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Rebuilding Lebanon's Public Sector: A Roadmap for Human Resource Reform and Institutional Capacity

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Core Message

Lebanon's public sector is central to the country's administrative capacity, public services, and economic stability. Yet outdated legal frameworks, the loss of salary value, unclear job structures, and limited career pathways have weakened its ability to attract and retain qualified employees. Reform requires a coordinated approach: modernizing labor legislation, rebuilding a transparent and merit-based recruitment system, establishing job descriptions and a phased salary structure, and investing in the skills needed for a changing labor market. Public-sector employees are a strategic national asset, and reform should strengthen both institutional performance and the opportunities available to Lebanon's young people.

Policy Actions at a Glance

1. Modernize Lebanon's Labor Law to reflect contemporary employment arrangements and clarify workers' rights and employers' responsibilities.
2. Establish a transparent compensation framework, including a transportation allowance linked to gasoline prices and a phased salary roadmap.
3. Complete public-sector job descriptions and align staffing structures with actual institutional needs.
4. Strengthen merit-based recruitment through objective examinations, transparent selection criteria, and qualified assessment committees.
5. Extend career pathways, internships, and practical opportunities for young graduates within public administration.
6. Invest in employee development, digital skills, artificial intelligence, and management capabilities.
7. Simplify administrative procedures, strengthen accountability, and improve productivity and service delivery.
8. Improve workforce planning through reliable data and stronger cooperation among public institutions, universities, and the private sector.

Summary

Lebanon's public sector faces legal, financial, structural, and human-resource challenges that undermine administrative efficiency. Outdated labor legislation, declining salaries, fragmented staffing structures, and limited opportunities for young professionals have intensified the need for reform. Public-sector salaries reportedly lost approximately 90% of their value between 2020 and 2024, while inconsistent workforce estimates highlight the need for a comprehensive employment database. The brief calls for an integrated reform agenda that modernizes labor legislation, strengthens merit-based recruitment, improves workforce planning, and establishes transparent salary structures. It also recommends a five-year salary roadmap, updated job descriptions, and investment in employee training and digital skills. Strengthening links between education and employment can help attract qualified young professionals, rebuild institutional capacity, and improve the effectiveness and sustainability of Lebanon's public administration.

1. Current Challenges: Modernizing Work and Public Administration

1.1. The Labor Law Gap

Lebanon's existing Labor Law predates 1996 and no longer fully reflects the structure and requirements of the modern labor market. New technologies, changing employment relationships, and new working arrangements have created a need for clearer legal provisions. Part-time work, in particular, requires a framework that defines workers' rights, employers' responsibilities, and the procedures through which employees can seek protection.

Agriculture, construction, and manual work have also been identified as sectors the current framework does not adequately cover. A modern law should provide broader, clearer protection while ensuring employers and productive sectors can operate under predictable rules.

A modern Labor Law should therefore protect both sides of the employment relationship. Clearer rights and responsibilities can help workers understand their entitlements and the procedures available to them, while giving employers a more consistent framework for managing employment. The Ministry of Labor would also have a clearer basis for addressing complaints and enforcing applicable protections.

1.2. The Public Sector Crisis

Public-sector salaries lost approximately 90% of their value between 2020 and 2024. Public-sector salaries and benefits reportedly account for 43% of budget appropriations, placing considerable pressure on public finances. The erosion of purchasing power has further weakened employee compensation and the attractiveness of public employment. The public sector encompasses a substantial workforce across administrative, judicial, military, and diplomatic bodies, alongside a

large retired population. Key public administrations face reported staffing shortages ranging from 60% to 77%. The state also faces challenges in defining positions and assessing staffing requirements. A public-sector job-mapping exercise identified approximately 91,000 workers across different employment categories, highlighting the complexity of workforce structures and the need for more systematic staffing assessments.

Public-sector compensation extends beyond basic salaries to include social contributions, allowances, health benefits, and other employment-related costs. A comprehensive assessment of these expenditures is therefore necessary to inform sustainable salary reform and workforce planning.

Differences in reported workforce estimates, reflecting varying employment categories and the inclusion of retirees, further highlight the need for a consistent and comprehensive public-sector workforce database. Such information is essential for identifying staffing gaps, determining institutional needs, and guiding recruitment and compensation decisions.

3.1. Public Sector Salaries and Attractiveness

Compensation remains an important factor in attracting and retaining qualified public-sector employees, alongside job stability, social and health benefits, and career development opportunities. Public-sector salaries lost approximately 90% of their value between 2020 and 2024, significantly weakening employees' purchasing power. Subsequent salary adjustments have often taken the form of exceptional allowances rather than permanent increases to basic salaries, limiting their contribution to long-term financial security. Reported monthly salaries range from approximately $500 to $1,200, while the estimated minimum cost of maintaining a decent standard of living in Lebanon is around $1,200. This gap highlights the challenges of ensuring adequate compensation within existing fiscal constraints. Strengthening the attractiveness of public employment therefore requires a comprehensive approach that combines fair compensation, employment stability, social protection, and clear career progression opportunities.

3.2. Attracting Young People to the Public Sector

Young people increasingly turn to the private sector in search of better employment opportunities and career prospects. In 2017, public-sector salaries were more competitive with those offered by the private sector, making public employment a more attractive option. However, declining compensation, limited career pathways, and weakened public confidence have reduced the sector's ability to attract qualified young professionals. Recruitment challenges are further intensified by outdated staffing structures and the absence of clearly defined positions. Work on public-sector job descriptions, which had stalled around 2019, resumed in 2025 to support merit-based recruitment and align vacancies with institutional needs. Particular attention

has been given to attracting graduates with specialized skills in fields such as medicine, dentistry, pharmacy, engineering, and law. Internships and practical opportunities can help bridge the gap between academic education and public-sector employment. Initiatives involving ministries such as Finance, Energy, Environment, and Foreign Affairs provide students with direct exposure to public administration, allowing them to better understand institutional responsibilities, workplace requirements, and potential career opportunities. Strengthening the attractiveness of public employment requires clearer career pathways, greater transparency in recruitment, and improved cooperation between public institutions, universities, and the private sector. Such efforts can help retain qualified young professionals, create employment opportunities, and encourage graduates to consider building their careers in Lebanon.

3.3. AI and the Future of Work

AI will not replace employees but will change the way people work and the nature of jobs. The focus was not only on job elimination; the important issue is how jobs will change and which skills will become more important. Young people need to prepare for the professions and skills that will be demanded as technology develops. Institutions also need to adapt instead of continuing to operate according to old ways of working. Career planning should look beyond the immediate job and consider where a person wants to be after a few years. The discussion also connected future work with ESG, the SDGs, and the UN Global Compact. Young employees increasingly consider more than salary: organizational impact, society and the environment, leadership, and development opportunities also matter.

3.4. Talent Acquisition and Career Planning

Young people want to know not only what job they can get today, but where that job can take them after a few years. Talent acquisition matters in both the private and public sectors. The government also needs to think about talent acquisition: what skills are needed, what profiles are required, and what it can offer to attract and retain them. The talent challenge is not only Lebanese; it is a wider, global issue. Career progression should happen gradually. A university graduate should not automatically expect to become a manager after one or two years. Experience, skills, and capabilities develop over time. Not everyone needs to follow the same career path or become a manager; career choices should match capabilities, experience, and labor-market needs.

There is a gap between university education and actual labor-market needs. There are large numbers of graduates, but demand is not the same across all fields. Medicine, dentistry, pharmacy, engineering, and law were mentioned, but professional, technical, and vocational occupations are also important. Students should understand labor-market needs before choosing their education and career direction. Universities, employers, and public administrations need stronger

connections. Internships and practical experience can help students understand the skills actually required at work.

3.5. Public Sector Productivity

Public-sector productivity in Lebanon is affected by declining employee motivation, difficult working conditions, and administrative inefficiencies. These challenges extend beyond issues of accountability and reflect broader institutional and structural constraints. Lengthy administrative procedures, multiple layers of review, and overlapping approval requirements often delay transactions and reduce operational efficiency. Improving productivity requires simplifying administrative procedures, strengthening management and accountability, and providing employees with adequate resources and incentives. Better working conditions, institutional stability, and clearer performance standards can further enhance employee motivation, improve service delivery, and strengthen the overall effectiveness of public administration.

4. Scaling Reform: From Dialogue to Policy Action

The seminar provided a platform for connecting public-sector experiences with Lebanon's administrative and economic reform agenda. It highlighted that strengthening public administration requires coordinated efforts involving government institutions, universities, the private sector, and international partners. Reform must address not only internal administrative structures but also the broader institutional framework supporting recruitment, compensation, workforce development, and service delivery.

The Civil Service Council plays a central role in this process. Established during the administrative reforms of the Fouad Chehab era, alongside other oversight institutions, the Council is responsible for supporting merit-based recruitment, organizing public-sector staffing structures, and strengthening human resource management. Its mandate includes assessing institutional staffing needs, conducting competitive examinations, and supporting the development of professional career pathways within public administration. Workforce restructuring is a key reform priority. A comprehensive survey conducted by the Civil Service Council between 2020 and 2022 identified approximately 91,000 workers in the civilian public sector and around 13,000 cases of irregular recruitment. The Council has also worked to update job descriptions and eliminate positions that no longer correspond to institutional requirements. According to figures presented during the seminar, the official staffing establishment comprises approximately 28,899 positions, with a proposed reduction to between 13,000 and 15,000. Restructuring efforts include eliminating redundant positions while introducing new roles in areas where institutional needs are growing, particularly digital services and technology.

Strengthening merit-based recruitment is equally important. The Civil Service Council organizes competitive examinations and selection procedures intended to promote equal opportunities and reduce personal or political interference. These procedures include objective assessments, job-related examinations, case studies, and structured interviews, with the participation of qualified specialists and university professors. Recruitment reforms should be accompanied by clear job descriptions, transparent selection criteria, and consistent evaluation standards. Developing the competencies of existing public-sector employees is another priority. Professional training in project management, communication, artificial intelligence, digital skills, and leadership can strengthen institutional performance and prepare employees for greater responsibilities. Establishing clearer career development pathways would also help improve motivation, retain qualified personnel, and reduce dependence on external recruitment.

Salary reform remains an essential component of rebuilding public-sector capacity. A proposed five-year roadmap for 2025–2030, developed in cooperation with the Ministry of Finance and Banque du Liban, seeks to introduce phased salary adjustments, with the objective of restoring approximately 80% of employees' pre-crisis purchasing power by 2030. This gradual approach aims to balance employee compensation needs with fiscal sustainability. Discussions also addressed linking transportation allowances to gasoline prices through an adjustable mechanism that accounts for fluctuations in transportation costs.

Legal and regulatory reforms are also necessary to support a more effective employment framework. The Ministry of Labor has worked with international organizations and social protection specialists on proposed amendments to labor legislation, with the aim of addressing changing employment arrangements and strengthening protections for workers and employers. Proposals to extend the retirement age were also discussed as a means of retaining experienced employees and preserving institutional knowledge, while taking into account differences between civilian and military employment.

Universities and the private sector have an important role in supporting these reforms. The Civil Service Council's outreach to academic institutions, alongside internship opportunities in ministries such as Finance, Energy, Environment, and Foreign Affairs, can provide students with practical exposure to public administration. Stronger cooperation between universities and public institutions can help align graduate competencies with staffing needs and improve awareness of public-sector career opportunities. Public-private partnerships can further contribute to employment creation and workforce development. Initiatives involving technology companies illustrate opportunities for cooperation in developing skills, supporting innovation, and

creating practical employment pathways for young professionals. Such partnerships can complement public-sector reform by strengthening connections between education, employment, and institutional needs. Lebanon's reform priorities therefore require linking workforce restructuring, transparent recruitment, fair compensation, and continuous professional development with broader institutional cooperation. A coordinated approach can help rebuild public-sector capacity, improve administrative performance, and strengthen the delivery of public services.

> **Public sector continuity is not only a private concern; it is a public economic priority that depends on governance, institutional support, and a reform ecosystem capable of turning intergenerational transition into long-term resilience.**

Policy Actions at a Glance

Achieving meaningful public-sector reform requires a coordinated agenda that connects legal modernization, recruitment, compensation, workforce development, and administrative performance. The following actions reflect the priorities discussed during the event.

- **Modernize the Labor Law:** Complete the review of the draft law and clarify its legislative pathway. Ensure that it addresses contemporary work arrangements, workers' rights, employer responsibilities, and sectors that are insufficiently covered by the current framework.
- **Establish a transparent compensation framework:** Define job families and responsibilities before adjusting salary structures. Publish the methodology, fiscal implications, annual milestones, and benchmark for any multi-year salary roadmap.
- **Make recruitment consistently merit-based:** Use clear job descriptions, publicly available vacancy criteria, objective examinations, job-related assessments, and structured interviews. Strengthen transparency and reduce opportunities for undue influence.
- **Plan workforce restructuring around service needs:** Reconcile workforce figures across ministries and employee categories. Identify unnecessary positions while creating roles that meet demonstrable needs, including digital and technology-related functions.
- **Build career pathways and graduate access:** Expand internships and practical placements, communicate public-sector career options to universities, and publish competency requirements and realistic progression routes.

- **Invest in continuous employee development:** Offer training in AI and digital skills, project management, communication, and leadership. Connect training to job requirements and institutional performance needs.
- **Improve productivity and administrative processes:** Review procedures, remove duplicative steps, set service standards, clarify accountability, and provide staff with the resources and incentives needed to deliver reliable services.
- **Strengthen public-private and university partnerships:** Use structured cooperation to identify skills needs, support practical experience, develop projects, and connect education with employment opportunities.
- **Use evidence to monitor reform:** Maintain consistent data on staffing, vacancies, recruitment, salaries, training, and service delivery. Publish periodic progress updates so that decisions can be assessed and adjusted.