unemployment rates have continued to rise as more young people gained further education and as the country continued to support education initiatives, such as adding foreign languages and improving access to public education (Lebanon Central Administration for Statistics, 2008). Despite the rising unemployment rates of educated youth, the higher education costs on poor families, and low occupational and economical return of education, Lebanese families continue to support their children in pursuing their education (Haddad, 2004).

In 1970, 22 percent of the Lebanese population age 10 and above was illiterate. Twenty years later, illiteracy rates declined to 12 percent and were at 8 percent in 2001 (Ministry of Social Affairs, 2009). Today, adult illiteracy rates (percent aged 15 and above) are calculated at 10.4 percent (UNDP, 2009). However, more relevant is the illiteracy rate for the younger population, those persons educated in more recent years, which reflects a rate that has been significantly declining over time (Gonzalez et al., 2008). The estimated illiteracy rates for males and females age 15 to 24 were three and seven percent, respectively, as of the 2000–2004 period (Ashford and Clifton, 2005). These improvements have been particularly aided by the multiple initiatives which the government undertook in an attempt to invest in the country’s human capital. Among these initiatives was the introduction of free education in 1960 and compulsory
education at age 6, which today continues through the six years of elementary education and three years of junior secondary education (UNESCO, 2006). Consequently, student enrollments increased across all levels of education. Table 8 shows gross enrollment ratios for Lebanese students by education level.

Table 8 Gross Enrollment Ratios in Lebanon, by Education Level and Gender, 2004

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preprimary</td>
<td>75.2</td>
<td>73.7</td>
</tr>
<tr>
<td>Primary</td>
<td>108.7</td>
<td>104.8</td>
</tr>
<tr>
<td>Secondary</td>
<td>84.9</td>
<td>92.6</td>
</tr>
<tr>
<td>Postsecondary</td>
<td>44.9</td>
<td>50.4</td>
</tr>
</tbody>
</table>

Source: Gonzalez et al., 2008 adapted from World Bank data are from World Bank (2007)

The figures reflected in Table 8 indicate that Lebanon has one of the highest enrollment ratios in education of the countries in the MENA region. Furthermore, it indicates that primary enrollment is essentially universal for males and females (Gonzalez et al., 2008). It also is evident that enrollment ratios decline for both males and females in moving to higher levels of education which is due to the higher education costs at tertiary education levels and the insufficient number of government higher education institutions (Gonzalez et al., 2008; Haddad, 2004).

Another way to verify Lebanon’s investment and persistence in the demand for human capital is by observing the steady growth in the number of higher education institutions in the country, as shown in figure 6 (p. 52), previously fostering the country’s reputation as the educational and cultural center in the region (El-Ghali, 2008; Gonzalez et al., 2008).
This significant growth was evident in the total number of higher education institutions, programs offered, students enrolled, and higher education graduates (El-Ghali, 2008; El-Ghali et al., 2010). In addition, this demand for human capital is observed in the increase in the presence of women at the universities, as indicated in Table 8 where more women are enrolling in higher education than men (ESCWA, 2001). This increase may be further interpreted as a direct investment in human capital for the majority of the women are enrolled in degree courses such as law and business, thus reflecting the option of enrolling at the university to meet the demands of the labor market (Ramos and Barricarte, 2009; ESCWA, 2004).

Another facet of investments in human capital that manifests itself in the Lebanese context is the abundance of private investments that have existed in country for a long time. The Lebanese education system, at all educational levels, has long been characterized by a high rate of private-school enrollment, although free primary education was introduced in 1960 and is still widely available (Gonzalez et al., 2008). During the academic year 2004 and 2005, 62.9 percent
of school students in Lebanon were enrolled in either free or fee-based private schools. This enrollment, however, decreased at each successive education level, increasing from 22.1 percent at the preschool level to 53.1 percent at the secondary level, with the exception of the higher education level (Lebanon Ministry of Education and Higher Education, 2007). Table 9 shows these distinctions in enrollments between private and public schools and education institutions in Lebanon at different education levels.

Table 9 Student Enrollment in Lebanon, by Education Level and Type of School, 2006–2007

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Public Number</th>
<th>Public Percent</th>
<th>Tuition-Free Private Number</th>
<th>Tuition-Free Private Percent</th>
<th>Fee-Based Private Number</th>
<th>Fee-Based Private Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preschool</td>
<td>33364</td>
<td>22.1%</td>
<td>24247</td>
<td>16.1%</td>
<td>93261</td>
<td>61.8%</td>
</tr>
<tr>
<td>Elementary</td>
<td>145862</td>
<td>32.4%</td>
<td>100034</td>
<td>22.2%</td>
<td>204670</td>
<td>45.4%</td>
</tr>
<tr>
<td>Junior secondary</td>
<td>81855</td>
<td>42.4%</td>
<td>0</td>
<td>0.0</td>
<td>111274</td>
<td>57.6%</td>
</tr>
<tr>
<td>Secondary</td>
<td>65422</td>
<td>53.1%</td>
<td>0</td>
<td>0.0</td>
<td>57888</td>
<td>46.9%</td>
</tr>
<tr>
<td>Higher Education</td>
<td>72961</td>
<td>45.5%</td>
<td>0</td>
<td>0.0</td>
<td>87403</td>
<td>54.5%</td>
</tr>
<tr>
<td>Total</td>
<td>399464</td>
<td>37.1%</td>
<td>124281</td>
<td>11.5%</td>
<td>554496</td>
<td>51.4%</td>
</tr>
</tbody>
</table>


The higher enrollment rate at private higher education institutions provides added evidence of private investments in education. This private investment in education can be further observed by examining the socio-economic status (SES) of higher education students. In a tracer study on Lebanese higher education graduates, Abourjeili (2003) depicts the students’ parental occupation as one of the indicators of SES. It was found that 17.5 percent of students enrolled in higher education came from families whose fathers worked as Chief Executive Officers of companies or white collar jobs, while most of the students came from families where the father worked blue collar and other jobs, such as farmers and small business owners (Abourjeili, 2003). Figure 7 (p.54) shows the distinction among the students’ parental occupation.
Figure 7 Parental Occupation of Higher Education Students

This private investment in education in Lebanon, particularly at the higher education level, can be further explained as a response to labor market indicators, which unfortunately may no longer stand true. Parents continue to invest in the education of their children by paying tuition fees for enrolling their children in private universities in the country based on the signals they receive from the labor market despite poor labor market outcomes for the educated youth in Lebanon. They still expect that if their children receive a university degree, they will be guaranteed employment. This is also driven by the social welfare programs in the MENA countries adopted after their independence, starting from guaranteeing jobs to all highly educated graduates. Therefore, both parents and students alike perceive “good” jobs as requiring a university degree (Salehi-Isfahani and Dhillon, 2008). In addition, access to these universities is usually dependant on passing the national 12th grade exam. Thus, many families in Lebanon spend money on private tutors and students spend energy and time mastering the skills required to pass the exam, which may not be the ‘right’ skills for success in the current labor market.
(Salehi-Isfahani and Dhillon, 2008). These examples, of private investments reveal that Lebanese parents have awareness and an understanding of the significance of investing in the education of their children, particularly at the higher education level.

Additional non-measurable returns to education may also be evidenced to support the manifestation of human capital theory in Lebanon. Abourjieli’s (2003) tracer study shows that the parental educational attainment, both paternal and maternal higher education attainment, was significantly higher for students enrolled at the elite private universities than those enrolled at the public university. For example, only 12.8 percent of the students enrolled at the one public university had fathers with higher education attainment, compared to 86 percent of students enrolled at one of the prestigious classical universities. Maternal higher education was similarly distinct, with a 3.7 percent of students enrolled at the public university having mothers with higher education attainment compared to 46.5 percent of students enrolled at the same private university (Abourjieli, 2003). This distinction particularly justifies the inter-generational effect on children’s education, a measure highlighted by Psacharopoulos’s (1991; 1993; 2002) work on human capital theory.

Despite the public and private investments in education in Lebanon that reflect the streams of thought within human capital theory, unemployment is challenging this theory, particularly the higher rates of unemployment among the educated youth. This calls for an alternative investment in education to pursue the benefits and returns to human capital, which consequently means a unique response on behalf of the higher education institutions in the country. Schultz (1971) warns against unemployment explaining that human capital deteriorates when it is idle because unemployment impairs skills that workers have acquired. He argues that
losses in earnings can be cushioned by appropriate payments, but it is the idleness from taking its
toll from human capital that is feared and cautioned.

Beginning in 1996, the rapid growth of the higher education subsector resulted in an
accrued human capital in the country, primarily due to the increase in the number of private
universities. Increases in earnings and social mobility that were observed within the Lebanese
society as a result of furthering one’s education have driven families in Lebanon to invest in their
children’s education, particularly at the higher education level, regardless of the family’s socio-
economic status. In the past, these investments have paid off as most of the educated youth were
able to secure a job in the government or abroad, echoing the claims of researchers on human
capital theory. However, these investments have been challenged in today’s economic climate,
where expected returns are, most of the time, not being yielded through families’ investments in
their children’s education. Even when youth are being employed, the wait time and the
opportunities they find leave major scars on their future. Youth unemployment presents a
challenge for the country’s education system, particularly the higher education sector, due to the
strong link between employment, the labor market and education on the basis of the streams of
literature in human capital theory. It is thus critical to raise awareness of the existing issues of
youth unemployment and higher education, and to bring these issues into the policy arena
grounding them in current debates in the human capital literature. The future of Lebanon needs
to make better use of its human capital in order to ensure development in a fast paced and
globalized world. Lebanon’s human capital presents a great potential for the development of the
country if investments in education were scientifically targeted towards the current needs in the
labor market.
3.2 HIGHER EDUCATION INSTITUTIONAL THEORY

With the beginning of globalization, change has become one of the major aspects which societies need to keep up with if they are to pursue national development. In this global neoliberal environment, the role of higher education has become significant for economies and integral to governments. Universities are now seen as a key driver in the knowledge economy. This has brought economic recognition of higher education and brought higher education institutions into the policy arena as catalysts within the society (Olssen and Peters, 2005). The following section will explore literature on the role of institutions of higher education in society as well as the potential for these institutions to both bring forth and respond to change within the society. Literature on the transition management framework will be presented for analyzing and synthesizing the perspectives of policy makers on the role of universities in addressing youth unemployment in Lebanon.

3.2.1 Role of Higher Education Institutions in the Society

Higher education institutions began to gain popularity as key players in development with the rise of the human capital theory around the world (Mendivil, 2002). Research on higher education began to accelerate within the past two decades, and disciplinarians such as economists turned to theories of human capital and economic behavior of universities (Clark, 1984). Earlier, Adam Smith offered two perspectives into the behavior of systems of higher education: a macroeconomics perspective and a microeconomics perspective. Smith’s macroeconomics perspective of the theory of human capital provided an explanation of changes in demand for higher education that has been accepted for centuries. His microeconomics
perspective used economic explanations of how the institutional behavior of universities functions. It compliments those of sociologists and organizational theorists, particularly in times of financial stringency (Williams, 1984). Later, the economic model provided by proponents of the human capital theory gave attention to the social rates of return of higher education. Then this model shed light on the private demand for higher education as a contribution to an explanation of changes in demand over time.

The demand for higher education required researchers and practitioners to look into the need to better understand the role that universities play in society as institutions of higher education. Leading educators from around the world agree on the active role universities play within the society. Stephens et al. (2008) demonstrate how the role of universities evolved across time. In the late 19th century, universities evolved from institutions that are responsible for preserving and transmitting knowledge to institutions that are charged with creating knowledge through research. During the Industrial Age, universities were seen as institutions that trained technical professionals. In the past two decades, researchers have started to argue that universities have an added role to perform, contributing directly to society through acting as catalysts (Gibbons, 1999; Stephens et al., 2008). Seidel (1991) outlines five functions of universities: providing training and education; providing professional training in professions such as medicine, teaching, and law; conducting research; providing regional development and developing international contacts; and a social function in fostering the intellectual and social development of society. Moreover, the Organization for Economic Co-operation and Development (OECD) (1987) lists among the missions of universities the role of contributing to satisfying the labor needs of the society, reinforcing the economy’s competitiveness and production of wealth, and preparing people capable of becoming a nation’s leaders in society.
UNESCO (1988) also highlights a broader role of the university in contributing to the process of national progress and development. In summary, researchers have concluded that higher education institutions play a role in the training of productive intellectual resources for the society (Mendivil, 2002). So, these institutions are charged with training people and generating knowledge that can in turn be transformed into national capital.

As such, the demand for higher education has risen in all regions of the world, which is evident in the growth rate of university enrollments. In order to better understand this demand for higher education in recent times, Burton Clark, a leading sociologist of higher education mapped the social trends which create problems that universities are thus forced to respond to are primarily economic, demographic, and political. Economic trends impacting institutions of higher education lie in the increasing need for educational preparation for work (Clark, 1965). With the threshold of qualifications constantly on the rise, the demand for higher education, particularly a university degree, is becoming more of a necessity than an accessory. The trend is toward a tighter connection between higher education and occupation, ensuring that more people will consequently need preparation for further specialization within the labor force (Clark, 1960). Therefore, universities come under heavy pressure to prepare people for work particularly in circumstances of rapidly changing technology making obsolescent old skills and jobs and placing new demands on competence (Clark, 1965). Another social trend which Clark (1965) highlighted is that of demographics. He emphasized the fact that the pressures generated on education are intensified due to the growth in the general population, which is true particularly in developing nations such as Lebanon (p. 226). These intensified pressures are mainly due to high birth rates and the resulting growing participation in education. Finally, Clark (1965) explained that the political trends have emerged as a result of the framing of education as an investment rather than
consumption, becoming a form of economic capital and consequently a concern of those responsible for public policy. He continued that education addresses issues critical to any nation state, which are manpower and unemployment. Therefore, there is a growing importance of higher education as a factor of national development represented in the growing demand for higher education and the change in higher education systems globally.

Despite the significant importance given to higher education and institutions of higher education, it is essential to note that in nearly all countries, the present demand for higher education exceeds the capacities of governments to supply it (Mendivil, 2002). This constraint has brought forth attention to the different ways of financing higher education, which in turn impacts the capability of universities and colleges to respond to change and to bring forth change in society. Williams (1984) notes three models of financing higher education institutions, one of which is essential to the case at hand. The first model looks at financing under bureaucratic control usually represented by the government, the second model looks at financing under collegial control, and the last model is the market model. The relevance of the market model is that it provides incentives for universities and colleges to respond to changing economic and social circumstances, thus allowing institutions of higher education to play a more active role in society. In this perspective, Williams (1984) argues that the behavior of any organization, among which are higher education institutions, is largely determined by its incentive structure, which is mainly the way resources are allocated to it and within it.

3.2.2 Higher Education Institutions and Societal Change

Nations around the world are facing unprecedented challenges that are increasingly urgent with the complexity and rate of change societies are experiencing in many countries. These changes
are bringing forth emerging opportunities for different societal stakeholders, among which are institutions of higher education. Therefore, institutions of higher education have a particularly interesting potential to facilitate societal responses to these challenges (Stephens et al., 2008). However, most of the research on change is usually focused on change within institutions. External change brought forth by institutions. Higher education institutions not only change over time, but also serve to powerfully drive change and to shape the nature of change across levels and contexts (Dacin et al., 2002).

Stephens et al. (2008) suggested that institutions of higher education contribute to the societal transition in addressing urgent social crises by modeling practices for society, serving primarily as a place of concentrated learning teaching skills such as those in demand by the labor market, providing space for independent and free-thinking research in order to address urgent societal concerns, and integrating students within the society through networking and outreach activities. However, he argues that the potential for universities to play this role of a bringing forth change depends on their position within society. A number of issues influence this role of institutions of higher education, among which are the dominant challenges of the region in which the institution is located; the institutional management including the financing structure of the institution and the institutional organization; the state policy particularly the extent of democratic processes; and communication and interaction within the society. Social conditions of the region, economic factors, cultural attitudes and beliefs associated with higher education, and technological conditions are among the dominant challenges specific to each region that impact the potential role universities can play in bringing forth change (Stephens et al., 2008). Another influence is that of funding of higher education, which has been increasing globally in the last decade with trends of growing student enrollment. However, this increase in funding has been
coming from private support due to decreasing governmental support in some countries. As such, many universities are unable to meet the needs of their societies, facing an added challenge of being responsive to private rather than public interests (Stephens et al., 2008). The institutional organization of universities provides yet another challenge for institutions of higher education to perform their role of catalysts within the society. Most universities tend to be traditional and conventional (Stephens et al., 2008), rendering it difficult for these institutions to change themselves in order to address the change in demand within the society. The level of democracy within the society or the country either facilitates or hinders the institutions’ role as a facilitator of change by either increasing or limiting the university’s influence outside the campus. The influence in education in some countries, like Lebanon, must begin with the fact that there is a national organization of education with important elements of hierarchical and formal control from national ministries to the community and the individual university (Clark, 1965, p.233). These critical factors affect the universities’ ability to have an impact on society.

In order to enhance societal capacity to stay abreast of societal changes currently being experienced, transition from the existing status through development is essential, which can be facilitated through institutions of higher education. Such a transition is complex, and requires society-wide shifts in priorities and perspectives (Stephens et al., 2008). The following section will focus on large-scale transformations based on the literature of transition management, which provides a useful structure and model for understanding the role of institutions of higher education as catalysts of social change. Transition management helps define different phases in the transition process of introducing structural societal change by balancing and integrating long-term goals with short-term demands of political and economic development, such as addressing the problem of youth unemployment (Stephens et al., 2008).
Transition management first surfaced as an alternative to the tradition of policymaking in
the Netherlands in 2001, emerging from concerns for change and sustainable development
(Loorbach, 2010; Voß et al., 2009). Loorbach and Rotmans (2006) later developed a framework
for transition management that contains a process dimension. They based this governance
approach on complex systems theory as well as upon practical experiment and experience.
Advocates of this approach strongly believe that transition management presents an analytical
understanding of long-term societal change (Voß et al., 2009; Loorbach, 2010). The transition
management framework provides a multilevel model of governance which helps societies
transform themselves incrementally through short-term goals to develop long-term goals for
future societal change (Kemp et al., 2007; Loorbach, 2010).

Transition management has been used to deal with issues of sustainable development
particularly in the environment in Western industrialized societies. However, researchers have
recently questioned the extent the approach can be translated to other sociopolitical contexts and
cultures, particularly at a time when societies and policy making are becoming increasingly
complex (Loorbach, 2010). Stephens et al. (2008) looked at the role of institutions of higher
education through the lens of transition management. The transition management framework
provides three different levels: strategic, tactical, and operational. The strategic level focuses on
higher level activities of leaders who engage in strategic visioning and long-term goal planning.
At this level, higher education plays the role of defining and developing strategic societal visions
and setting long-term goals. The tactical level focuses on agenda and coalition building, and
transforming institutions in order to carry out larger strategic goals. Within the tactical level,
universities promote coalitions and cooperation among stakeholders, playing the role of a
catalyst. Finally, the operational level focuses on project building and implementation. At this
level, higher education provides the implementation of change such as through the curriculum, research, outreach and mutual learning with the society (Stephens et al., 2008). These three levels are not hierarchical, but rather they interact and reiterate in order to achieve the change targeted (Kemp et al, 2007; Stephens et al., 2008).

For the purpose of this study, transition management will be used as a framework to analyze the perspectives of policy makers interviewed. Transition management will help one better understand the perceived role of higher education institutions by understanding how they frame problems. The model adapted from the transition management framework does not have a fixed sequence of steps nor is it hierarchical (Loorbach, 2010), it is interactive with the strategic level placed at the top of the “pyramid” like cycle in order to represent the significance of this level. Among the limitations of this model as applied to the present study is that the view of the role of the institution is dependent on the policymaker’s agenda at the time of the interview. Universities can transform themselves into highly proactive institutions by building a steady state oriented toward change and by adapting to the changing society (Clark, 2003). Institutions of higher education are confronted with the societal urgency associated with the interconnected challenges of social challenges. The transition management literature provides some structure to understanding the potential for these institutions to play a proactive role in society in bringing forth and responding to change.

During the last quarter of the twentieth century, universities around the world found themselves confronted with increasing pressure to change the way they operate in order to continue to address the increasingly complicated needs of societies. Although some universities were able to gradually respond to the new demands of the government, the industry, and the society, many were not able to step into “the rapidly flowing streams of societal change” (Clark,
Institutions of higher education are thus expected to develop the capacities to both adapt themselves and to adapt to a changing society (Clark, 2003). Developing these capacities for bringing forth change becomes key to the success of the university. To consider the potential of institutions of higher education to be facilitators of change, this section provided an overview of the role of universities in society, factors that influence this role, and transition management as a framework for understanding the perspectives of policy makers of the role universities can play in bringing change to the society.

3.3 SUMMARY

The human capital theory strongly demonstrates that investments in education yield positive returns, whether it is on the personal level or the national level. Furthermore, the literature strongly argues that institutes of higher education can play a critical role in powerfully driving change and shaping the nature of change across different levels and contexts. Investments in education may have not yielded the expected or desired results in the MENA region. This is evident through the recent political changes the region is witnessing, starting in Tunis and moving along to other countries. It may be argued that the institutions of higher education have been facilitating this change, for the recent civil uprisings in the region have been primarily lead by the youth in each country. In most cases, these youth were among the educated. Lebanon may not be very different to the other countries in the region, and it may not be long before a civilian unrest turns things around and leads to the overthrow of the government similar to what had happened in Egypt and in Tunis. The examples provided in the literature review illustrate that Lebanon has a wealth of human capital, particularly a young population, in addition to a strong
drive to invest in education on a personal level. However, the literature also sheds the light on the need to orient these investments in education in the direction that would best serve the country and help it develop. Therefore, one of the policy oriented approaches to addressing the need to reorient investment in human capital in Lebanon is through the institutions that play a direct role in this investment: higher education institutions. The literature underlines the important role higher education institutions can play in facilitating change within the society through addressing urgent social crises. Youth unemployment is a social phenomenon that has recently emerged in Lebanon due to a number of factors. Jobless graduates have become more of a pressing issue with the political risks they present to the nation. Therefore, it is imperative to explore what universities can do to address this urgent problem for this youth represents the country’s human capital and the institutions of higher education represent a social force within the society that cannot be ignored today.

Two conceptual frameworks, the human capital theory and literature on transition management, will be used to address the research questions guiding this study:

1) From the perspectives of policy makers (government officials, university leaders, and labor market representatives): To what degree is youth unemployment a problem in Lebanon?

2) What institutional policies are in place to address the youth unemployment crisis in the country?

3) What policy changes, if any, should be made to address the youth unemployment crisis?
4.0 RESEARCH METHODOLOGY

This study investigates how the youth unemployment crisis is being addressed by higher education institutions in Lebanon from the perspectives of policymakers. This study will map out the issues and potential solutions within the environment they are embedded from the perspectives of leading policymakers in the field of higher education in Lebanon. This chapter will begin with the rationalization of the methodology selected, followed by a description of the sample selection, a depiction of the data collection processes, and conclude with an overview of the proposed data analysis techniques. The proposed methodology will address the following research questions:

1) From the perspectives of policy makers (government officials, university leaders, and labor market representatives): To what degree is youth unemployment a problem in Lebanon?

2) What institutional policies are in place to address the youth unemployment crisis in the country?

3) What policy changes, if any, should be made to address the youth unemployment crisis?
4.1 RESEARCH DESIGN

This study used a descriptive qualitative methods approach (Creswell, 2009). The literature review process provided the platform for the elite interviews\(^\text{10}\), which were held at the beginning of the data collection process. Following the elite interviews, interactive expert and participant collaboration was sought (by email or phone) in order to allow for further shaping of the emergent themes and abstractions.

Qualitative research is particularly effective in allowing for improved understanding of particular events, roles, interactions, or social situations (Creswell, 2009), making it appropriate for studying the changing socio-economic and political environment in Lebanon which has led to the current rise in youth unemployment. Qualitative research also allows for the understanding of the study participants’ perspectives, which are an integral part of the reality of the role of universities (Maxwell, 2005). Significantly, the qualitative approach allows the researcher to keep a focus on learning the meaning that the participants hold about the role of their respective institutions, rather than the meaning the researcher brings to the research or that expressed by writers in the literature (Creswell, 2009). Denzin and Lincoln (2007) emphasize the importance of attempting to make sense of or interpret phenomena in terms of meanings people bring to them.

It is also argued that a qualitative approach is used when the researcher seeks to make meaning of individual perspectives and experiences in order to develop a theory or pattern (Creswell, 2003). Therefore, open-ended emergent data is collected with the intent of developing

\(^{10}\) Elite interviews were employed as the participants were elite policy makers, such as university presidents and government officials.
these themes (Creswell, 2009). Since the current study sought to identify emerging themes from
the perspectives of leading policy makers in the field of higher education, the qualitative
approach is appropriate. Furthermore, it allowed for the identification of unanticipated
phenomena. This in turn led to the generation of results that were understandable and
experientially credible (Maxwell, 2005). It has also been noted that among the characteristics of
qualitative research is that it allows for inductive data analysis (Creswell, 2009). This permits the
researcher to build patterns, categories, and themes from the bottom up. This inductive process
requires the researcher to work back and forth between the themes and the data until a
comprehensive and representative set of themes are established. However, it is essential to note
that the value of qualitative research lies in the particularity of its results rather than their
generalizability (Creswell, 2009).

4.2 PARTICIPANTS

The sampling techniques used in qualitative research do not fall within probability sampling or
convenience sampling. Purposeful sampling techniques, which were employed in this study,
define a third category that characterizes qualitative research. The study participants have been
deliberately and purposefully selected in order to provide the information necessary for better
understanding the problem at hand and addressing the research questions (Maxwell, 2005; Creswell, 2009). It is further argued that most qualitative interview studies, similar to this study,
use people who are uniquely able to be informative because they are expert in an area (Maxwell,
2005).
A group of 30 participants were included in this study, three government officials, from the Ministry of Education and Higher Education, the Ministry of Labor, and the Ministry of Youth and Sports, presidents of 24 universities in the country, and representatives of the three leading economic sectors in the Lebanese labor market (construction, banking, and tourism). This pool of elite participants informed the study of the perceived policy outlook on higher education in relation to youth unemployment as all the participants included are in key decision making positions who impact policy making in higher education both in the public and private sector across the country. For the purpose of the study analysis, the participants were grouped in two categories: university leaders, consisting of presidents and rectors of universities, and other leaders, consisting of participants from the government and private sectors.

According to the Lebanese Ministry of Education and Higher Education, there are 29 universities in Lebanon, consisting of 28 private universities and one public university. I contacted the offices of 29 university presidents. In most cases, scheduling an appointment with the president was very bureaucratic. I was able to meet with 24 university rectors. Institutional interviews were conducted with the presidents of these universities. All rectors interviewed were males.

Interviews were also conducted with the permanent civil servants in each participating ministry. Interviewing the permanent civil servants allowed for a more holistic view of the situation in the country, accounting for both the ministry that had resigned at the time the study was taking place and the new ministry that was taking command. Scheduling appointments with the permanent civil servants was faster and easier than scheduling appointments with the rectors. As for interviews with the private sector representatives, I was directed to the human resources manager in each of the firms I contacted. It was very helpful to speak to each of them as they
were in direct contact with the graduates of universities applying for jobs at each of the firms and they were in charge of the hiring process at their respective companies.

I did not assign pseudonyms for the participants as the analysis I am pursuing for the purpose of this study does not look at specific cases. It is significant to note that within the Lebanese context names are very indicative and revealing of one’s identity, and in this case the institution one represents. Many people’s names indicate their religious sect, which may indirectly indicate which institution they resemble. For example, someone who is called Ali indicates that he is a Shiite Muslim male, while someone who is called Joseph indicates that he is a Christian male. This becomes more critical in the case of the permanent civil servants as they have served for a long time and they would be directly identified by someone who is familiar with the Lebanese context. For coding, and subsequent analysis, I used NVivo8 software. Section 4.4 provides a discussion of how Computer Assisted Qualitative Data Analysis (CADQAS) facilitated my work on this research study.

4.3 DATA COLLECTION

This study has received permission from the University of Pittsburgh Institutional Review Board (PRO09090310).

This research attempts to answer the question of how institutions of higher education address youth unemployment in Lebanon. Semi-structured interviews consisting of open-ended questions were conducted to gather information to answer the research questions See Appendix A). Questions were developed based on the research questions and information from the literature review. These questions, although vary slightly between each group of participants,
cover the national crisis of youth unemployment and how policy makers view universities’ role in addressing this problem.

Individual interviews were conducted to explore in greater depth the institutional awareness of the youth unemployment crisis in Lebanon and the role of the universities in addressing youth unemployment. Each interview was structured around five to seven open-ended questions. These questions were intended to elicit further conversation on the real issues in effect within the higher education and the labor market context.

Interviewing is unavoidably historically, politically, and contextually bound (Denzin and Lincoln, 2005). The nature of interviewing as a data collection technique provides an in depth understanding of the perspectives of the participants. Since the goal of these interviews is understanding, it was critical to establish rapport with the participants and gain their trust (Denzin and Lincoln, 2007). Prior to this study, I had contacted and met most of the participants. Therefore, a level of comfort was established during the interviews allowing for more in depth conversations, particularly with university administrators.

The interviews were transcribed. Further literature and discussion was provided on the data analysis approach proposed.

4.3.1 Elite Interviews

*Elite-interviews.* Interviews have become a very popular tool of inquiry and source of social knowledge because it allows people to express their thoughts through this means of communication. Interviews are an effective and direct method to gain information or to focus a topic (Goldstein, 2002). Elite interviewing are unique for they provide access to a selected group
of professionals who because of their position have a deep knowledge of their field and a wide perspective on it (Dexter, 1970; Goldstein, 2002; Bove, 2006).

I employed elite interviewing which enabled me to better understand what the participants think, how they interpret events, and what their respective institutions have done or are planning to do in addressing the youth unemployment crisis Lebanon (Aberbach and Rockman, 2002). Participants, as is typical in elite interviewing, are “well-informed and influential people” (Dexter 1970, p. 6). Using open ended questions, elite interviewing allows for the elites and highly educated people not to be limited by close-ended questions (Aberbach and Rockman, 2002). Consequently, this technique gave the interviewees the opportunity to introduce their notion of what they regard as relevant instead of relying on the researcher’s notion of relevance (Dexter, 1970). It allowed them to explain how they see the situation, and what the real problems are as they view the matter. The face-to-face elite interviewing helped establish a sense of cooperation and was useful for uncovering the participants' perspectives.

Establishing rapport with the participant is a critical element in elite interviewing (Goldstein, 2002). In many cases, I had the opportunity to meet these participants which created a basis for trust. Furthermore, elite interviews helped affirm the elites’ importance, which in turn helped in maintaining their trust in the interviewer and engagement in the process (Berry, 2002; Dexter, 1970; Seidman, 1991).

Interviews were the primary source for data collection. The interviews consisted of a set of open-ended questions that were based on the literature review. This created an environment that encouraged the participants to be open about the way they view the issue of youth unemployment in Lebanon (Creswell, 2009; Dexter, 1970).
The interview questions prepared for each group of participants in this study built upon the relevant literature. Therefore, the major categories addressed by the interview questions emerged from the literature on youth unemployment and higher education institutional role. I prepared separate interview protocols for each group of participants. However, I made sure that each group was asked similar questions in order to allow me to compare and contrast across the perspectives of the participant groups. All the questions encouraged the participants to evaluate the status quo of the youth unemployment in Lebanon and at the same time reflect on what is being done to address this crisis. Detailed interview protocols are available in Appendix A. Table 10 shows the intersection between the interview questions and the research questions highlighting the major categories addressed by each question.

<table>
<thead>
<tr>
<th>Research questions</th>
<th>Major themes</th>
<th>Interview questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Question 1: From the perspectives of policy makers (government officials, university leaders, and labor market representatives): To what degree is the youth unemployment a problem in Lebanon?</td>
<td>Awareness, roots, risks</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1, 2, 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>Research Question 2: What institutional policies are in place to address the youth unemployment crisis in the country?</td>
<td>Awareness, responses</td>
<td>1, 2, 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1, 2, 4, 5</td>
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<td></td>
<td></td>
<td>1, 2, 4, 5, 6</td>
</tr>
<tr>
<td>Research Question 3: What policy changes, if any, should be made to address the youth unemployment crisis?</td>
<td>Responses</td>
<td>5</td>
</tr>
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<td></td>
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<td>6</td>
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<td>7</td>
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</tbody>
</table>

Table 10 Intersection of Research Questions and Interview Questions
4.4 DATA ANALYSIS

Data was collected through interviews. All interview data was transcribed. The data collected was analyzed using the conceptual framework mapped for this study. Themes and categories emerged from the whole text analysis.

After completing the interviewing and transcription process, I coded the interviews using Computer-Assisted Qualitative Analysis (CAQDAS). The software I used for coding and subsequent analysis, Nvivo9, was interactive, allowing for a number of different interpretative spaces to emerge (Berg, 2009). Using Nvivo9 allowed me to organize and classify data quickly, and spend more time on analysis. The particular value of CAQDAS programs in qualitative data analysis has been found to be their usefulness for data management and supporting coding processes, making the process more efficient and effective (Wickman and Wood, 2005). Therefore, the software allowed me to work systematically so that I won’t miss anything in my data, particularly during coding.

4.4.1 Data Coding

After having organized and prepared the data for analysis, and having read through all the data for a general sense, of the information and reflected on its overall meaning, I began coding the data. Coding is one of the essential components of whole text analysis (Denzin and Lincoln, 2007). It is the process of organizing the data into chunks of text and labeling these chunks in categories that make sense to the researcher (Creswell, 2009). I used elements from the literature reviewed in Chapters 2 and 3 for the development and refinement of coding categories. According to Miles and Huberman (1994), “Coding is analysis.” (p.56). They encourage the
researcher to start with some general themes derived from the literature and add more themes and subthemes as s/he goes along. Therefore, I created codes, which in Nvivo9 are called nodes, using constructs (analytic categories) shaped by questions asked during the course of the interview process. In addition, specific data grounded themes were also used to sort the responses to various questions (Berg, 2009). These nodes and hierarchical nodes allowed me to manage multiple themes by easily adding, deleting and merging categories. As a result, I was able to recode data as new themes emerged (Wickman and Wood, 2005).

Thematic categories have been developed both deductively, based on previous studies found in the literature, and inductively, linking these categories to the data from which they derive (Berg, 2009). I began with a node tree for my preliminary coding categories. As coding categories emerged, I linked them together using the memo-ing technique. Memo-ing functions support the recording of theoretical ideas as well as operational memos related to coding and sorting procedures (Wickman and Wood, 2005). This technique allowed me to move from the raw data to abstractions and interpretations in the context of the study. I continued to code the data according to this initial node tree, but soon merged some nodes that I found overlapped and added new ones that emerged (See Appendix A for the final node tree).

4.4.2 Data Interpretation

I worked on interpreting the data by developing ideas about the information found in various categories, patterns that were emerging, and meanings that were conveyed (Berg, 2009). In addition, I made certain that this analysis was related to the literature and broader concerns, and particularly to the original research questions. In turn, this provided me with the opportunity to better understand how the participants viewed the role of the higher education institutions in
addressing youth unemployment in Lebanon. Furthermore, this analysis helped me examine how these perspectives fit into the larger frame of how the social sciences view these issues and interpretations (Berg, 2009). I identified and described the themes from the perspectives of the participants, and then I attempted to understand and explain these emergent patterns and themes (Creswell, 2009). Figure 8 (p.77) depicts the process in which I went about developing my research study. My interest in the issue of youth unemployment emerged from my personal experience seeing how friends of mine faced difficulty in finding a job despite their higher education qualifications. In 2007, I conducted a literature review on youth in higher education in Lebanon, and I arrived at a number of themes one of which was youth employment in Lebanon. After more reading and literature reviews, I arrived at my current research questions looking at the perceived role of higher education institutions in the mitigation of youth unemployment. I took my study to the policy makers and field experts on higher education in Lebanon, the university presidents and both public and private sector agents working with either higher education or youth. After conducting the research questions with these experts, I had a dataset which I worked on transcribing and coding. However, before I could begin reporting my findings and interpretations of this data, I went back to the literature to verify and test my findings. After consulting the literature, and with the aid of Nvivo8, I was able to arrive at my current findings, which then led me to a set of policy recommendations. These policy recommendations I provide at the conclusion of my study were also enriched from the literature on youth unemployment in the MENA region. I referred to my personal background and knowledge of the context of the problem at hand when making these final policy recommendations.
Following is a description of how I went about exploring the themes I arrived at for addressing my research questions:

Figure 8 Research Study Development
4.4.2.1 Perceived Role of Higher Education Institutions

A number of themes have been identified for the perceived role of higher education institutions in addressing the youth unemployment crisis in Lebanon based on the perspectives of the leaders of these institutions and the relevant stakeholders within the public and private sectors. The themes for the role of higher education were deduced from the literature on transition management framework mapped in Chapter 3 as follows: a) strategic role; b) tactical role; or c) operational role. According to the model adapted, the participants viewed the role of higher education at the strategic level where higher education institutions are seen to define and develop strategic societal visions and set long-term goals. Examples of this view included setting a vision for the sub-sector, and addressing issues beyond the education role of the university (See section 5.2.4). At the tactical level, the institutions were seen to focus on agenda and coalition building and to promote coalitions and cooperation among stakeholders, playing the role of a catalyst. As such, examples were provided of the collaboration between the universities and firms within the labor market in an effort to help their students find jobs (See section 5.2.4). Finally, at the operational level, universities were seen to focus on project building and implementation providing the implementation of change such as through the curriculum, research, outreach and mutual learning with the society (Stephens et al., 2008). Within the tactical role, examples were provided that depicted efforts to address curriculum changes and similar practical changes within the university boundaries (see section 5.2.4). These three levels are not hierarchical, but rather they interact and reiterate in order to achieve the change targeted (Kemp et. al, 2007; Stephens et al., 2008). A novel aspect of this categorization that emerged was the single or dual role universities play in addressing youth unemployment. This depiction made primarily by the rectors is shown in Table 10.
4.4.2.2 Policymakers’ Awareness

Another set of themes that emerged were agency based reflecting the policy makers’ extent of awareness of the youth unemployment crisis in Lebanon. According to this thematic classification, policy makers’ awareness ranged from non-situationally aware of the crisis, situationally aware of the crisis, which consisted reactive awareness, or takes action towards addressing the crisis and provides lessons learned, which consisted the proactive awareness.

During a preliminary analysis I conducted on eight of the institutions participating in this study, I established an interview with one of the university rectors as an exemplary text that meets the criteria for a policy maker who is both aware of the crisis and takes action, consequently classified as having proactive awareness. In this example, the rector of the university not only talked about the crisis and acknowledged its urgency (reflecting the situational awareness category), but he also discussed successes that his institution had accomplished in addressing the crisis and took responsibility and ownership of the problem (reflecting the taking action category):

“…we always do market studies, to see what are the needs, not just for Lebanon, for Lebanon and the Middle East…[and] each one of our students has to do COOP, [which] is like when you go and work with an engineering company, you spend like a minimum of 3 weeks to 3-4 months, like practical training. So, they [the firms] get to know them, they try them, and they end up hiring them. And the students they will learn what it’s like in the real world in the work place.”

The following codes from the categorical node tree were used in assessing the level of awareness of the participants: identifying the urgency (of the issue), and describing the institutional actions performed (in addressing the crisis). Institutional actions were categorized into the following categories: a) providing training opportunities to students; b) improving the quality of education; c) holding job fairs on campus; and d) addressing issues of entrepreneurship with the students. The rector at the exemplar institution expressed his awareness of the youth
unemployment crisis in the country supporting his claim with survey data and ratios. Furthermore, he expressed the high urgency of the issue by labeling the crisis a “national problem”.

As for the actions performed, all presidents (within the sample) discussed reactive approaches, particularly the job fair like approach carried out by their respective institutions. For example, contacts were made with companies and employers in both the local and regional labor market, who were also invited to conduct on campus interviews with students, in order to facilitate the job search process. However, the rector at the exemplar institution described additional “proactive” initiatives that were undertaken by the institution in order to address the youth unemployment crisis in the country. Among the proactive initiatives he listed were the market studies that reflected the local and regional needs, a Student Affairs Office responsible for placement of students and providing career services, and Cooperative Education (COOP) Program, which is a program that allows students to integrate their post-secondary studies with practical experiences in their chosen field. The COOP Program highlights the shared responsibility between the higher education institution and the employers in shaping the potential employees to meet the needs of the labor market. The rector also shared a number of successes of this Program. Therefore, it could be concluded that the rector of the exemplar institution has been classified within the proactive awareness category as he is both situationally aware of the crisis and provides concrete examples of proactive initiatives that are beyond the job fair like approaches enlisted by all other institutions.

4.4.2.3 Other Emergent Themes

Other emergent themes address the following categories: roots of the youth unemployment crisis in Lebanon, risks of the crisis, and the response to the crisis if not addressed. All these categories
were examined from the perspectives of the participants. The preliminary findings on the roots of the problem were clustered as follows: a) demographic roots; b) economic roots; c) political roots; d) institutional\textsuperscript{11} roots; and e) cultural roots. The risks of the crisis were clustered as follows: a) social risks, such as loss of human capital, youth delinquencies, family problems, crime; b) economic consequences, such as economic stagnation, and poverty leading to strife; c) political risks; and d) gulf and emigration risks. As for the responses to the crisis that were conveyed, the following roles were identified of entities responsible for addressing youth unemployment in Lebanon: a) a governmental role; b) an institutional role; and c) a private and societal role. The perceived role of higher education institutions thus became a child node or a sub category of the responses category (See Appendix B).

The data analysis schema used helped provide a deeper understanding of the perspectives of policy makers of the role of higher education institutions in addressing the youth unemployment crisis in Lebanon. The analysis also yielded policy recommendations that address both the structural aspects of institutions and the higher education subsector in the country.

\textsuperscript{11} Within the context of this study, institutional refers to the universities in Lebanon.
5.0 FINDINGS

This study examines how policy makers view the role of higher education institutions in mitigating the youth unemployment crisis in Lebanon. It depicts the perceived roots and risks of the crisis within the local context. This chapter provides a description of the findings, which are grouped into four categories, followed by a discussion of these findings. The findings have been organized in thematic categories in order to focus on the themes themselves and how people are thinking about the issues discussed within each theme, providing a description of the perspectives of each group of participants for each thematic category.

The findings and results in this chapter will address the research questions:

1) From the perspectives of policy makers (government officials, university leaders, and labor market representatives): To what degree is youth unemployment a problem in Lebanon?

2) What institutional policies are in place to address the youth unemployment crisis in the country?

3) What policy changes, if any, should be made to address the youth unemployment crisis?
5.1 INTERPRETATION OF THE DATA

The government sector leaders who were interviewed represented three ministries directly related to youth employment issues: a) the Ministry of Youth and Sports; b) the Ministry of Education and Higher Education; c) and the Ministry of Labor. The interviewees were permanent civil servants, chosen in an attempt to capture each ministry’s positions over time. University leadership selection was based on the Ministry of Education and Higher Education’s classification of higher education institutions in the country. As such, 28 private higher education institutions and one public higher education institution were identified as institutions with the recognized status of a university (as of January 2011). Twenty-four university rectors agreed to participate. Twenty-three were from private universities and only one was from the public university. Three participants from the local labor market were also interviewed representing the three leading sectors within the Lebanese economy: engineering, banking, and tourism. The private sector participants selected were all senior human resources managers who oversee the recruitment and hiring dynamics within their respective organizations.

The findings have been organized into four major themes: a) the level of awareness of the policy makers of the youth unemployment crisis; b) the perceived roots of the crisis; c) the potential risks of the crisis if not addressed; d) and the possible responses to mitigate the crisis. This thematic organization will examine the perceptions of the participants across each theme. Each category was supported by the words of the participants, which I was able to retrieve using Nvivo9. For example, when I was writing about awareness, I would go to my tree node in Nvivo9, and click on the node or theme that included the child nodes or subthemes of awareness. The text I coded as relevant to this category came up listed by each participant (See Appendix B). I would then choose a quote relevant to the section I am writing about within awareness.
Following are the four categories with the description of how each group of participants perceived each of them. Within each category, I grouped the university rectors into one set of leaders and the government sector and private sector participants into another set of leaders in order to highlight the perspectives of the university leaders and allow for a deeper understanding as they are viewed in comparison with the perspectives of the other leaders in the following chapter.

5.1.1 Findings Category 1: Awareness of the Youth Unemployment Crisis

It is imperative to look at the policy makers’ awareness of the youth unemployment crisis as it is strongly believed that their perceptions can influence policy making (Clark, 1984). As such, the participants were asked about how aware they were of the problem youth face in finding a job once they leave higher education institutions and how urgent they thought this issue was. Furthermore, the participants’ awareness was judged based on what actions they had taken in an attempt to address this problem of youth unemployment. According to this thematic classification, policy makers’ awareness ranged from not being situationally aware of the crisis, to being situationally aware of the crisis but not taking action, which was classified as reactive awareness, or takes action towards addressing the crisis, which was classified as a proactive awareness.

For the purpose of this analysis, I have used an interview with one of the universities as an exemplary text that meets the criteria for a policy maker who is categorized as having proactive awareness for being both aware of the crisis and takes action (See Chapter 4). In this example, the participant not only talks about the crisis and acknowledges its urgency (reflecting the situational awareness category), but he also discusses successes that his institution has
accomplished in addressing the crisis through proactive initiatives and takes ownership and responsibility of the problem (reflecting the taking action category).

5.1.1.1 University Leaders

University rectors all expressed their awareness by sharing the efforts they put forth particularly in holding job fairs on campus. Table 11 shows the distribution of the university leaders’ awareness.

<table>
<thead>
<tr>
<th></th>
<th>Number of University Leaders</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reactive Awareness</td>
<td>11</td>
<td>46%</td>
</tr>
<tr>
<td>Holds job fairs on campus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improves the quality of education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proactive Awareness</td>
<td>13</td>
<td>54%</td>
</tr>
<tr>
<td>and Takes Action</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provides opportunities for training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Introduces entrepreneurship skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (flexible class scheduling, alumni tracking, etc.)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to the exemplary interview used for this thematic category, a little over half (54%) of the participating university rectors were found to be situationally aware of youth unemployment in Lebanon and reported taking action towards addressing the crisis. Providing opportunities for training and integrating application along with the theoretical teachings was one of the actions reported to be taken to help students. One of the rectors explained:

“…the student is required to have training in the labor market as part of the set curriculum; usually five months out of the three year program are devoted to in the field training.”

One of the distinctions among the institutions made evident through the interviews with the rectors was that the practical training component offered at the universities was not required by all institutions. In some cases, the institution only encouraged students to pursue practical
training and had an office designated to help those who were interested, as one of the university rectors explained:

“…we always encourage our students to go for training, and we help them find employers or hosts…It [training] is not required.”

Another aspect of this thematic category specific to the university rectors was the issue of entrepreneurship. Only a few (17%) of the rectors discussed efforts to introduce entrepreneurship skills in the programs offered at their institutions. Among the issues raised were:

“… [We] encourage our students to create small businesses and microenterprises.”

Another rector also shared their perspective on this issue:

“It is essential for us to get the message across to the youth that the solution for the unemployment is not only by securing jobs In the public or private sectors, but we should also train them on how to create her/his own business.”

And another rector explained his reasons for this view:

“… [We encourage our students to] always try to create their own jobs because they cannot wait for the government in Lebanon to create jobs for them.”

Other references to actions taken beyond the traditional hosting of job fairs on campus varied across institutions. For example, some university rectors discussed the flexible class scheduling offered to students to allow them to work while pursuing their degrees in order to help them gain practical experience, particularly in the fields of business and medicine:

“We also offer two schedules, one in the morning and one in the afternoon in order to allow our students to work while going for their degrees because practical experience is very important…”

Other rectors noted that they follow up on their alumni and conduct statistical studies on alumni employment in order to determine how best to help their students and graduates:

“We also follow up with our alumni. We consider our students as our own children. We pledge to help them as if they were our own children…and we do statistical studies to learn about employment trends of our graduates.”
Rectors who were grouped within the situationally aware category mainly talked about hosting job fairs and bringing potential employers on campus to meet with students and the importance of maintaining quality education at their institutions in order to help their graduates become more employable. One of the rectors explained the job fair dynamics at his institution:

“…we hold once a year what we call a job fair, where we call different big employers in Lebanon and abroad. They come for a full day, they meet with us, they pick CV’s, they make interviews, and all of that.”

The quality of education was seen as a means for students to get employed as well. Therefore, rectors explained that students graduating from universities that were well known for the “quality” of their education do not face difficulty finding a job:

“…the employer will know that students graduating from a certain university are different than those graduating from our university. Our graduates will have preference in employment.”

Despite the variations among the extent of awareness of the crisis among the rectors interviewed, there seemed to be solid evidence that they were all aware that a number of their graduates face difficulties landing their first job. Furthermore, all universities seemed to be making an effort in one way or another in order to address this issue, whether it was through holding job fairs on campus, improving the quality of the education offered, or introducing new skills and training requirements into the existent curriculum.

5.1.1.2 Other Leaders

The government sector participants expressed concern and awareness of rising rates of youth unemployment in Lebanon. One of the participants noted that the awareness of the youth unemployment crisis in Lebanon was limited due to the lack of statistical data and the absence of a plan for the higher education sub-sector in the country. It was also evident from the interviews
that the government sector made reference only to attempts of improving the quality of education in universities. One of the government sector participants explained the rationale for this perspective:

“…we are pushing in the direction of quality assurance. We are preparing a decree to address this issue and have all higher education institutions follow this framework…This will guarantee that our graduates can secure a job wherever they go.”

Similarly, another government sector participant expressed her awareness and concern for the problem by noting the issue of the lack of data:

“We are aware of the youth unemployment problem; however we do not have accurate figures. Within our day to day work, we see how many young people are seeking jobs.”

Other government sector leaders also expressed concerns without sharing any active measures they have taken or intend to take towards addressing this crisis.

These perspectives show that these participants were aware of the situation at hand and were acknowledging its urgency, which according to the exemplary interview used for this thematic category, shows that the participants were situationally aware of the youth unemployment crisis. Furthermore, this awareness was limited to their concerns for the quality of education.

The private sector participants also expressed their awareness and concerns of the youth unemployment crisis. However, this awareness varied across the different economic sectors. For example, the banking sector participant described his self-constructed awareness of the unemployment crisis youth face in Lebanon by describing the dynamics of recruitment and employment at his bank:

“…we receive around 3000 applicants per year and there are only about 200 openings in the bank.”
The private sector awareness of the youth unemployment crisis in Lebanon was also limited to the economic sector one worked in. For example, the participant from the engineering firm refused to talk about unemployment in general terms, and insisted on discussing employment dynamics within the field of engineering in Lebanon only:

“I do not have experience in all graduate employment, [only] in the engineering field, [and I believe that] engineers are rarely found in Lebanon.”

Similarly, the participant from the tourism sector explained her perspective of youth unemployment restricted to the respective economic sector:

“What I can give you is about the hospitality industry only…”

When asked about what measures they take in order to address the crisis at hand, the private sector participants all described efforts to participate in job fairs hosted by universities in the country, as well as holding information sessions for university students to inform them of the respective firms and vacancies available. The participant from the engineering firm shared his company’s efforts:

“We do presentations in universities on our needs and on our company and the design expertise we have. And we do recruitment campaigns every year in most of the good universities…”

The participant from representing the tourism sector also explained what her company does to help students and new graduates:

“…we go to job fairs, and we also ask to do our own showcase, we visit universities and we meet with students and we explain to them the importance of growing with the company.”

These perspectives showed that these participants were aware of the situation at hand and acknowledge its urgency, which according to the exemplary interview used for this thematic category, shows that the participants were situationally aware of the youth unemployment crisis.
5.1.1.3 **Summary: Awareness**

Within this thematic classification, the participant policy makers’ awareness ranged from being situationally aware of the crisis but not taking action, which was classified as reactive awareness, or takes action towards addressing the crisis, which was classified as a proactive awareness. Almost half of the university leaders were found to possess proactive awareness. The other leaders were found to have reactive awareness.

5.1.2 **Findings Category 2: Roots of the Youth Unemployment Crisis**

A number of causes have been identified by the participants as the roots for the unemployment crisis youth are facing in Lebanon today. The literature supports these roots referencing factors such as the demographic youth bulge observed in Lebanon and neighboring countries of the MENA region, and educational and political roots (Kabbani, 2011). The following categories were identified by the study participants as the roots for the youth unemployment problem in the country: political, institutional (referring to universities), economic, demographic, cultural, and other roots. Table 12 shows the number of participants within each leadership set who discussed the each if the perceived roots of the crisis.

<table>
<thead>
<tr>
<th></th>
<th>Political Roots</th>
<th>Institutional Roots</th>
<th>Economic Roots</th>
<th>Demographic Roots</th>
<th>Cultural Roots</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N %</strong></td>
<td><strong>N %</strong></td>
<td><strong>N %</strong></td>
<td><strong>N %</strong></td>
<td><strong>N %</strong></td>
<td><strong>N %</strong></td>
</tr>
<tr>
<td>University Leaders</td>
<td>10 77%</td>
<td>11 69%</td>
<td>12 80%</td>
<td>4 57%</td>
<td>9 75%</td>
</tr>
<tr>
<td>Other Leaders</td>
<td>3 23%</td>
<td>5 31%</td>
<td>3 20%</td>
<td>3 43%</td>
<td>3 25%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>13 100%</td>
<td>16 100%</td>
<td>15 100%</td>
<td>7 100%</td>
<td>12 100%</td>
</tr>
</tbody>
</table>

5.1.2.1 **University Leaders**

Rectors referred to the institutional roots of youth unemployment in Lebanon. Among the issues they discussed were the lack of student orientation prior to university admission, the licensing of
a large number of universities privately owned which is leading to the downturn of the quality of
tertiary education offered in the country, the lack of cooperation among universities, and the
skills mismatch problem—a mismatch between the skills being taught at the university and those
in demand by the labor market. Rectors complained that there was a non-educated selection of
majors at the higher education which was due to the lack of awareness of the needs of the labor
market and the absence of labor market studies leading to a skills mismatch:

“...we are ignorant about the real [Lebanese and Arab] labor market needs.”

Another rector explained the situation further:

“...the universities are falling behind, graduating students with specializations that are
not in demand in the labor market...”

The random licensing of universities that took place in the late 1990’s led to a drop in the
perceived quality of tertiary education in Lebanon, which the rectors noted played a significant
role in the employability of the graduates:

“...we have a drop in the quality of education and an increase in the number of
graduates.”

Another rector further elaborated on this issue:

“...the licensing of so many new privately owned universities, has led to a downturn in
the quality of higher education... [and] although [their students] they have graduate
degrees from universities, they are not really qualified.”

The economic factors influencing youth employability were equally stressed by the
rectors. The nature of the labor market was one of the economic roots of the crisis that were
cited. In this aspect, rectors described these factors as the absence of foreign business
investments, the large guest labor population in the country, and the dominant banking and
tourism economic sectors which leave very few employment opportunities for graduates of other
majors:

“...there is a high percentage of educated youth in Lebanon and the labor market and the
rate of absorption and job creation is much lower than most of the educational capabilities available in Lebanon.”

Next, the rectors pointed out the political and cultural causes of the youth unemployment crisis in Lebanon. The rectors all agreed that the political instability in the country led to decreased foreign investments as well as diminished planning efforts.

“The government has become weaker; the employment opportunities have become less because of the political crisis. Investors are less interested in Lebanon than they are in more stable places.”

Furthermore, the political influence on youth employment was particularly highlighted because a new government had just been elected at the time the interviews were being conducted.

“When you talk about the government in Lebanon, we should first be thankful that we now have a government.”

The issue of planning was one of the main political concerns the rectors raised.

“There was a lack of planning [on behalf of the government], in terms of providing jobs, in terms of creating new opportunities.”

As for the cultural roots of the crisis, the choice of majors students opt for at the university was seen to be leading to rising rates of unemployment among the youth. On one hand, all young Lebanese seem to want to pursue a university degree particularly because education is highly valued in the country. On the other hand, families in Lebanon seem to push their children to become lawyers, doctors, or engineers, with no regard to the market that is progressively becoming saturated. Therefore, the youth were shying away from the majors that address the real needs of the labor market and going into majors that have less of a demand but rather are perceived as more prestigious by the society:

“…if someone is an engineer then his son has to be one too, etc. Or the prestige of the family will not be complete unless the child is a doctor.”

Finally, the types of jobs the youth were willing to accept placed them at a disadvantage as new
entrants into the job market. The young people in Lebanon were refusing to accept entry level jobs due to cultural perceptions that if someone held a university degree then they needed to have a managerial job:

“If a young man gets a bachelor degree, he will only accept certain kinds of jobs that mainly are managerial positions with a lot of demands. This is why we have today a high rate of youth unemployment.”

5.1.2.2 Other Leaders

The government sector participants identified the political situation within the country as the leading cause for the difficulty youth face when they seek a job. The political instability in Lebanon since 1975 was described as two-fold: internal instability and external influence. According to the government sector participants, this situation has accounted for the lack of foreign investments in the country as well as to the absence of a strategy for youth, particularly one that focuses on job creation for the generations to come. One of the government sector leaders explained the impact of the internal political situation on youth employment, highlighting the sectarian and religious tensions:

“It is important to know that the political separation in Lebanon along with the religious and sectarian disconnect is reflected negatively on the lives of the youth. This political situation limits the [employment] opportunities available for the youth with difficulties in terms of relocating within the country.”

He continued to explain the external factors that also manipulate the political situation in the country:

“A large portion of Lebanon is constantly threatened by Israeli attacks. So, this part of the country pulls the whole nation towards it. Many times the normal day-to-day life is interrupted or stalled because of this threat. Another issue is that the Lebanon is home to an oppressed group of people, who are the Palestinians.”

Within the political situation category, lack of planning on behalf of the government emerged as a dominant factor. The participants realize that the government has not identified the needs of the
local labor market nor the number of graduates needed in certain majors so that institutions can begin to orient students.

The government sector participants identified cultural roots as another factor impacting youth employment in Lebanon. They believed that not only do students today demand a university education, but they also insist on either becoming a doctor, a lawyer, or an engineer. This group of participants further explained the cultural devaluing of technical and vocational education. Another participant explained:

“…we always revert back to the prestige and cultural aspect that views the technical and vocational majors as less. The value given to the degrees earned is still more than the value given to the work itself.”

The cultural factors influencing employment were coupled with the economic ones highlighted by the government sector participants. They explained that although the country has always had a large number of educated youth, today we face added challenges of women joining the labor force in addition to a limited labor market that is no longer capable of absorbing university graduates.

The private sector participants mostly referred to the institutional factors influencing youth employment in Lebanon. They highlighted that the number of universities has increased significantly in the past ten years, so the number of graduates has also been increasing progressively, paralleled by a stagnant market. The private sector participants also referred to the economic and demographic roots of the youth unemployment crisis, particularly highlighting the youth population and the limited geographic context of Lebanon, as the participant from the banking sector explained:

“Lebanon is a small country, the opportunities for employment are very limited [because] if you compare these available opportunities or job openings to the number of graduates it is not comparable, and so this is the main problem.”
Another issue that this group of participants brought up was the cultural factors that hinder the employment of young people in Lebanon. For example, the participant from the tourism sector stressed that most newly graduated students refuse to take on beginner jobs:

“…most graduated students would not start the ladder from the bottom, all of them when they graduate they believe they deserve a management role…We offer them a beginner job, and they refuse it…their expectation is higher than what we can offer.”

 Coupled with this cultural factor is a wage reservation issue that the private sector raised, where newly graduated students refuse the salaries offered to them locally because they are being offered a much higher salary abroad, particularly in the Gulf countries. Therefore, many qualified individuals decline employment because they are not offered the salary they seek.

5.1.2.3 Summary: Roots

A number of roots of the youth unemployment crisis in Lebanon have been described by the participant policy makers. They highlighted the following roots: political, institutional, economic, demographic, and cultural. Most university leaders talked about a number of roots, primarily drawing attention to the economic, cultural, and political roots of the problem. The other leaders touched upon all the roots of the problem. Overall, the participants in both groups seemed to be most concerned about the institutional and economic roots as seen in Table 12.

A number of roots of the youth unemployment crisis in Lebanon have been described by the participant policy makers. They highlighted the following roots: political, institutional, economic, demographic, and cultural. Most university leaders talked about a number of roots, primarily drawing attention to the economic, cultural, and political roots of the problem. The other leaders touched upon all the roots of the problem. Overall, the participants in both groups seemed to be most concerned about the institutional and economic roots as seen in Table 12.
5.1.3 Findings Category 3: Risks of the Youth Unemployment Crisis

It has been acknowledged thus far that youth unemployment has become a regional crisis in the MENA region. Lebanon is no exception to the neighboring countries in the region. However, we have recently started to see youth led revolutions in Arab countries that many argue may be due to the chronic unemployment crisis young people in the region have been facing (Sayre and Constant, 2011). Youth unemployment may have a number of risks particularly if it is not attended to. The following section describes policy makers’ perceived risks of the youth unemployment crisis in Lebanon.

5.1.3.1 University Leaders

More than half of the university rectors interviewed (62%) voiced their concerns primarily for the potential social risks of the youth unemployment crisis if it goes unaddressed:

“Unemployment leads to many consequences that are bad to society, among which those that encourage the youth to do things that are against the law as a result of not being able to accomplish his dreams or because of the gap that is created, which in turn lead to problems within families.”

Among these concerns were the rising rates of drug addictions, increased number of thefts, moral problems such as dishonesty and bribery, a decrease in the rate of marriages (which is particularly significant in a Middle Eastern culture like that in Lebanon where out of marriage relationships are still unacceptable for many families), rebellions, and increased rate of crime and violence. Directly linked to the social risk was the political risk, which in a politically volatile country as Lebanon becomes very dangerous. It was the rectors’ concern that the youth become the tools for conflict and war. They are then recruited by political parties and militias to fight for a cause beyond their interests:
“…political inclination that is sought through bribery (where the youth become mere followers without understanding the ideals they are supporting because they are just getting money in return).”

Another concern that was voiced by the rectors is that of the economic risks of the crisis. They believed that the unemployment would lead to economic stagnation in the country, which would in turn lead to emigration, which then vacates Lebanon from its educated youth and its human capital.

One of the emergent themes within the category of the risks of the youth unemployment was emigration and the Gulf region’s impact on the employment of Lebanese youth. Almost all the rectors in the study (87%) voluntarily brought up issues relating to emigration and the flow of young people to the Gulf countries. Most rectors held a positive attitude towards the emigration of Lebanese youth. They first acknowledged the regional labor market and insisted that their institutions target not only the local labor market but also the regional one, particularly that of the Gulf countries:

“…we should not look at Lebanon only for the employment of the graduates. One should also take into consideration the region as a whole because the Lebanese youth seek employment within Lebanon and the region after graduation, and some even in Western countries.”

One of the rectors further explained:

“In a way we, at [our university] and other universities, to a large extent, train people for the regional markets.”

Other rectors added that the universities catered their curriculum to serve the needs of both the local and the regional labor market. Some of these institutions reported that they followed closely the world trends within labor markets when introducing a new major at the university. The rectors did not see the universities producing for Lebanon alone, but rather for the Middle East. Rectors also described the Middle East as a “vent” for Lebanon. Almost every family in the
country has somebody abroad who sends money back. The reliance on the remittance economy has helped most Lebanese survive despite the tough economic times the country faced:

“I think that now [the reason] why Lebanon is still surviving and the economy is still going well is that most our graduates go outside the country and work and send money to their families here.”

One of the concerns that rectors raised was that of the return to education. They described Lebanon as a country that exports human resources, most of which goes to the Middle East. A couple of participants argued that the expertise exported to other countries did not seem to need further expenditures for training purposes, and the money they were sending back seemed very limited. These participants argued against “travel passports” youth gain from their education rather than the “employment passports” they would prefer to give them. They believed that the trend of emigration presents the country with the danger of losing its highly skilled labor. One of the rectors expressed his concern:

“Now what happens is that we would provide these young people with education here and it is costly, education is very costly, but who gets the benefit of that? Other countries.”

Despite these concerns, the participants agreed that one of the factors mitigating the youth unemployment crisis in Lebanon and making it less critical was that a large number of Lebanese university graduates seek employment in Gulf countries. They insisted that taking into consideration the size and geographic proximity of Lebanon, emigration was inevitable for survival. Lebanon is a very small and overcrowded country with highly skilled people that need a labor market beyond Lebanon. Furthermore, they all agreed that Lebanon was part of the Arab States labor market, which has also become the way youth themselves think when pursuing a field of study. Emigration provided an employment opportunity for those who could not find one in Lebanon. This has become the trend across time in Lebanon:
“If you look at Lebanon historically, this has been the Lebanese situation all along. People would leave the country to seek jobs outside because the opportunities in Lebanon are very limited.”

5.1.3.2 Other Leaders

The government sector participants were mainly concerned with the social consequences of the crisis. Examples of the social consequences discussed by the participants included corruption at all levels, a decreased rate of marriage because people will no longer be able to provide for a family and buy a house, depression, drug abuse, and prostitution.

The private sector participants were mainly concerned with the economic consequences of the crisis. The qualified young people were seeking employment in other countries, leaving behind young people who are refusing to accept entry level jobs. The private sector participants worried that this in turn would impact the private sector economically because there would be a major decrease in the employee caliber available.

5.1.3.3 Summary: Risks

The MENA region has started witnessing a number of the risks raised by the participants were, particularly the social and political risk. The participants expressed concern for these potential social and political problems if youth unemployment goes unaddressed, such as rising rates of drug addictions, increased number of thefts, moral problems, a decrease in the rate of marriages, rebellions, and increased rate of crime and violence. Economic risks were particularly emphasized by the private sector leaders. An emergent theme within the risks category was that of the Gulf region and emigration. Many participants seemed at unease towards the resultant, as they perceived it, wave of emigration particularly to the Gulf region. However, it should be noted that others described this phenomena as having a positive impact on the nation.
5.1.4 Findings Category 4: Responses to Address the Youth Unemployment Crisis

In this category of findings, the participants were asked who in their perspective would be primarily responsible for mitigating the youth unemployment crisis in Lebanon. Although responses varied among the three groups of participants, most respondents identified the government as the primary entity in charge of providing a response for the growing youth unemployment problem in the country. Below is a brief description of each group of participants’ perceptions of the expected responses to the crisis.

5.1.4.1 University Leaders

The university rectors explained that both the government and the universities played complimentary roles. More than half of the university rectors interviewed (67%) reported that they were either not aware or have not been informed of any government initiatives to address the youth unemployment crisis in the country. Only one of the university rectors provided an example of the efforts the government has been making to mitigate this crisis, although this was also a conditional one:

“There are certain government institutions, such as the National Employment Office which works on preparing studies that look at unemployment; however we lack a strategy on the part of the government.”

The university rectors first noted that the government had been non-functional for almost six to seven years at the time of the interview. They saw that this has stalled the work of the government. The rectors explained that the government did not have a clear strategy to address youth unemployment nor did it give priority attention to youth and to job creation:

“I think if we look at the priorities this comes the last on their priorities, because in Lebanon we have hundreds of problems come ahead of this one.”
As such, they described that the government could first play a role in improving the quality of higher education in the country and putting forth a strategic plan for the sub-sector, part of which would address youth unemployment in the country.

Next, the rectors discussed the role of universities in mitigating this crisis. The rectors’ perceived role of the university was classified into three categories as previously deduced from the literature: strategic, tactical, and operational. It is important to note that over half of the rectors interviewed (58.5%) perceived the university playing a dual role, either strategic-tactical, tactical-operational, or strategic-operational. The rest of the rectors identified a single role for the university. Table 13 shows the perceived role of universities as expressed by the rectors.

**Table 13** Perceived Role of University in Mitigating the Youth Unemployment Crisis

<table>
<thead>
<tr>
<th>Perceived Role</th>
<th>Number of University Leaders</th>
<th>Percentage of University Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Role</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Role</td>
<td>6</td>
<td>25.0%</td>
</tr>
<tr>
<td>Tactical Role</td>
<td>1</td>
<td>4.0%</td>
</tr>
<tr>
<td>Operational Role</td>
<td>3</td>
<td>12.5%</td>
</tr>
<tr>
<td>Dual Role</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic-Tactical Role</td>
<td>6</td>
<td>25.0%</td>
</tr>
<tr>
<td>Tactical-Operational Role</td>
<td>3</td>
<td>12.5%</td>
</tr>
<tr>
<td>Strategic-Operational Role</td>
<td>5</td>
<td>21.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>24</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The rectors who described the strategic role of universities focused on issues pertaining to the strategic vision as well as the long-term goals these institutions can and should set for the society. They described the strategic role of the university as a proactive one that makes a university capable of adapting and adjusting to the needs of the society. The rectors viewed the crisis beyond the employment issue, and depicted the need to design an education strategy with an orientation towards vocational and technical training. Furthermore, they emphasized the need to cater to the needs of the society they “serve”:

“It [the youth unemployment crisis] is central [to the university] because a university is the one that prepares the student for the labor market, however it is not enough to do so, the university should also prepare the future citizen, the decision maker, someone with an
orientation, someone who will have a role in rebuilding the nation.”

Another rector echoed the same concern:

“[We should not place] place the university aside only for preparing people for the labor market and cancelling out all other roles of educating the society, or citizenship, or living together (tolerance), or general knowledge and the transfer of knowledge, or the production of knowledge. These too are in the core of interests of the university.”

Some rectors reflected on the university’s tactical role by sharing how important it was for the institution to focus on agenda building through making connections and networks with stakeholders, and particularly by playing the role of a catalyst within the employment of their graduates:

“…it can play a critical role in securing job opportunities through its networking and relations with the companies particularly through training opportunities offered to students during their education.”

Few others described how the university could collaborate with the private sector and the government in order to work cooperatively on a plan to provide employment opportunities for the youth. Some rectors noted that they travel abroad to visit companies, corporations and foundations in order to promote their “end product”—their graduates.

As for the operational role, the rectors who discussed this role focused on a practical and hands-on approach. Among the examples they provided were the creation of new programs, particularly ones that transcend disciplinary boundaries and cater for the realistic needs of the country and beyond, providing career orientation, raising the students capacities beyond the university through training. Others discussed how universities can address youth unemployment through renovating their teaching methods in order to provide instruction that meets the current needs of the labor market by equipping the students with the skills in demand by market. Other perceptions described the value added by moving out of the city and into rural areas to provide to students a university education in areas that would be helpful to them in these regions. Therefore,
all of the perceived roles within this category were operational and implementation oriented:

“…universities need to provide instruction that meets the current needs of the labor market.”

The university rectors also acknowledged the role the society and the parents can play in mitigating the youth unemployment crisis. As such, they emphasized the importance informing students of the current needs of the labor market. For example, it was noted that the society can encourage these students to venture into technical and vocational fields that may be in demand today and thus help them find jobs upon graduation.

5.1.4.2 Other Leaders

The government sector participants identified the government as the primary unit in the country to be held responsible for addressing the problems youth are facing with employment. The participants explained that the government should first maintain internal political stability in order to attract foreign investment. They reported that there have been multiple attempts to address investment issues, such as making it easier for investors to put their capital in Lebanon in order to help create job opportunities particularly for the youth. This internal stability is also needed in order to address cooperation among the different ministries of the government and planning efforts. In addition, the government was described as the entity responsible for providing accurate data and figures in order to inform the public of the current unemployment situation within the country and how people can proceed based on this data. One of the participants described the situation:

“Now, we should acknowledge the fact that Lebanon passed through tough times, where we lacked the basic building blocks of a nation. So, we first need internal stability in order to address cooperation and other planning issues… [We also need to provide] accurate figures of the graduates… [We also need to] help develop the will to venture into technical and vocational education.”
The government sector participants also acknowledged the role universities can play in addressing this crisis. According to the proposed thematic category of the perceived role of universities, the government sector representatives recognized the universities as playing multiple roles, making reference to the three different perceived roles higher education which were deduced from the literature on transition management framework mapped in Chapter 3 as follows: strategic role, tactical role, or operational role. The government sector participants primarily perceived the role of universities as an operational role. As such, they talked about specific implementation steps universities take particularly in providing outreach within the society and implementing change in the curriculum:

“The universities equip the graduates with the skills needed, and it should always follow the needs of the labor market, but the employer should provide these demands. I also think that an effort on behalf of the schools needs to be made at the level of career orientation.”

Also within the operational role of universities, they discussed the importance of addressing issues pertaining to quality assurance and accreditation. They explained that universities should be held responsible for the quality of education they offer their students because this directly impacts the relationship they have with the labor market.

The government sector leaders touched upon the strategic and tactical roles of universities by noting the significance of defining the institutions’ visions and missions, and creating connections and cooperation with the employers within the labor market, representing higher education stakeholders:

“So, the university is graduating the student to address the needs of a certain society (Lebanese and Arab). So, they need a vision and certain relationships and a strong connection with the labor market in order to provide the right supply.”

In addition to the government and university roles, the government sector leaders noted the role the employers can play in mitigating the youth unemployment crisis in Lebanon. They
explained that the employers were responsible for informing the educational institutions of their needs by maintaining close relationships with them.

The private sector participants also reported that the government was the primary entity responsible for providing a response for the youth unemployment crisis in Lebanon. Although they were all unaware of any government driven initiative for this purpose, they did make recommendations for what the government could do to play a role. They emphasized the importance of having a public policy to help orient students to venture into fields beyond the traditional medicine, law, and engineering ones. In this regards, they also saw the government as the prime respondent to the crisis particularly by providing data to inform the public of the situation and the current needs of the labor market. They also noted that universities can also play a role. They perceived the role of universities both as tactical and operational only. Within the tactical role, the private sector participants described how universities work hard setting an agenda and building coalitions and relationships with them. As for the operational role of the universities, the private sector participants described practical and operational actions on the behalf of universities such as encouraging their students to do internships, and providing a guidance program for the students:

“The universities they have to have a guidance program that begins from the secondary school to students to guide them to what specializations and what majors they have and what options they have to study so that they can diversify their specializations so that they can have a better opportunity to find a job when they graduate.”

Finally, these participants made little reference to how they can play a role in mitigating the crisis, mainly focusing on participating in job fairs, doing their own showcase, and introducing part-time jobs to help students enter the labor market prior to graduation.
5.1.4.3 Summary: Responses

Most participants viewed the government role central to addressing the youth unemployment crisis in Lebanon. The universities’ role was also depicted and the participants’ views of this role were organized according to the transition management model described in the literature review. A dual role of the university was unique to the university leaders. For example, some of the rectors described the university as playing a strategic-tactical role, a tactical-operational role, or a strategic-operational role. Additional players were identified by the participants primarily the employers in the labor market and the society itself.

5.2 SUMMARY OF FINDINGS

The purpose of this study is to explore the perceptions of policy makers with regards to the role of higher education institutions in addressing the youth unemployment crisis in Lebanon. The research design is a qualitative descriptive study using interviews as the data collection method. Interviews were conducted with policy makers from public and private sectors as well as university rectors.

Table 14 summarizes the interview findings. The findings reveal that there are differences and similarities between the different participant groups in identifying the roots, risks and responses to the problem of youth unemployment in the country. These differences and similarities between the government sector participants, the private sector participants, and the university rectors will be discussed in the next section.
<table>
<thead>
<tr>
<th>Table 14 Summary of Findings</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Awareness Category</td>
</tr>
<tr>
<td>Q1 &amp; Q2. Are you aware of any growing concerns about unemployment among educated Lebanese youth? If so, what are they? How urgent do you think these concerns are for national development policy?</td>
</tr>
<tr>
<td>University Leaders</td>
</tr>
<tr>
<td>Private Sector Leaders</td>
</tr>
<tr>
<td>Government Sector Leaders</td>
</tr>
<tr>
<td>54% Situational Awareness: Limited to holding job fairs on campus and improving the quality of education</td>
</tr>
<tr>
<td>46% Situational Awareness and Takes Action: Not limited to holding job fairs on campus</td>
</tr>
<tr>
<td>Situational Awareness: Varied awareness limited to each person’s expertise of the market</td>
</tr>
<tr>
<td>Situationally Aware: Limited awareness due to the lack of statistical data on youth unemployment and the absence of a plan for the higher education sub-sector Acknowledgement of the need to improve the quality of higher education in the country</td>
</tr>
<tr>
<td>Roots Category</td>
</tr>
<tr>
<td>Q3. To what do you attribute these concerns?</td>
</tr>
<tr>
<td>Institutional factors: lack of student orientation prior to university admission; massification of higher education; deteriorating quality of higher education; lack of cooperation among universities; skills mismatch. Political situation: internal political instability leading to lack of foreign investment; lack of government planning. Cultural factors: student selection of majors; reasons for the pursuit of a higher education degree; types of jobs youth are willing to accept.</td>
</tr>
<tr>
<td>Institutional factors: massification of higher education. Economic and demographic roots: large youth population within a limited geographic context and a limited labor market. Cultural factors: wage reservation and the types of jobs youth are willing to accept.</td>
</tr>
<tr>
<td>Political situation: internal and external politics; lack of government planning. Cultural factors and economic situation: female addition to the labor force; limited labor market.</td>
</tr>
<tr>
<td>Responses Category</td>
</tr>
<tr>
<td>Q4. Are you aware of any government policies or initiatives on unemployment? If so, what are they?</td>
</tr>
<tr>
<td>Not aware</td>
</tr>
<tr>
<td>Not aware</td>
</tr>
<tr>
<td>Not applicable</td>
</tr>
<tr>
<td>Q5. What role do you think that universities have in addressing these concerns?</td>
</tr>
<tr>
<td>Single and dual roles identified. Strategic role: define a strategic vision and long-term goals; adapt, adjust, and cater to the needs of the society.</td>
</tr>
<tr>
<td>Tactical role: set university agenda; build coalitions and relationships with the private sector within the labor market.</td>
</tr>
<tr>
<td>Operational role: provide outreach within the society; implement change in the curriculum; address quality assurance and accreditation.</td>
</tr>
<tr>
<td>Strategic role: define</td>
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<td></td>
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<tr>
<td></td>
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<tr>
<td>Risks Category</td>
</tr>
<tr>
<td>Awareness and Responses Categories</td>
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<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Responses Category</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Maintain quality education</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
6.0 RESULTS, CONCLUSIONS AND RECOMMENDATIONS

The purpose of this study is to examine youth unemployment in Lebanon from the perspectives of policy makers influencing the higher education subsector. This qualitative descriptive study examined the perceptions of leaders with regards to the role of higher education in mitigating the youth unemployment crisis in the country. The participants spoke to what they viewed as an unemployment crisis, discussing roots, risks and responses to this crisis, and how they believe higher education institutions could help the youth in Lebanon find employment upon graduation.

Participants in the study included three representatives from the Lebanese government, three representatives from the private sector, and 24 presidents of universities in Lebanon. The participating university presidents represented 23 private higher education institutions and one public university. Interviews were conducted face-to-face at each participant’s office.

The initial research questions were guiding my research were as follows:

1) From the perspectives of policy makers (government officials, university leaders, and labor market representatives): To what degree is youth unemployment a problem in Lebanon?

2) What institutional policies are in place to address the youth unemployment crisis in the country?

3) What policy changes, if any, should be made to address the youth unemployment crisis?
This chapter begins by revisiting and addressing my initial research questions, providing a discussion and a brief conclusion based on the data I collected. Then, I discuss the significance of my findings as well as the limitations of the study. Finally, I conclude with recommendations for action and I offer directions for future research.

### 6.1 DISCUSSION OF STUDY RESULTS

*From the perspectives of policy makers (government officials, university leaders, and labor market representatives): To what degree is the youth unemployment a problem in Lebanon?*

The high rate of youth unemployment is a phenomenon that is no longer bound within the boundaries of a certain nation in the MENA region, but it has spread to encompass almost all nations within the region. The aggregate unemployment rate for those ages 15 to 24 years in the region remains nearly at 25 percent (Dhillon and Yousef, 2009). Youth unemployment in Lebanon, at 22 percent, is almost as high as the regional rate, although accurate and recent data is not available to confirm these numbers besides the studies presented by the World Bank and the United Nations (Kabbani, 2005). Study participants were well aware of these issues of the youth unemployment crisis. Awareness is one of the themes examined in this study particularly addressing the first research question. The participants’ level of awareness of the youth unemployment crisis ranged from situationally aware or reactive awareness to situationally aware and takes action or proactive awareness. All three groups of leaders were found to be situationally aware of the youth unemployment crisis, with the exception of almost half of the university rectors who were situationally aware and taking action towards addressing the crisis at hand. The participants specifically highlighted the urgent need for data that would inform the
public and the private sectors of the current youth unemployment figures in order for the relevant agencies and institutions to plan and act accordingly. The participants also raised issues that were prominent within the literature such as the need to improve the quality of education. The growth in the higher education subsector in Lebanon was one of the leading causes for this deterioration of the quality of education provided by the universities in the country (Abourjeili, 2003). Today, the subsector in Lebanon is still struggling with issues of quality assurance and accountability, which the participants were aware of and pointed to how it impacts the employability of graduates. As such, both the literature and the participants call for the government to regulate the market for higher education in the country (Galal, 2002).

Another policy aspect addressed by the literature in an attempt to expand opportunities for the youth is improving the quality of education in order to provide the youth with the skills in demand by the labor market (Dhillon and Youssef, 2009). Within the theme of awareness, the participants also pointed out the lack of planning on behalf of the government, which they believed also had a direct impact on youth unemployment in the country. One of the distinctions among the three participant groups was that both the government sector leaders and the university rectors spoke about the youth unemployment problems in general terms within the country; however, the private sector participants addressed the issue within each participant’s area of expertise only.

Another distinction among the participant groups is that almost half of the university leaders were both situationally aware and taking action towards the mitigation of the youth unemployment crisis through proactive action they described to help their graduates become more employable. This aspect of awareness was unique to the rectors as they shared measures
that were beyond the traditional job fairs and recruitment efforts that all the other participants reported they were already doing.

In addition to the issue of youth unemployment in general, the participants discussed what they perceived were the roots to this crisis in Lebanon, also contributing to the research question on awareness as it shows how informed the participants are of the crisis. Identifying the perceived roots of youth unemployment in the country is significant because it allows for a comprehensive view of the human capital within the nation rather than an isolated one. Researchers who critique the human capital theory warn against taking the phenomenon on face value and ignoring factors that may influence it such as the historical, political, social and economic factors (Steinberg, 1985; Beach, 2009). Both political and institutional factors were identified by the participants as the most significant factors in stifling employment for the youth in Lebanon. All participant groups agreed that the political instability in the country hindered foreign investments and led to the absence of a government plan. The private sector leaders and the university rectors also pointed out the influence of the higher education institutions on ameliorating the youth unemployment crisis in Lebanon. Among the issues they highlighted were the massification of higher education, the lack of student orientation prior to university admission, and once again the deteriorating quality of education. The literature specifically addresses issues pertaining to admission and student orientation, highlighting the lack of experience students have upon admission to the university system, leading to a poor choice of the major of study, and thus unemployment upon graduation (Salehi-Isfahani and Dhillon, 2008; Dhillon and Youssef, 2009). Among the other roots that were commonly described across the three participant groups were the cultural factors. The participants explained that young people in Lebanon were refusing to accept entry level jobs and a certain starting salary, revealing a cultural
reservation on employment. In addition, the participants indicated that the increase in the rate of females entering the labor market produced a congested labor market that is not capable of absorbing the labor force within the country.

Therefore, it was agreed by all participant groups that the youth unemployment consists a crisis in the country. They further agreed that if this crisis goes unaddressed, the potential consequences may be dangerous. Among the agreed upon risks of the crisis were the social consequences. For example, the participants described the risk of the decreasing rates of marriages in a culture where marriage is expected at a very early age, which in turn leads to moral corruption, increased rates of thefts, drug addiction, and prostitution (Omran, 1998). Other social risks discussed were rebellions and political inclinations. This is quite significant today in a time that countries in the MENA region are witnessing political turmoil. Youth are put at the forefront of these political and economic debates and crises. It was the youth who led the recent revolutions in Egypt and Tunisia. The private sector and the university rectors both also underlined the economic risks of the crisis if it goes unaddressed. As such, issues like emigration and brain drain were raised pointing to the poor return to education within a country like Lebanon whose people invest heavily in education, particularly higher education. According to Becker (1993), education and training are among the most important investments in human capital. This was also affirmed by the participants; however they were concerned that the investment in education in Lebanon was not yielding direct returns to the country because the youth were leaving the country in search of employment. Some participants disagreed and argued that even if the young people leave the country for employment, Lebanon still benefits from the remittance economy. Studies confirm this view revealing that remittances help sustain families within the country whereby eighty percent of these remittances are used for daily
household consumption (Nahas, 2009; UNDP, 2009). Therefore, investment in human capital in Lebanon yields returns in the form of individual economic success and achievement rather than a contribution of the education to the economic growth and development of the nation (Lewis, 1955; Olaniyan and Okemakinde, 2008). The rapid economic growth for society has been seen as a manifestation of investment in education at the macro level (Solow, 1956). The two groups of participants, the private sector participants and the university rectors, warn against these economic risks that become valid when the national good is considered for little investment is made using these remittances.

*What institutional policies are in place to address the youth unemployment crisis in the country? What policy changes, if any, should be made to address the youth unemployment crisis?*

After identifying the urgency of the youth unemployment crisis, its roots and potential, the participants shared what they do in an attempt to ameliorate this crisis. This section addresses the second and third research questions guiding the study. The government sector leaders mainly focused on efforts of improving the quality of education, while the private sector leaders focused on participating in job fairs hosted by universities. University rectors seemed to put forth more activities than the other two participants groups. Among the efforts they put forth were holding job fairs on campus, providing opportunities for practical training, encouraging entrepreneurship, following up on alumni, and conducting statistical studies on employment trends of graduates. Similar to the government sector leaders, they expressed their concern with maintain quality education. Therefore, the university rectors seemed to be the most inclusive in the efforts they make when compared to the government sector and the private sector participants.
Within the category of responding to the youth unemployment, the participants were asked to identify who they believed is primarily responsible for addressing the crisis in the country. The government sector leaders and the private sector leaders both identified the government as playing the primary role in mitigating this crisis. The university rectors also recognized the significant role the government is responsible to play, but they highlighted that the universities play a complimentary role. Although the three participant groups recognized the government as major player, each participant group viewed its role differently. The government sector leaders emphasized the importance of maintaining internal stability in the country in order to address foreign direct investments. They further encouraged cooperation among the ministries and the need to provide accurate data and figures of the current unemployment situation and labor market needs. Therefore, the role they identified was primarily a political one addressing governmental issues only as opposed to the roles the other participant groups identified. As such, the private sector leaders called for the creation of a public policy that would provide career orientation for students entering higher education. They also call for informing the public of the current situation in the country through providing recent data on unemployment and the current needs of the labor market.

The university rectors emphasize the need for the government to address issues pertaining directly to the higher education subsector particularly quality and planning. Therefore, each participant group focuses on the role that they feel best relates to their area of expertise. In a recent forum on employment and youth in the Arab world titled “Equity in Access to Jobs” hosted by the World Bank, Nasser Saidi, one of the panelists and Chief Economist of the Dubai International Financial Centre Authority (DIFCA), calls attention to the role of the state in mitigating the youth unemployment crisis in the region. He recommends the reorientation of the
state expenditures towards more social expenditures for the creation of jobs. In a country like Lebanon, this becomes very critical particularly due to the limited resources present in addition to the national debt that burdens the people.

The participants all agreed that the universities can play a role in the mitigation of the youth unemployment crisis. This perspective presents universities as change agents within the society. With the increasingly complex changes facing societies today, particularly in the Arab region, new opportunities emerge for different societal stakeholders, among which are institutions of higher education, to facilitate societal responses to these challenges (Stephens et al., 2008). The transition management framework is used to help in understanding the role universities can play in facilitating change in the society, which in this particular example focuses on youth unemployment. Transition management helps define different phases in the transition process of introducing structural societal change by balancing and integrating long-term goals with short-term demands of political and economic development, such as addressing the problem of youth unemployment (Stephens et al., 2008; Voß et al., 2009; Loorbach, 2010).

The perceived role of universities identified varied across the participant groups. The government sector leaders identified three roles of the universities, primarily underlining the operational role, where institutions of higher education focus on project building and implementation. Whereas, the private sector leaders identified only two roles for the universities, with the emphasis given to the tactical role. Within this capacity, higher education institutions are seen to build coalitions and relationships with the private sector within the labor market. University rectors presented a unique perspective that was not expected at the beginning of the study nor was it explored in the literature. In addition to the single roles identified by the rectors, more than half of university presidents identified a dual role for the universities. For example,
some rectors saw universities as playing both a strategic and a tactical role at the same time describing both the vision setting and networking universities put forth in an attempt to help their youth become more employable. Another distinction among the participant groups is that the university rectors were the only group who emphasized the strategic role of universities. The government sector participants touched upon this role, but they did not elaborate on it. It is essential to note that all participants acknowledge the importance of engaging universities in the potential response to societal problems, such as youth unemployment, particularly because this problem directly impacts the population served by these institutions of higher education.

The government sector and private sector leaders also identify the role employers can play in addressing the youth unemployment crisis. Both groups speak to the informational role employers can play by keeping close relationships with higher education institutions and showcasing their firms. The university rectors do not discuss the role of employers, but rather they talk to what the society and parents can do to help youth in their quest for employment particularly through opening new horizons for them rather than locking them within the traditional job market of law, medicine and engineering.

6.2 SIGNIFICANCE OF THE STUDY

The findings presented here bring forth a very important issue that has emerged as a priority on the policy agenda of the MENA region. These findings come at a time that the recent unfolding events in the Middle East offer an important warning about the dangers of youth and graduate unemployment. Analysts have pointed out that one of the leading causes of the current revolutions is lack of jobs for youths and university graduates, at a time of expansion of higher
education systems that lead to growing numbers of graduates without a simultaneous economic
development to provide employment for them (Sawahel, 2011). These findings lay a foundation
for future efforts to address the role of universities in responding to social problems, one of
which is youth unemployment. As discussed in the literature review in chapters two and three,
research studies and data on youth unemployment and higher education institutions in Lebanon
and the MENA region is very limited. There are a limited number of studies that explore the role
universities play in addressing social problems. Research studies on youth unemployment in the
MENA region are also very few. Furthermore, international reports have demonstrated the urgent
need for higher education reforms to supply “industry ready” graduates (Sawahel, 2011).
Therefore, this presents an opportunity for future research venues to be explored and sheds light
on the significance of exploring this area. The role of higher education in society in the Middle
East is an area that requires greater analysis if these institutions are to have any real impact to
promote change.

6.3 LIMITATIONS OF THE STUDY

The small number of government sector and private sector participants was a limitation of this
study. The study incorporated a limited number of government sector, restricted to three
ministries, and private sector participants, limited to three firms, due to a number of factors
primarily that of access and time. However, it is important to note that the study focused on the
role of universities in mitigating the youth unemployment crisis in Lebanon, mainly targeting
higher education institutions and their leadership rather than government sector and private
sector perspectives. The purpose of the inclusion of the government sector and private sector
participants was not generalizability of the findings, but rather to present an alternative view to that of the university presidents in the country. In order to provide more generalizable results of the perspectives of the government sector and private sector participants, it would require including a larger sample size to endure a representative sample of the population and to be considered representative of groups of people to whom results will be generalized or transferred.

Another limitation of this study was the lack of available data on unemployment and the lack of prior research studies on the role of higher education institutions in addressing social problems such as youth unemployment, particularly in the Arab world. Little statistical data was available on the unemployment rates in Lebanon, let alone the youth unemployment rates in the country. This presented a limitation because the assumption that youth unemployment is a crisis was based on reports published by international organizations rather than national reports. Furthermore, the available international reports of unemployment rates in Lebanon were not recent and did not allow for in-depth analysis.

The reliance on self-reported data was another limitation of this study. Data for this study was primarily retrieved from interviews conducted with the participants. To accommodate this limitation, I reported participants’ perceptions rather than empirical truths. In addition to this limitation, the use of Arabic language during some interviews may have led to translation or transcription and interpretation inaccuracies. To minimize the effect of this problem, I sought clarifications during the interview, and asked participants who chose to have the interview conducted in Arabic to verify the accuracy of my findings with regards to their contribution to the study. In addition, I am a native Arabic speaker, which also helped in understanding the interviews well.
Finally, the exclusion of students presented a limitation to the study. The study would have been more inclusive of the topic explored if perspectives of students and alumni of the higher education institutions were included in the study. Including students would have provided a novel and deeper perspective of the youth unemployment crisis as well as practical experiences of the actions and recommendations provided by the current participants of the study. To address this limitation, I bound the focus of this study to the perspectives of policy makers only.

6.4 RECOMMENDATIONS FOR ACTION

Recently, youth in the MENA region have started to receive attention. Policy makers have started to dialogue and reflect on issues pertaining to youth employment in the region, although some may argue this has not come in a timely manner nor is it proving to be effective. For example, an Arab Fund initiative was issued at the 2nd Arab Economic Development and Social Summit held in Sharm-El-Sheikh in Egypt on 19 January 2011. Arab States announced measures to create economic opportunities and jobs for youth and graduates, such as approving the US$2 billion initiative to help young Arabs to start small enterprises (Sawahel, 2011).

Another initiative was reported a few days earlier on 16 January 2011 when the Islamic Development Bank and the International Finance Corporation committed to an agreement to engage the private sector in creating new opportunities for employment-based education. This initiative was put forth in hopes to enhance job market skills for Arab youth and address the frequently cited “skills-mismatch” between education and the labor market needs (Sawahel, 2011). Unfortunately, time will prove the effectiveness and efficiency of these and other initiatives that were put forth to mitigate the youth unemployment crisis in Lebanon and the Arab
world. A number of critical policy areas have been overlooked despite the measures and initiatives governments and regional organizations have recently started to put forth in an attempt to create jobs for youth and graduates. Very few recent efforts and reforms attempt to address the issue of youth unemployment from a formal education sector approach. This presents a serious problem because it masks the mismatch between what higher education institutions are delivering, and what the markets need, both now and in the future.

There are a number of policy recommendations that emerged from this study that address the urgent issues of youth unemployment both in Lebanon and the larger region. It is vital for these recommendations to place formal education systems at the center of the dialogue. As such, it is essential to acknowledge the need to prepare the region’s youth to not only for economies in their own countries, but also for successful mobility in other countries as needed. Higher education presents one dimension of a larger development strategy to address youth unemployment. This study reveals that many, if not most senior managers in higher education in Lebanon avoid institutional accountability for alumni success, despite the heavy investments that families and governments make in them for just this purpose. Therefore, there seems to be a need for Lebanon to review the accountability of its higher education sub-sector, examining a number of issues, among which is to become more aware of the students’ needs for jobs when they graduate. Lebanon has been well known for the history and quality of higher education within the MENA region. However, it is paramount that today’s higher education institutions also be more closely linked with other sectors of the society that are responsible for national development.

Researchers agree that the classic contribution of education to economic growth and development occurs through the increase of the existing labor force’s productivity, consequently
highlighting the significant role education plays in the economic life of a nation (Lewis, 1955). As such, higher education institutions in the country need to take on greater responsibility for national development through the next generation’s preparedness not only to find jobs, but also to create them as needed.

### 6.4.1 Best Practices and Emergent Policies

Youth across the MENA region are struggling with employment. Unemployment among youth in the Middle East (ages 15-24) is the second highest rate in the world at 23.7%, compared to North Africa’s 23.8% and the world average of 13% (Bashir, 2010). Youth across the region share many common qualities, however it is critical to acknowledge that the MENA region is not a homogeneous region by any means. There are substantial differences between the regional politics that present variances in potential threats and the opportunities facing youth in each country of the region. The type of government in the country, be it a republic or a monarchy, impacts local economic and employment dynamics such as labor market absorption rates. Government structures further add to the complexity of the labor market context and, importantly, potential policy solutions for local youth unemployment crises. Many youth in countries of the region have lost their patience for waiting for successful employment policies and revolted or began to revolt against their governments. Nevertheless, in light of the Arab Spring, there are some reform policies that are being attempted in hopes of a better future, better integrated economic, educational, and employment reforms. Following are some examples of efforts to mitigate youth unemployment in some countries of the MENA region. These examples are summarized in Table 15.
6.4.1.1 Syria

Prior to the current state of national unrest and protest, the rates of youth unemployment in Syria were lower than regional rates, but higher than the world average. The trend was downward from 26% in 2002 to 17% in 2009 as shown in Figure 9 (Kabbani, 2011). It has also been reported that national unemployment rates were highest among the secondary school and intermediate institute completers. These rates begin to decline among higher education completers, suggesting they were able to find work, either within the country or beyond. Syria is no exception to its neighboring countries when it comes to the contemporary youth bulge facing the nation at 23% of the population aged 15-24, and with a second youth bulge expected around 2025 (Kabbani, 2011). A number of practices and reform efforts in an attempt to address the growing concerns for youth unemployment in Syria were reported by the Syria Trust for Development (2011). Among these efforts were major economic reforms that were underway to move the country from a state-controlled to a “social market” economy. Progress had been made in improving the business environment in Syria.

As for reforms in education, efforts were being made to improve both access to and the quality of existing public schools, and to allow private secondary schools and universities to open. The government also put forth employment reforms in the form of new opportunities for people with the right-sized knowledge, skills, and motivation. Among these new opportunities are low to medium skilled jobs to absorb displaced agricultural workers, including manufacturing, building, and infrastructure.

12 These examples were provided by Dr. Nader Kabbani in his presentation at the conference hosted by Carnegie Middle East Center in Beirut titled Arab Youth unemployment: Roots, Risks and Responses on 10 February 2011.
6.4.1.2 Jordan

Youth represent 30.27% of the population in Jordan creating a young population structure in the country (Saif, 2011). Almost 60% of the jobseekers in the country are below the age of 25. This reported youth unemployment is due to the lack of career counseling for students and unemployed people; lack of opportunities to find satisfying work following graduation; the difficulty for individuals of obtaining jobs compatible with their qualifications; the poor wages and working conditions offered by firms; the gap between the skills of graduates and the needs of employers (Guégnard et al., 2005). This problem is magnified about educated women in Jordan. As such, detailed demographic studies are being conducted that informs the government of the status of unemployment in the country, for example figures looking at educational status, geographic location within the country, marital status, etc. Reform efforts made to address issues relating to youth unemployment in the country are reported by the Economic and Social Council.
Employment reform attempts are being made to improve working conditions and the quality of jobs that the economy is creating, particularly ones that respond to the demands of the knowledge economy. Educational reform is also underway to regulate the number of students that enter the academic stream compared to those who choose vocational and technical training.

6.4.1.3 Tunisia

Prior to the 2011 protests in Tunisia which ended the autocratic regime in the country, Tunis faced a series of suicidal events by young unemployed men, such as the 24-year old man who electrocuted himself by touching a high-voltage electrical pole after shouting "no for misery, no for unemployment" (Achy, 2010). The youth unemployment rate in Tunisia is one of the highest in the region at 30% among those between age 15 and 29. Youth with a university degree seem to face the most difficult time seeking employment, with the proportion of job seekers with higher education rising from 20% of the labor force in 2000 to more than 55% in 2009 (Achy, 2010; Boughzala, 2010). Some of the young men and women of Tunis end up either joining the informal sector or emigrating. The size of this informal sector and the low level of investment within the formal sector and in public infrastructure and services add to the labor market rigidities in creating a persistent unemployment crisis the country (Boughzala, 2010). Some employment reform recommendations specific to Tunisia are the urgency of designing incentives to direct resources toward knowledge intensive industries especially with a highly educated workforce in the country. Other suggestions were economic reform ones that include the development of a strategic vision for growth that will enable the economy to absorb the available

13 These examples were provided by Dr. Ibrahim Saif in his presentation at the conference hosted by Carnegie Middle East Center in Beirut titled Arab Youth unemployment: Roots, Risks and Responses on 10 February 2011.
human capital through tactics such as stimulating technological innovations, and overcoming weaknesses in the business climate and administration (Achy, 2010). One of the first steps the country has taken towards any of the reforms possible is the change in the political regime governing the people.

6.4.1.4 Morocco

Morocco is one of the countries of the MENA region with a relatively lower national unemployment rate than others at 9.7% (Chakir, 2008). However, a closer look at this rate reveals that 40% of these unemployed are among the Moroccan youth. This figure changes further as one looks at the level of education, where 39% of the unemployed are among the highly educated in the country. Other attributes considered are the geographical location, which shows that urban youth are at a higher risk of being unemployed (Achy, 2011). There have been a number of the reform efforts observed and recommended for mitigating youth unemployment in Morocco. Some of these reform efforts were employment reforms such as the World Bank initiated project, Youth Employment Initiative: Reaching Marginalized Youth in Urban areas of Rabat-Sale. The project addresses the issue of youth unemployment in urban areas where young participants are provided with new tools to increase their employment opportunities and facilitate their transition into the labor market (Hanafi, 2007). Other employment reform recommendations for mitigating youth unemployment in Morocco address the issue of governance and the improvement of labor policies particularly those impacting the exiting and entering into the market and the protection of workers in the informal sector. Other issues tackle education reform particularly focusing on improving the quality and encouraging vocational training.
6.4.1.5 Yemen

Yemen is one of the poorest and least developed countries of the world according to the UNDP Human Development Index. Yemen has a high growing fertility rate coupled with a slow growth within the economy (Al-Omari, 2007). Nearly half the population of 23 million people are under the age of 15, and seventy percent are under 25, with a mean age of the country reported at 17 (Sykes, 2011). The official youth unemployment rate within the country is 25%, with the unofficial rate estimated between 30% and 40%. However, due to the tight economic situation in the country, very few people can afford not to work. As such, many of the youth seeking employment join the informal sector as a means for survival (Sykes, 2011). The Yemini government has recently announced a series of high profile, largely macro-economic, emergency response measures to calm down the economic concerns of Yemenis. These suggested solutions are being funded from sales taxes and 1% of public sector payroll. Other recently mandated reforms included tax cuts, subsidies, and social security expansion. A number of policy economic reform recommendations provided by Silatech14, a non-governmental organization working on issues pertaining to youth in the Middle East, include Public-Private Partnerships (PPP) which can provide a partial solution to the need to merge the job-creating role of the public sector with the expertise, flexibility, and labor-market knowledge of the private sector (Sykes, 2011).

14 These examples were provided by Justin Sykes in his presentation at the conference hosted by Carnegie Middle East Center in Beirut titled Arab Youth unemployment: Roots, Risks and Responses on 10 February 2011.
<table>
<thead>
<tr>
<th>Country</th>
<th>Theme 1: Economic Reforms</th>
<th>Theme 2: Education Reforms</th>
<th>Theme 3: Employment Reforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syria</td>
<td>Transition from a state-controlled to a “social market” economy</td>
<td>Improve access to and quality of public schools; allow private secondary schools and universities to open</td>
<td>Provide new opportunities for people with the right knowledge, skills, and motivation, such as low to medium skilled jobs</td>
</tr>
<tr>
<td>Jordan</td>
<td>Improve working conditions and the quality of jobs, with a particular focus on the knowledge economy</td>
<td>Regulate the number of students that enter the academic stream</td>
<td></td>
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<tr>
<td>Tunisia</td>
<td>the development of a strategic vision for growth that will enable the economy to absorb the available human capital through tactics such as stimulating technological innovations, and overcoming weaknesses in the business climate and administration</td>
<td>designing incentives to direct resources toward knowledge intensive industries especially with a highly educated workforce in the country</td>
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</tr>
<tr>
<td>Morocco</td>
<td>Improve labor policies particularly those impacting the exiting and entering into the market and the protection of workers in the informal sector</td>
<td>Improve the quality of education; encourage vocational training</td>
<td>Provide youth in urban areas by with new tools to increase their employment opportunities and facilitate their transition into the labor market</td>
</tr>
<tr>
<td>Yemen</td>
<td>Introduce macro-economic, emergency response measures and Public-Private Partnerships (PPP)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.4.2 Lebanon Context Relevant Policy Recommendations

The youth unemployment problem in Lebanon has an input and an output dysfunction. Parents who continue to invest in their children’s education by sending them to universities and restricting their career selection to a limited number of majors, primarily medicine, law, or engineering, presents a hurdle in the overcoming of this crisis. There are also institutional policy problem, which the government or university rectors can change. However, if the problem remains unaltered on the input side, which is beyond the outside institutional policy and government regulation, and relatively invariant to the shifts in outputs, then we have a cultural problem not an institutional management problem. Future studies can talk to parents and students to address issues relevant to the input side (parents making decisions) based on a human capital model. For the purpose of this study which looked at institutional and policy issues, following is a list of relevant policy recommendations, with a particular focus on higher education:

1. **Fundamental data and official demographic statistics** are lacking (Qiblawi, 2011). Consequently, informed decision making in the country is dramatically hindered. This calls for the coordination between institutional and national data to give a clear picture of how the higher education sub-sector is doing and the trajectory of the universities’ graduates in order to allow for strategic planning and reform. It is strongly recommended that the government requires that universities report annual alumni tracking data. However, it is important to acknowledge that there are limited incentives available to the Ministry of Education and Higher Education to enforce this regulation due to budget restrictions. Therefore, it is suggested that these reports are made nationally visible, thus providing an incentive for higher education institutions to provide accurate data.
2. Lebanon witnessed a sharp increase in the number of universities in the country in the past decade. However, there has always been a disconnect between these institutions of higher education. It is strongly recommended that local institutions of higher education in the country start sharing their experiences and examples of best practices (Qiblawi, 2011; Hasrouny, 2011). Therefore, it is strongly recommended that the Directorate for Higher Education at the Ministry of Education and Higher Education fosters the development of an independent, voluntary, cooperative planning consortium comprised of all the universities in the country. It should inform and be informed by government policy and serve as a vehicle for initiating and coordinating cooperative institutional projects, academic activities, and policy initiatives that support the growth of national interests (El-Ghali and McClure, 2010).

3. Restructuring the higher education sub-sector means that universities in Lebanon need to revisit their curriculum to better align it with new values and to equip its graduates with the kind of skills firms need. Therefore, curriculum reform is needed in order to create a generation of professionals who are capable of easily adapting to the fast paced globalized economy (Sawahel, 2011). It is highly recommended that universities critically reinvent subject-matter content, and re-plan courses to fit employment opportunities and demands in today’s labor market. This policy recommendation would be best described in the words of one of the rectors who participated in this study:

“[We need to] create new programs. We cannot have the old disciplinary boundaries, both professionally and in terms of production of knowledge, which are both essential for any university.”

4. In line with the restructuring of the higher education sub-sector and higher education institutions is the need for legislative and administrative reforms with an
emphasis on the quality of education. The sub-sector lacks quality assurance mechanisms on a national level (Hasrouny, 2010). Although there have been efforts to establish a higher education quality assurance commission, these efforts have been very slow and staggered by internal political instability and the intermittence of the “government” body (El-Ghali et al., 2010). Therefore, universities and the Ministry of Education and Higher Education need to put forth efforts to address quality assurance, accreditation and strategic planning for the sub-sector and the institutions themselves.

5. **Research and development** is an underexplored area in Lebanon. Within this dimension, there is a need for universities to work more closely with both the government and businesses in the country to address issues of research and job creation in areas that are a good strategic fit for Lebanon. One of the problems inherent in the Lebanese higher education sub-sector the research funds, although very little, do not lead to research productivity (Heyneman, 2011). Therefore, there is a disconnect between what goes on at the university and the society. This is evident as Arab states contribute less than 1% to the world’s scientific publications. As such, university-industry-government relationships are strongly encouraged to further promote investment in research and development and higher education.

### 6.5 CONCLUSION

ILO reported in 2010 report that Arab countries must create more than 50 million jobs in the next decade to stabilize employment (Sawahel, 2011). David Munir Nabti, Chief Entrepreneur & Organizer at DevIneMedia and Hibr.me, reiterated this urgency, in a recent World Bank
conference on *Arab Voices and Views*, reporting that 80 million jobs are needed over the next 10 years to maintain current unemployment levels in the MENA region. Surveys show that unemployment rates among youth in the region are four times higher than those of their adult counterparts (Qiblawi, 2011). Added to this problem is the reality that governments in the Middle East have expanded higher education quantity giving little attention to quality (Heyneman, 2011). Alongside this demographic, economic, and sector crisis, higher education enrollments remain high and the pursuit of a higher education remains inevitable in a country like Lebanon where education is highly valued and the public perceives a degree of higher education as a passport for social mobility. As a result, private investment in education, more so at the higher education, remains very high in Lebanon. However, whatever data we have from international organizations shows us evidence of a poor return on this investment. Leaders of higher education institutions and other sectors in the country shared their views and awareness of this social crisis and what they believe is and can be done to address it. It is evident through the discussions I had with the participants of this study that there is a desperate need for cooperation and for everyone to be responsible in mitigating the youth unemployment problem in Lebanon. There is a need for leaders to take ownership of this problem and address the root causes of the problem in order to overcome the potential risks they recognize and are aware of very well as is evident in their interviews. Some researchers argue that policymakers in Lebanon and the MENA region view the youth as the future and not as part of their present (Qiblawi, 2011; Chaaban, 2007). It is very essential to recognize that the youth are a large untapped resource in the region. Furthermore, access to higher education can be a blessing to the region and its youth. However, it is also a resource that has great potential if integrated within the society for the society and put to proper use to address the needs of the society.
APPENDIX A

SEMI-STRUCTURED INTERVIEW QUESTIONS

A.1 QUESTIONS FOR THE GOVERNMENT SECTOR PARTICIPANTS

1. Are you aware of any growing concerns about unemployment among educated Lebanese youth? If so, what are they?
2. How urgent do you think these concerns are for national development policy?
3. To what do you attribute these concerns?
4. What role do you think that universities have in addressing these concerns?
5. What do you see as the potential consequences if these concerns are not addressed?
6. What does your ministry do to address this issue of youth unemployment?
7. Who do you think is responsible for addressing this crisis?

A.2 QUESTIONS FOR THE UNIVERSITY RECTORS

1. Are you aware of any growing concerns about unemployment among educated Lebanese youth? If so, what are they?
2. How urgent do you think these concerns are for national development policy?
3. To what do you attribute these concerns?
4. Are you aware of any government policies or initiatives on unemployment? If so, what are they?
5. What role do you think that universities have in addressing these concerns?
6. What do you see as the potential consequences if these concerns are not addressed?
7. What does your institution do to address this issue of youth unemployment?
8. Who do you think is responsible for addressing this crisis?

A.3 QUESTIONS FOR THE UNIVERSITY RECTORS

1. Are you aware of any growing concerns about unemployment among educated Lebanese youth? If so, what are they?
2. How urgent do you think these concerns are for national development policy?
3. To what do you attribute these concerns?
4. Are you aware of any government policies or initiatives on unemployment? If so, what are they?
5. What role do you think that universities have in addressing these concerns?
6. What do you see as the potential consequences if these concerns are not addressed?
# APPENDIX B

## LIST OF PARTICIPATING UNIVERSITIES

<table>
<thead>
<tr>
<th></th>
<th>Participating Universities</th>
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<tbody>
<tr>
<td>1</td>
<td>American University of Beirut (AUB)</td>
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<td>2</td>
<td>University of Balamand (UOB)</td>
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<tr>
<td>3</td>
<td>Beirut Arab University (BAU)</td>
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<td>4</td>
<td>La Sagesse University (ULS)</td>
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<tr>
<td>5</td>
<td>Middle East University (MEU)</td>
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<tr>
<td>6</td>
<td>University of Saint-Joseph (USJ)</td>
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<tr>
<td>7</td>
<td>Lebanese American University (LAU)</td>
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<tr>
<td>8</td>
<td>Haigazian University</td>
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<td>9</td>
<td>Lebanese International University (LIU)</td>
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<tr>
<td>10</td>
<td>University of Notre-Damme (NDU)</td>
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<tr>
<td>11</td>
<td>Makassed University of Beirut (MU)</td>
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<td>12</td>
<td>Antonine University (UPA)</td>
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<td>13</td>
<td>Jinan University</td>
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<td>14</td>
<td>Global University (GU)</td>
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<tr>
<td>15</td>
<td>Harriri Canadian University (HCU)</td>
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<td>American University of Technology (AUT)</td>
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<td>Lebanese German University (LGU)</td>
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<td>18</td>
<td>Modern University of Business and Science (MUBS)</td>
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<td>19</td>
<td>Arts, Sciences, and Technology University in Lebanon (AUL)</td>
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<td>20</td>
<td>Islamic University of Lebanon (ILU)</td>
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<td>21</td>
<td>Lebanese French University of Technology and Applied Sciences (LFU)</td>
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<tr>
<td>22</td>
<td>Manar University of Tripoli (MUT)</td>
</tr>
<tr>
<td>23</td>
<td>Beirut Islamic University (BIU)</td>
</tr>
<tr>
<td>24</td>
<td>Lebanese University (LU)</td>
</tr>
</tbody>
</table>
This list was taken in reference posted on the Directorate General of Higher Education at the Ministry of Education and Higher Education in Lebanon. Since the study was conducted, the Ministry added three institutions to the list recognized as universities.
APPENDIX C

NVIVO9 TREENODE

Figure 10 Snapshot of Treenode

This is a screen shot of the tree node I created in Nvivo9 showing the parent nodes as well as the child nodes.
APPENDIX D

SAMPLE LETTER OF SUPPORT

University of Pittsburgh
School of Education
Department of Administrative and Policy Studies

28 October 2009

To whom it may concern,

Hana El-Ghali is a third year doctoral student in the Social and Comparative Analysis in Education Program in the Department of Administrative and Policy Studies in Education at the School of Education at the University of Pittsburgh. She is currently conducting her dissertation study entitled “Higher Education Institutions’ Response to Youth Unemployment in Lebanon”. This study is significant at a time of global economic distress, local youth bulge, and rising rates of unemployment. We are aware that these are very complex issues and we would like to learn how your institution is addressing them. This study will carry your voice and raise awareness about your concerns to others, particularly the Ministry of Education and Higher Education. We will make sure you receive a copy of the final report. We hope you will support Mrs. El-Ghali’s study.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Maureen W. McClure
Associate Professor
Department of Administrative and Policy Studies
School of Education
University of Pittsburgh
mmclure@pitt.edu


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Ministry of Culture and Higher Education. (1996). *Higher education 1996 decree: conditions and specifications and standards required for licensing the establishment of a private institution of higher education or the development of a college or institute in the existing institution*. Beirut, Lebanon: Ministry of Culture and Higher Education.


