

Workshop on Employment Creation in the Lebanese Formal ICT Sector

Economic and Social Commission for Western Asia



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Cluster 2 : Gender Justice, population and inclusive development cluster

Employment Creation in the Formal ICT Sector

Background

Debt and Economic
Crisis

COVID-19

*Does the new economic reality
create more jobs?*

*Does the Lebanese workforce have
the right skill sets for these newly
created jobs?*

1. Employment Creation in the Formal Private Sector

*Lebanon's Enterprise Surveys for 2013 and 2019 are used to have an overview on the structure of the formal private sector and how it has changed over time. **The IT sector data coverage is limited!!!***

These surveys cover firms in the manufacturing, agriculture and services sectors in six regions throughout Lebanon: Beirut, the Beqaa Valley, Mount Lebanon, Nabatiyeh, North Lebanon, and South Lebanon.

They provide information on private sector development and employment creation factors that shape the business environment and employment demand.

ICT firms in the Sample.

2013

- **5 Firms in Computer and Related Activities of which:**
 - **1 Firm in Software Publishing**
 - **1 Firm in Software Consultancy and Supply**
 - **1 Firm in Database Activities and Online Distribution of Electronic Content**
 - **2 Firms in Other Computer Related Activities (Internet Programming and Tracking System based on description in dataset)**
- **6 Firms in Wholesale of Electronic and Telecom Parts and Equipment**
- **2 Firms in Telecommunications**

2019

- **6 Firms in Computer and Related Activities of which:**
 - **1 Firm in Software Publishing**
 - **4 Firms in Software Consultancy and Supply**
 - **1 Firm in Database Activities and Online Distribution of Electronic Content**
- **3 Firms in Wholesale of Electronic and Telecom Parts and Equipment**
- **2 Firms in Telecommunications**

Employment Creation in the Formal Private Sector And ICT

EMPLOYMENT GROWTH BY SIZE, TRADE AND SECTOR

	2013	2019
Employment Growth	Percentages	Percentages
By Firm Size		
Small	8.5	-2.10
Medium	5.0	-0.87
Large	10.0	-0.9
By Trade		
Exporter	9.1	0.6
Non-Exporter	5.2	-2.1
By Sectors		
Manufacturing	8.7	-1.0
Hotels and restaurants	-6.0	-3.0
Transport	1.9	-8.0
Construction	14.8	-17.0
Wholesale and retail	6.7	1.2

ICT Sector	2013	2019
Employment Growth	25%	5%



ICT Sector	2013			2019		
Firm Size	Small	Medium	Large	Small	Medium	Large
Employment Growth	9%	58%	No data	0%	12%	No data

Source: ESCWA calculations based on the World Bank Enterprise Survey.

Note: Exporting firms here is based on 10 per cent and above of sales going to direct export activities.

Note: *number of observations less than 50.

Employment Creation in the Formal Private Sector And ICT

PRODUCTIVITY BY TRADE AND SECTOR

Productivity	Log Productivity	Log Productivity
By Firm Size	2013	2019
Small	11.03	10.79
Medium	11.04	10.75
Large	11.1	10.49
By Trade		
Exporter	11.13	10.88
Non-Exporter	11.00	10.71
By Sector		
Manufacturing	10.9	10.7
Hotels and restaurants	10.1	10.3
Transport	10.7	11
Construction	11	10.7
Wholesale and retail	11.4	10.9

ICT Sector	2013	2019
Log Productivity	11.47	11.25



ICT Sector	2013			2019		
Firm Size	Small	Medium	Large	Small	Medium	Large
Log Productivity	11.68	11.05	No data	11.55	10.89	No data

Source: ESCWA calculations based on the World Bank Enterprise Survey.

Note: Exporting firms here is based on 10 per cent and above of sales going to direct export activities.

Note: *number of observations less than 50.

Employment Creation in the Formal Private Sector And ICT

EMPLOYMENT ELASTICITIES

Elasticities	No Unit	No unit
By Firm Size	2013	2019
Small	0.28	0.06
Medium	0.29	0.10
Large	0.44	0.12
By Trade		
Exporter	0.51	0.48
Non-Exporter	0.16	-0.04
By Sector		
Manufacturing	0.36	0.11
Hotels& restaurants	0.5*	-1.1
Transport	1.66*	-0.14*
Construction	-0.28*	0.68
Wholesale and retail	0.23	0.19

<i>ICT Sector</i>	2013	2019
<i>Elasticity</i>	0.40	1.31

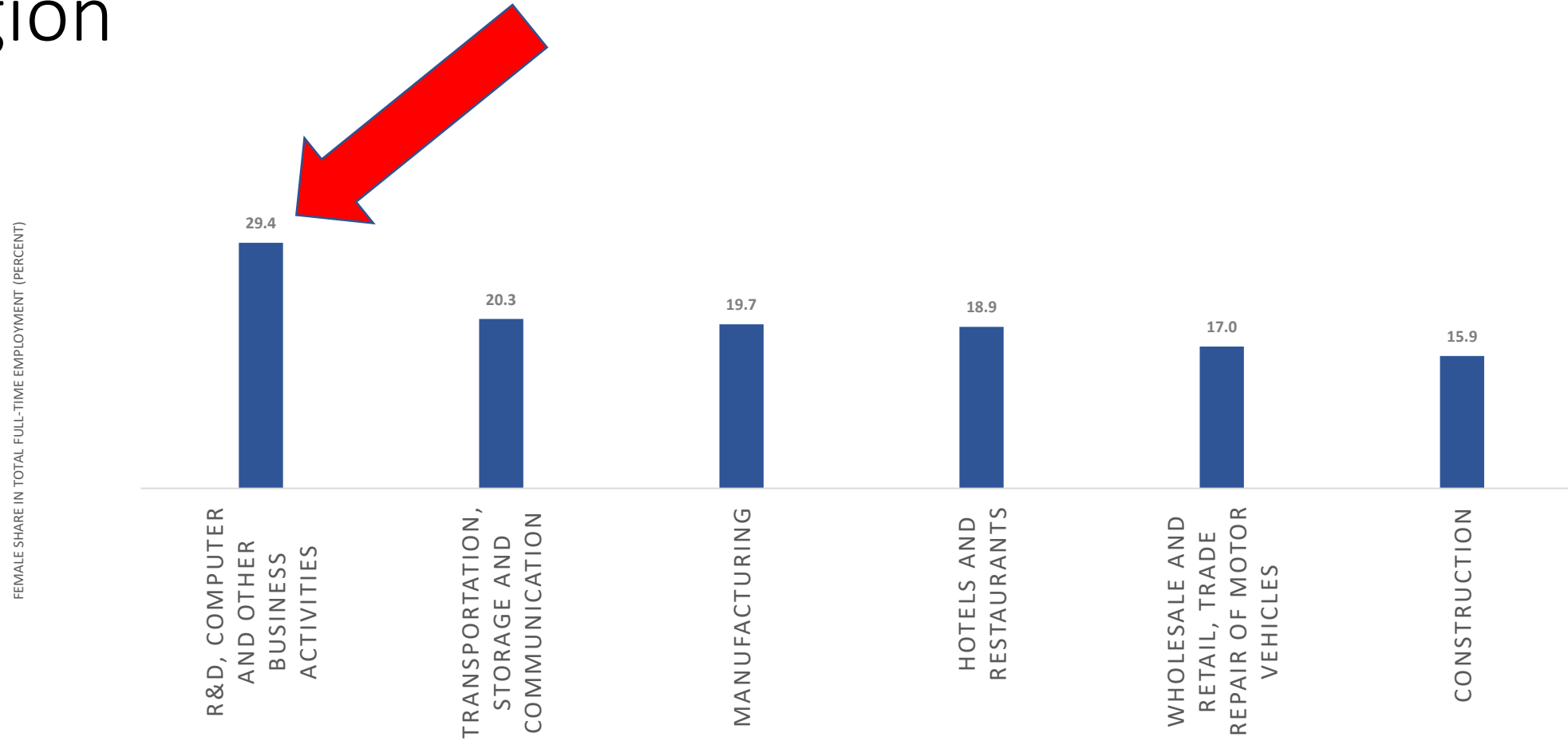


ICT Sector	2013			2019		
Firm Size	Small	Medium	Large	Small	Medium	Large
<i>Elasticity</i>	0.10	1.33	No data	0.45	2.17	No data

Source: ESCWA calculations based on the World Bank Enterprise Survey.
 Note: Exporting firms here is based on 10 per cent and above of sales going to direct export activities.

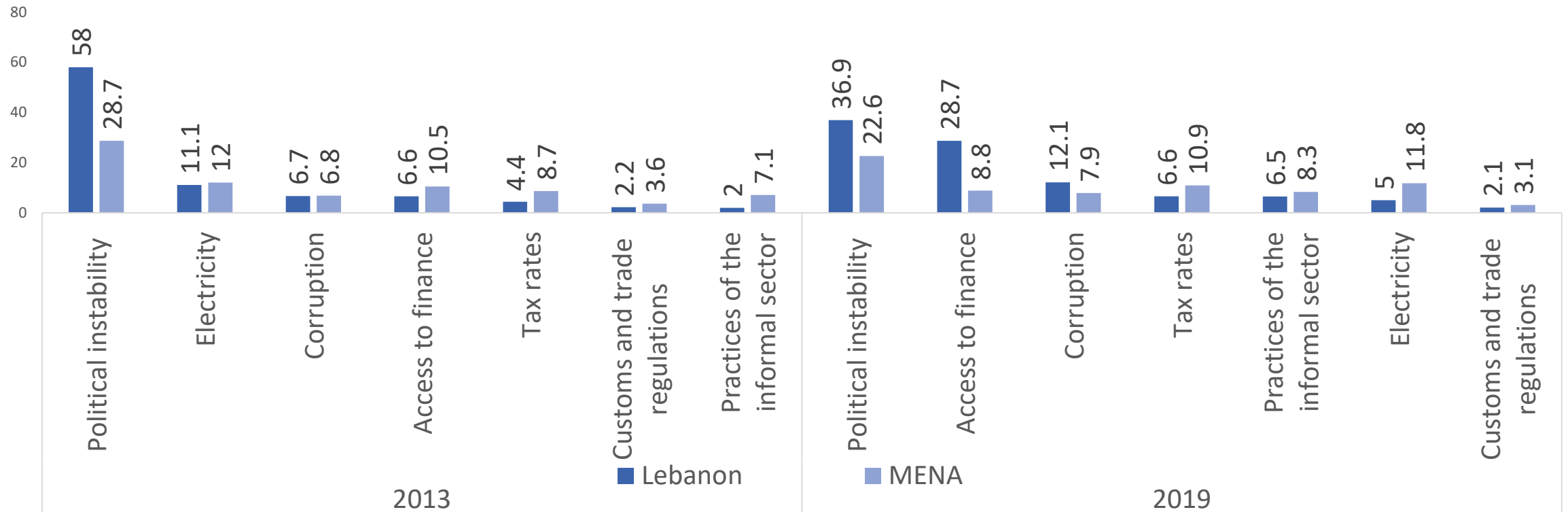
Note: *number of observations less than 50.

Female share of employment across sectors in the Arab region



Source: ESCWA calculations based on the World Bank Enterprise Survey.

5. Biggest Obstacles Facing Private Firms and relevant to ICT (%)



Source: World Bank Enterprise Survey, Lebanon (2013) and Lebanon (2019)

Political instability, corruption, access to finance and lack of electricity are all time blockers of Private sector development.

Thank you!

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