

# ДЕМОГРАФІЯ, ЕКОНОМІКА ПРАЦІ, СОЦІАЛЬНА ЕКОНОМІКА І ПОЛІТИКА

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## CORPORATE AND GOVERNMENTAL SOCIAL RESPONSIBILITY: POSSIBLE APPROACHES TO UNEMPLOYMENT REDUCTION

**Brin P.V., Nehme M.N. Corporate and governmental social responsibility: possible approaches to unemployment reduction.** This article presents a strategic approach to youth unemployment reduction in Lebanon. The approach named as Modern Technical Institute is a tool for developing technical skills through the short-term advanced program (in case of youth it is vocational learning). It is proposed a way of collaboration with industrial sector stakeholders, social policy makers, and government. Implementation of the approach will lead to narrowing the existing gap between the demand and supply in the job market. Innovating social and corporate approaches as MTI would contribute to the economic stability, environmental sustainability, and social development.

**Key words:** corporate social responsibility, unemployment, education, industry, lifelong learning

**Брін П.В., Нехме М.Н. Корпоративна соціальна відповідальність: можливі підходи до скорочення безробіття.** У статті представлений стратегічний підхід до скорочення безробіття серед молоді в Лівані. Запропонований організаційно-методичний підхід під назвою «Сучасний технічний інститут» – це інструмент для розвитку технічних навичок за допомогою короткострокової академічної програми (у разі молоді це професійне навчання). Пропонуються шляхи співпраці із зацікавленими сторонами промислового сектора, особами, що формують соціальну політику, і урядом. Впровадження даного підходу призведе до скорочення існуючого розриву між попитом і пропозицією на ринку праці. Розглянуті інноваційні підходи сприятимуть економічній стабільності, екологічній стійкості та соціальному розвитку.

**Ключові слова:** корпоративна соціальна відповідальність, безробіття, освіта, промисловість, навчання протягом усього життя

**Бринь П.В., Нехме М.Н. Корпоративная социальная ответственность: возможные подходы к сокращению безработицы.** В статье представлен стратегический подход к сокращению безработицы среди молодежи в Ливане. Предложенный организационно-методический подход под названием «Современный технический институт» – это инструмент для развития технических навыков посредством краткосрочной академической программы (в случае молодежи это профессиональное обучение). Предлагаются пути сотрудничества с заинтересованными сторонами промышленного сектора, лицами, формирующими социальную политику, и правительством. Внедрение данного подхода приведет к сокращению существующего разрыва между спросом и предложением на рынке труда. Рассмотренные инновационные подходы будут способствовать экономической стабильности, экологической устойчивости и социальному развитию.

**Ключевые слова:** корпоративная социальная ответственность, безработица, образование, промышленность, обучение на протяжении всей жизни

**The urgency of the research.** After the great recession in 2008, the whole world faced a high rate of unemployment; Lebanon is one of the developing countries that have a high rate of unemployment. According to the Trading Economic Centre of Lebanon, the average rate of unemployment during 2016 is 6.8% [1], comparing this rate to the previous one, we realized that it is growing rapidly and some approaches to constrict it must be applied.

The global progress in the international business and technology industry demands a specific employee with high educational skills. One of the major problems that lead to high rate of unemployment in Lebanon is the lack of skilled human capital to satisfy the demand for high-skilled requirements of modern technical industries. There is a sufficient need to innovate new corporate and social projects that take the responsibility of developing the

future human capital in parallel with the rapid business and technological progress.

**Actual scientific researchers and issues analysis.** The problem of unemployment was investigated by many scientists, the main are Berna Kahraman, Talal Azhari, Ferid Belhaj, and Zafiriz Tzannatos.

Having analysed the problem of unemployment in Lebanon, we discovered that a big part of unemployed people is young people of the age 20 and 24 who have completed their university education [2]. That is why in our research we will deal with the problem of unemployed youth.

Berna Kahraman in her scientific work "Youth Employment and Unemployment in Developing Countries: Macro Challenges with Micro Perspective" noted that the vulnerable position of youth within labour markets may become more solidified as they are often not in the priority of policymakers. But if the unemployment problem is not well addressed, the youth will remain a risk factor for economic and political stability in the developing countries [3].

According to the International Labour Organization, more than 200 million people are globally unemployed today, with the unemployment rate of those under 25 two to three times higher than the average [4]. And with more than 42 million jobs required to be created every year, the report concludes, the jobs gap is getting wider, not narrower, and Lebanon is an example of this situation.

Talal Azhari reports that the unemployment problem in Lebanon is due to the gap in the educational system, which should be adapted to future labour market needs. In Lebanon, there is a surplus of doctors, engineers, and lawyers that the country can hardly absorb, but a lack of specialized skilled workers [5]. He suggests that it is possible to narrow this gap by a vocational training process that should be totally reviewed and restructured in collaboration with the private economic sector. The vocational training process will lead to sufficient skilled labour who can serve the industry market demands.

Ferid Belhaj, the World Bank Middle East director, mentioned that between 1997 and 2009 the gross domestic product expanded at an average rate of 3.7 percent per year, but employment average grew by only 1.1 percent. This problem, which exists because it is difficult for managers to hire skilled staff, needs to be solved to reduce the unemployment rate. Lebanon needs to create 23,000 jobs per year over the next decade [6]. In the report presented by World Bank in 2013 at the Economic and Social Council in Beirut, it was concluded that a coordinating strategy must be done between investors, skill developers, and social insurance agencies in order to relocate labour from low to high productive activities and expand access of youth to social protection.

Professor Zafiriz Tzannatos concludes from her journal scientific papers about unemployment in Lebanon that "it is vital for the government to dedicate more resources for public education in order to meet the needs of less affluent Lebanese, who face unequal opportunities due to inadequate access to a proper education" [7].

**Uninvestigated parts of general matters defining.** The majority of the researchers and economic analysts conclude that it is crucial to reduce the unemployment rate in Lebanon by improving the educational system (so it can meet the industrial and technical market demands) through the strategic coordination between the government, investors, and social policymakers. However,

what we need is a real approach to a corporate and social project that will target the collaboration between social policy makers, government, and industrial firms. Nowadays in Lebanon, there is lack of such projects and the gap should be filled.

**The research objective.** The purpose of this study is to provide corporate social approaches to the reduction of youth unemployment rate in Lebanon through a skilled training program to meet the high requirements of industrial firms.

**The statement of basic materials.** One of the possible solutions to the mentioned problem is the usage of lifelong learning. This could be done by investing in modern technical and vocational studying programs. This term entered the business analysis project sector due to the advantage in achieving objectives in a way that pleases and motivates economic policies and develops the system of technical education that will gradually reflect the economic growth and social development.

The article aims also to present an educational program named Modern Technical Institute as one of the strategic steps for the Lebanese economy to develop human capital capabilities as a first step and to attract new international industrial and technological investments as a second step. Furthermore, it aims to target the developers of the educational system toward updating of curriculums with the industrial and technological labour market's needs.

The Modern Technical Institute (MTI) presents a proposed framework of a vocational and technical institute that offers modern training program and approach in the educational system of Lebanon. It must remove the existing gap between the industrial and environmental sector needs and the possibilities of high-skilled youth through short-term training (1).

The MTI approach represents the corporate and social approach that should be funded by public stakeholders as governmental organizations and by private stakeholders as investors and industrial firms and corporations.

Providing MTI approach must cover the main following questions, which will be answered by the research:

1 Does the Lebanese vocational and technical educational system satisfy the needs of the industrial and environmental sector?

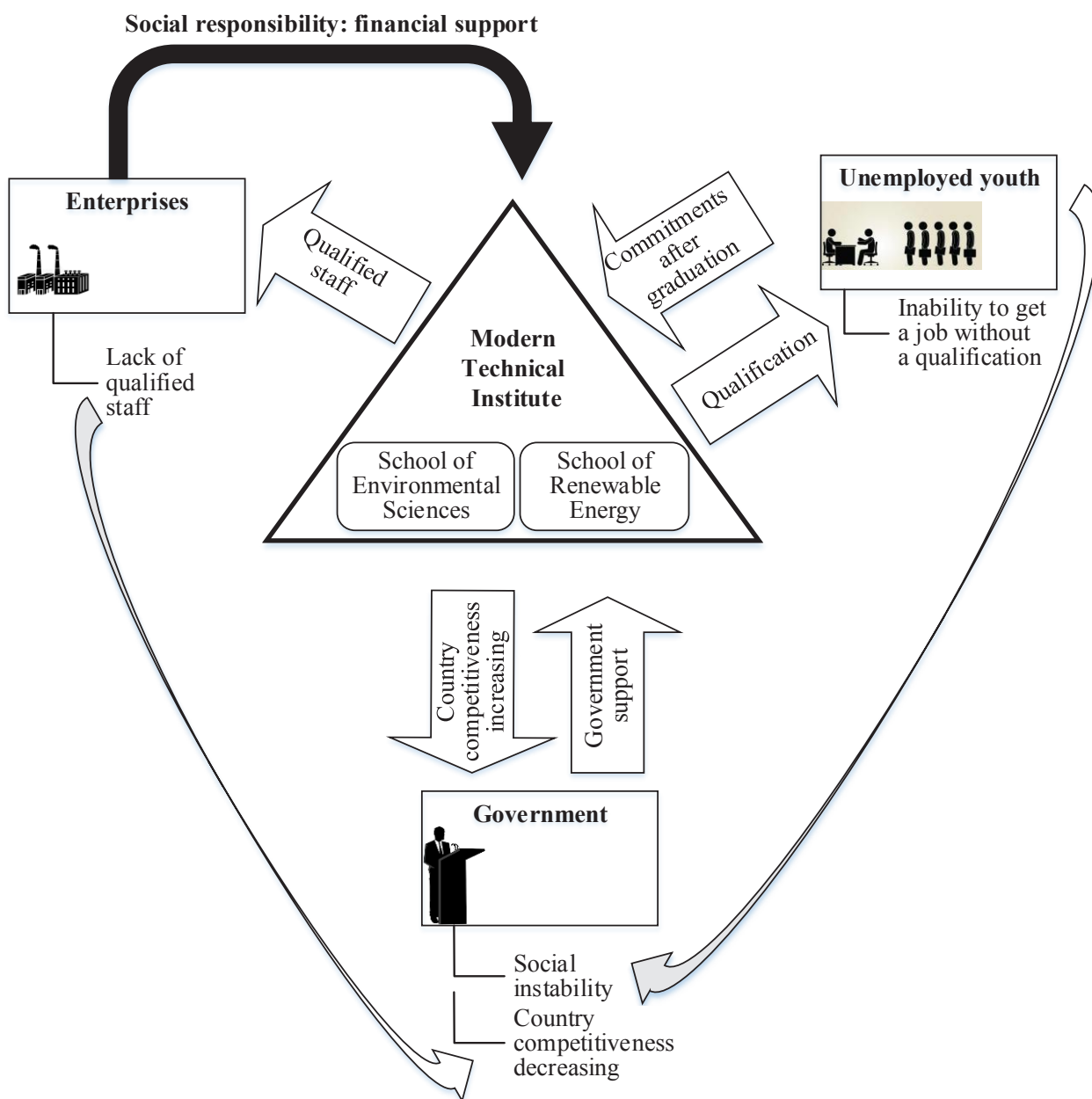
2 How could the MTI implement modern educational approaches for preparing high skilled technicians?

3 How could the public stakeholder (governmental organizations) support the corporate and social approach as MTI?

4 How could the private stakeholders (industrial firms, environmental corporations, and investors) support the corporate and social approach as MTI?

Concerning the **first question** (Does the Lebanese vocational and technical educational system satisfy the needs of the industrial and environmental sector?)

After a deep investigation and under a qualitative and quantitative data collection method through researches, interviews, and surveys directed to: Sample of fresh graduates from private and public vocational and technical school in Lebanon, Staff members in the Directorate General of Vocational and Technical Education in Lebanon (DGVTE), Researchers in the educational and economic field, members in the Association of Lebanese Industrialists, and managers in industrial and environmental firms, we collect the answers and analyse it as follows.



**Figure 1. The interrelation between private and public stakeholder with MTI to reduce youth unemployment**

According to statistical data we had collected from sample of fresh graduates in Lebanon concerning our question, 60% believed that teaching methods were traditional; also they did not believe that their specialties would contribute to their ambitions since there were no majors in Lebanon that meet their requirements, while 40% believed that the specialty would contribute to their interests. Moreover, 67% of the educational experts pointed that the vocational curriculums in the Lebanese education system did not meet the market labour needs. They elaborated that improving the educational system responsiveness to labour market needs required systemic collaboration between employers and public authorities.

The same question was submitted to 52 staff members in the Directorate General of Vocational and Technical

Education in Lebanon (DGVTE), who serve more close to 100,000 enrolled in vocational and technical education. 90% of them agreed that both private and public vocational schools in Lebanon do not support the students with enough industrial specialized programs. They added that among 371 private vocational schools, almost 70% of it are providing specialized programs, what is called “soft sector” as services sector, hospitality and tourism sector, since those programs required cheap equipment for labs comparing to that required for industrial programs or what is called “hard sector”.

Professor Gebran Karam, a researcher in the educational field in Lebanon noted that the Government of Lebanon has decided without much analysis or strategic planning to double the number of public vocational and

technical schools. Those schools were built depending on external donor fund (Arab Union Funds) during the year of 2005, but most of it is waiting until nowadays to be furnished, equipped, and staffed. The relevant authorities have no definitive plans about the educational programs to be offered at these schools, and no allocated budgets have been allocated for it [8].

Professor Charbel Nahas, Minister of Labour in the Lebanese government during the year of 2011 and an economic researcher pointed that the allocated budget spent each year by the Lebanese government on the vocational education is only 10% to 20% from the total budget for the Ministry of Education [9]. This small budget explains the lack of DGVTE in funding strategic plans to create new specialist in the public vocational and technical institutes.

Our question was submitted also to members of the Association of Lebanese Industrialists (ALI). ALI is the main national association of manufacturing companies operating in Lebanon, it deals with both economic and social issues concerning business and seeks to create and maintain an environment, which is favourable to industrial investment, job creation, growth, and development. The members noted that there was a big collaboration between the ALI and the vocational and technical schools in Lebanon, but the problem is that the majority of the graduates are not specialized in the industrial and environment sector. They added that the number of specialties in the vocational institutes must be expanded in order to meet the needs of the industrial and environmental sector.

According to the managers of industrial and environmental firms and companies, they always face problem during the recruitment process, because it is difficult to find efficient workers with long technical experience, so even they wait for a long time to find skilled labour, or they have to hire unskilled labour and train them for a long period of time.

So, all the previous stakeholders clarify that the vocational specialty and components in Lebanon have not yet reached the level of development of industrial and environmental firms. As a result, public and private stakeholders must address the corporate and social responsibilities for solving the high rate of unemployment by an approach like MTI.

Concerning the **second question**: (How could the MTI implement modern educational approaches for preparing high skilled technicians?)

According to the analysed data, we recommend two spheres (we propose to name it as schools) of the modern specialties that such project as MTI can offer to youth, in order to increase their opportunities to be hired by industrial and environmental firms:

- School of Environmental Sciences
- School of Renewable Energy

At the School of Environmental Sciences students will be prepared to work in the ecology sphere and environmental industries such as hazardous waste recycling firms, waste disposal firms, water treatment companies, firms produce environmental tools and equipment as filter machines, greenhouse equipment firms, and landfill and soil treatment companies. The curriculum provided by this school will aware the students toward environmental issues and will teach them practical techniques useful in the environmental sphere. Some of the courses that could be provided at this school are natural resource management, water quality

and irrigation treatment techniques, waste treatment techniques, landscape designs, plumbing courses, and electric courses. Introducing this new type of program in the vocational and technical education in Lebanon is vital for the industrial firms because industries nowadays must adopt environmental production processes to meet the obligatory international standards. ISO 14001 certification is one of the integrated environment standards that Lebanese industries must implement in order to compete in the international markets.

At the School of Renewable Energy, students will be prepared to work in energy and power industries, such as fuel and diesel-electric companies, renewable sun and wind energy companies that provide equipment and maintenance for solar plates and fan turbines. The curriculum provided by this schools aims to trains technicians to undertake the installation and maintenance under the supervision of expert engineers. Renewable energetic industries in Lebanon requires a lot of technicians since its expanding and increasing in a rapid way, especially after the deficit of the Public Lebanese Electricity Company to provide electricity 24 hours for the whole country.

The specialties provided by the Environmental School and the Renewable Energy School are flexible for various job vacancies in public and private sectors, with the ability to adopt the required knowledge needed for students to build a successful career, from curriculum advisors and experts, who have long experience in the developed countries.

Concerning the **third question** of how the public stakeholder (governmental organizations) could support the corporate and social approach as MTI?

The government must enhance the social and corporate approaches that reduce the unemployment rate. It could create an official department in the Ministry of Labour, which connects unemployed youth with the available job vacancies in various companies. Another approach is to accelerate the licensing process of projects and programs as Modern Technical Institutions. Moreover, the government could offer tax discount in the industrial sphere, for firms who sponsor MTI, or for firms that have a commitment toward corporate and social responsibility programs. A clear governmental agenda for enhancing corporate and social approaches will attract new investments to the country and will create new job opportunities. It is very beneficial for the government to coordinate with other governments who had long experience in dealing with high unemployment rates. Job exhibitions could be done by the federal government for promoting occupational guidance for students. In addition, MTI or similar approaches could operate under the sponsorship of Ministry of Education, Ministry of Labour, Ministry of Industry, and Ministry of Environment. Mouhammed Adel concludes from his scientific papers toward the public policies that: “The Federal government can reallocate a half of the wasteful military expenditure to the civilian economy by spending more funds on education, infrastructure, and training centres for enhancing workers’ skills. The government could spend funds for colleges and universities for innovating new products and technology. Furthermore, it could cut taxes on domestic investors in real economic activities such as the real estate and the manufacturing sectors” [10] In our case, the government could make a financial deal with the central bank and private banks to offer an educational loan



with low-interest rates for students who will enrol in MTI or similar training programs.

Concerning the **fourth question** of how the private stakeholders could support the corporate and social approach as MTI?

The private stakeholders may include industrial firms, environmental corporation, unions, and non-governmental organizations. The industrial firms and environmental corporations could show effective corporate social responsibility by supporting MTI financially. Even if it is not able to support financially, it could offer the MTI graduates job offers and internships, or it could cover the educational fees for outstanding students as long as they work for a certain period after their graduation.

Trade unions of enterprises could play an important role in supporting corporate and social approach as MTI by offering membership for MTI graduates in the unions and associations (as Association of Lebanese Industrialists). The membership in the unions or associations required small annually money subscription, but it offers the member medical insurance for him and his family, and it saves his retirement compensations. This process is used in the Order of Engineers and Architect in Lebanon, and it shows high improvement in the social life standard of its members. Non-governmental organizations could boost MTI approach by organizing job fairs for MTI graduates or by providing with new lab equipment.

**Conclusions.** This article presents a strategic approach for youth unemployment reduction in Lebanon. The MTI is a tool for developing technical skills (in case of youth it is vocational learning). Implementing MTI or similar

approaches will promote the industry with the academic interaction through combining the training curriculum instruction with internship and mentoring in the industrial firms. The process will lead to narrowing the existing gap between the demand and supply of the job market.

Enterprises could provide corporate social responsibility by supporting such approaches as MTI in the form financing or it could offer the MTI graduates job offers and internships, or it could cover the educational fees for outstanding students as long as they work for a certain period after their graduation.

Enhancing lifelong educational approaches as MTI is not an approach that deals with decreasing unemployment rate only, but it is a strategy for improving the environmental performance and competition between industries as well. MTI could provide high skilled technicians needed by environmental and energy industry firms, in order to increase the employability and productivity in these sectors, positive effect for the corporations from the social responsibility projects will be connected with increasing of its competitiveness. Preparing high-skilled technicians in environmental and renewable energy will facilitate the adoption of cleaner technologies and pollution prevention techniques by other industries. MTI and similar approaches build a platform for demonstrating corporate and social responsibilities, which serve economic stability, maintain social insurance, and attract international companies to invest in Lebanon. MTI and similar approach improve the quality of education and training levels, and it offers wider choices for Lebanese youth to improve their skills according to their ambitions and attitude.

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