

## Higher Education and Youth Unemployment in Lebanon

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The global economic crisis has greatly impacted the economy in the Middle East and North Africa (MENA) region, particularly fragile states with weak economies such as Lebanon. Young people today have missed the prosperous economy of the country witnessed in the past and are now faced with rather a dwindling economy in which they are expected to be productive members (Salehi-Isfahani and Dhillon 2008). The labor market constitutes a critical component of these countries' economies (Gonzalez et al. 2008). With unemployment on the rise, it is critical for policymakers to find remedies to the national malfunctions by particularly addressing issues pertaining to the youth, the productive group in the population.

Higher education institutions can play a significant role as Lebanon struggles to create economic and social opportunities for young citizens that match their education and expectations. The rapid growth of the higher education sector in Lebanon in the past decade, through the mushrooming effect of private universities, resulted in an accrued human capital in the country. Proponents of human capital theory advocate that education raises the productivity of workers by equipping them with useful knowledge and skills, hence raising their employment opportunities as well as future income by increasing their lifetime earnings (Becker 1964). Both monetary and non-monetary returns to investments 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, this investment has 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.

The youth population is currently growing in Lebanon and it is projected to continue to grow in the coming years. According to the United Nations Population Fund, the annual growth rate for the current year is estimated at 1.2 percent for the world and 2.5 percent for the Arab states, among which is Lebanon (UNFP 2003). This is further observed in the country's population momentum as the number of people entering their reproductive years annually is higher than those exiting, consequently leading to an increase of couples due to societal norms where marriage is almost universal at a young age (UNFP 2003). Lebanon has one of the highest literacy rates and one of the highest higher education participation rates in the Arab world. With this wealth of human capital, it is critical for Lebanon to take advantage of its youth population, which is a working-age population, before it transitions to a dependant population by 2040 like most countries in the Middle Eastern region (Dhillon and Yousef 2009).

It is thus essential to raise awareness of the existing issues of youth unemployment, and to bring this issue into the higher education policy arena. The future of Lebanon needs to make better use of its youth in order to ensure development in a fast paced and globalized world. The country's human capital presents great potential for the development of the country if investments in education are targeted towards the current needs in the labor market. This calls for an urgent move on the part of the higher education system in the country in response to the current situation by working closely with the job market in order to align both the education and the labor market in the region. There seems to be a disconnect between the current labor supply of university graduates and the labor market demands, particularly due to the created skills gap and the resulting labor absorption gap. Employment is the vehicle through which education is translated into growth and equitable distri-

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bution of this growth (Becker 1993; Mincer 1958; Psacharopoulos 1993; Psacharopoulos and Patrinos 2002; Schultz 1971; Sen 1997). Moreover, it is necessary to examine the main sectors of the economy that are growing rapidly and determine employment needs in these sectors. Finally, in a country like Lebanon, the political context in which it is embedded presents the youth unemployment crisis as a time bomb with an unknown explosion time due to the numerous options young people become faced with and are tempted to follow as an alternative to unemployment. Higher education institutions can play a key role in aligning the higher education supply with the market demand. There is a need for both the institutions and the government to work closely together to solve the youth unemployment crisis, as, along with political instability, it is one of the most critical dilemmas facing the youth of the nation today.

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