

Executive3

The background of the entire page is a photograph of a classroom. Several students are visible, with their hands raised in the air, suggesting an interactive learning environment. A green chalkboard is visible in the background. The image is slightly blurred, focusing attention on the text overlay.

June - August 2021

SPECIAL REPORT

LABOR EDUCATION

- > Eduployment
- > Digital services
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PURE EDUCATION



Edutech startups looking beyond profit and functionality

Education is the public good that, economically spoken, has the largest implications for development of human capital and wealth. At the same time, the public good of education is rooted in non-economic values that are not amenable to the profit motive. Moreover, this public good is based on human interaction, and ideas such as online college courses, for all their stickiness since the dawn of the collegiate internet, have not displaced the time-honored practices of tertiary education on physical campuses.

Digitized education has at least until last year not transpired into the magnificent revolution of attainment and opportunity that social visionaries have been so fond of in their belief that the educated person will be the better person. But something has changed in the pandemic and infodemic of 2020.

Thus today, education more than ever is among those fields that tech entrepreneurs, and the financiers, analysts, and facilitators of digital economies, love to label as “xyz-tech” (now must one say Fintech or better Techfin?) and hyperventilate about. As the pandemic of 2020 pivoted digital education needs from more efficient classroom tools to the urgent improvement of remote teaching and learning experiences, the previous hyping up of “edutech” startups

was boosted to another, bubbly appearing, dimension of both genuine need and investor frenzy.

Over the past year, this frenzied edutech race was notably demonstrated in the People’s Republic of China, the country with the undisputedly largest (but only in one disputed international ranking the highest achieving) education system. According to studies cited in recent news stories on governmental decisions to reign in wild edutech, well over 80,000 new edutech enterprises were formed in China in 2020, and investors poured the equivalent of \$16.3 billion into the sector. This excess inflow of funding further distorted the immense Chinese edutech market. Having been previously nurtured into a \$12 billion (2016 figures) online tutoring market by the country’s high-pressure, merit and certification oriented education system, online tutoring ballooned last year to 40 percent out of a \$100 plus billion total for-profit tutoring market.

This commercialization of education provision and families’ hunt for educational credentials for their children grew to a point where the Chinese government this July deployed opinion channels and regulatory means to limit for-profit edutech operations. Witnessing intense for-profit growth through financial investments and edutech startup formations, along with very recent government responses, the country at this moment can serve as example for the edutech boom’s upsides and downsides.

OPPORTUNITY FROM MISERY

Given the education sector’s and the for-profit online education market’s overriding social and economic importance in combination with the cultural predilection of the Lebanese to invest in their children’s education, it stands to reason that any bit of successful edutech innovation in this country’s entrepreneurship ecosystem can be of exponential economic and social value, an antidote to today’s Lebanese desolation.

To investigate how the universal fascination with edutech looks in the Lebanese entrepreneurship context in the era after the central bank’s Circular 331 and its boosting of bank-backed ecosystem investments, Executive discussed with three edutech startups. We conversed with Kamkalima,

an example of a mature startup which has grown into its own sweet spot by filing very specific classroom needs; eFlow education as example of an impact-investment driven one that focuses on the needs of i-NGOs which are serving marginalized groups and that used the pandemic as its springboard for its first growth spurt; and Catalysis as one that, while in significant ways the fruit of the lockdown and economic malaise of Lebanon, is in this summer of 2021 just beginning its push into what it expects will be a viable niche at the intersection of wellness and education.

A TREND INTENSIFIED RATHER THAN NEW

The proposition of inventively infusing education with tech entrepreneurship has been appealing to Lebanon's educative minds from the induction of the entrepreneurship ecosystem in the early 2010s. In any of the seven years until 2019, a demo day wouldn't have been a typical one if an acceleration program's graduates didn't include one or more edutech or school related startups, such as a school management platform, Arabic language teaching, STEM (science, technology, engineering and math) gamification, or some sort of education marketplace concept.

The founders of these startups often had experience with teaching or tutoring as either providers or recipients. And by the 2020/21 academic year, some of their bets on education already paid off well enough, despite or because of Lebanon's many problems of late. Synkers, the Beirut based edutech marketplace for tutoring – that has seen increasing popularity with learners prepping themselves for tests such as the SAT as with expat and local tutors – has this summer been acquired by UK-based private schools conglomerate Inspired of Lebanese-British entrepreneur Nadim Nsouli. The marketplace is now, under the new name Ostaz but with unchanged local leadership, aiming for global expansion.

That edutech is today drawing the attention of global school operators and big publishers in the field of education is in itself unsurprising, given that no individual in the knowledge age can evade exposure to education. The value of education is immeasurable, even if the rise of the credentialed and commoditized illusion of earned knowledge in the context of the knowledge economy makes it well worth reiterating time and again that gaining a good education and acquiring a prime university degree are no more necessarily synonymous than the ability to afford a Koenigsegg or Ferrari is with

the ability to drive fast gracefully and responsibly.

What may be astounding to outsiders of the Lebanese cultural mix where hunger for measurable success, and thirst after showing it off, encounters strong educational traditions in the best European sense, is that the three edutech entrepreneurs in Executive's purview are displaying much more than just profit motives for their engagement with digital transformation of teaching and learning. Each in its different way is addressing a none-too-

obvious niche that their founders see themselves as specially qualified and passionate to serve. Moreover, the startups under our examination have been performing quite admirably: they have not only been driven to higher levels of activity by the 2020 pandemic but managed to unearth funding or significant

financial opportunity despite the new barriers in access to funding that have railed the Lebanese entrepreneurship ecosystem this year and last.

■ Any bit of successful edutech innovation in this country's entrepreneurship ecosystem can be of exponential economic and social value

KAMKALIMA

Kamkalima, the mature startup focused on the Arabic classroom, was incorporated in Lebanon in 2015 and in the United Arab Emirates in 2019. Co-founder and chief executive officer Siroun Shami-gian tells Executive that after quick initial percentage-wise growth during the launch year and an intermediate slackening of nonetheless continued growth thereafter, the year 2020 brought a clean doubling of users, schools that rely on its Arabic teaching and classroom tools. During the spring 2020 phase of the 2019/20 academic year that was affected by coronavirus lockdowns, "we went free for any school in any country. Because of that, we experienced user growth, not financial growth, of more than 100 percent," she explains. According to her, in the past two years over 4,000 students in Lebanon alone benefited from Kamkalima for free. "In this academic year, which means [the 12 months from] September 2020, we had around 40 percent growth in paying students. For the 2021/22 academic year, we are projecting even higher growth on basis of new partnership agreements, opening of new markets, and because of COVID change impact on mindsets," Shamigian adds.

The business concept of Kamkalima is software-as-a-service (SaaS) and business-to-business

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(B2B), meaning that currently only schools and not individual learners are targeted as contract partners. However, the company is preparing new products that will meet demand from individual learners of Arabic and expatriate Arabic-speaking parents who want to teach their children the tongue of their forebears. According to Shamigian, all materials that Kamkalima developed for its content library are not arabized imports but produced as original content by experts from different Arab speaking countries.

In her experience – which is the experience of an “accidental entrepreneur” whose teaching journey led her to discover and respond to the need for better digital tools in classrooms that teach Arabic – there are significant time savings and improved efficiencies for the Arabic departments of schools that avail themselves of Kamkalima’s four-pronged platform for students, teachers, Arabic department coordinators, and supervisors of school networks. Shamigian cites high renewal rates and far above-average net promoter scores – a measure of customer satisfaction – as evidence.

This notwithstanding, she notes that the path of selling the platform has been a path of fears and resistance. “As an edutech we are following the path of difficulties, because we sell the concept before selling the platform,” she says, referring to often encountered cultural perception barriers against usage of electronic means in the teaching of Arabic.

Other fears to overcome originate from general tech weariness. “For teachers to feel comfortable with technology, they have to understand that technology is not their replacement. On the contrary, it is a force to support them and make their job easier while improving student engagement,” she elaborates.

These conceptual hurdles and the small fact of the prevalence of bureaucracy in school systems act as stronger access barriers in Kamkalima’s field of specialization when compared with other edutech endeavors such as tutoring marketplaces.

Kamkalima achieved initial funding from own sources, followed by seed funding and then a Series A financing round of \$1.5 million led by Lebanese venture capital (VC) fund Phoenician Capital. This round also involved the entrepreneurship ecosystem stalwarts iSME and IM Capital.

Involving Circular 331 money, the funding from this round became partly inaccessible under the liquidity crunch of late 2019. But the venture was undeterred and Kamkalima is currently preparing for a substitute Series A funding round with

engagement of regional investors and VCs, including local ones.

The new round is projected for completion in first quarter of 2022, and the still unannounced funding target is expected to be in the common range for Series A. The funding will be dedicated to scale the enterprise whose ambitions entail rolling the platform into new geographic and topical markets, adding new products, including one game app teaching letters to younger children, and entering

new business and consultancy partnerships.

Notwithstanding the vision of Kamkalima’s market internationalization by founders Shamigian and Nisrine Makkouk, and the enterprise’s second incorporation in the UAE, the startup is lastingly committed to Lebanon as its operational base. Despite

of the serial shocks that the Lebanese economy suffered over the past two years, the enterprise did not lay off any employees but took several new hires into its team of, today, 21 persons, all but two of whom are based in Beirut.

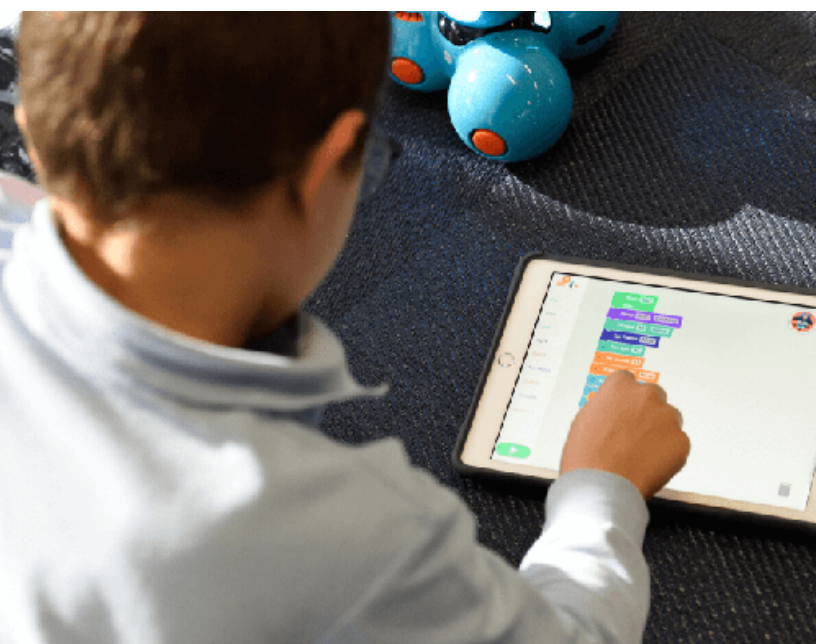
Recalling fondly how Makkouk and herself, two former teachers with no entrepreneurial pedigrees, were emboldened with “big and uncommon” trust by Kamkalima’s launch investors, IM Capital, Shamigian says, “The value of being in Lebanon is the team, plus the investors. Being in Lebanon and having access to Lebanese talent helped us a lot. The crisis will end at one point and we want to be part of the rebuilding.”

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EFlow Education

The eFlow Education startup of 2020 is a child of serendipity in the midst of chaos, although it defines itself far more dryly as “educational cloud based platform powered by an interactive chatbot that enables learning delivery and management,” before informing site explorers that eFlow conversational course formats can be accessed via common social media platforms.

The startup was conceptualized by entrepreneurs Bassel Jalaeddine, computer engineer and co-founder of online tech course platform Cherpa Education, and Samer Bawab of mobility app Carpolo’s startup fame. The pair built their solution in response to a request for solving a problem that



Near East Foundation (NEF, a non-governmental organization that was founded over a century ago in the US as The American Committee for Syrian and Armenian Relief) had met when it sought to communicate with its beneficiaries through common messaging channels.

In order to sort out the communication discordance that bothered NEF, the tech entrepreneurs developed a chatbot that would solve the problem. In the process, the enterprising minds came to suspect that the challenge of efficient communication of education content to disparate and technically disadvantaged user groups was not an isolated problem of one international NGO.

This suspicion turned into a hypothesis of latent NGO demand for a tool that would facilitate communication of educational content to poor children by smartphone. This demand hypothesis was confirmed when temporary school closure responses to the COVID-19 pandemic were first imposed across the region. “When the pandemic struck, the schools and NGOs did not have a remote learning plan for their beneficiaries,” co-founder Bawab tells Executive.

eFlow’s offer of a solution that allowed providing learners with content via easy-to-access channels that conveyed a familiar user feel, as well as managing their attendance from diverse locations in a well-coordinated way, brought immediate responses as six NGOs signed up to eFlow’s services within the first six months. Even better for the

startup, the NGOs’ needs were not just temporary.

“We saw huge interest when we sent out our marketing messages. However, there was already serious inefficiency in the way NGOs were operating with the refugees and marginalized communities. They were spending enormous amounts of resources – money – on solutions that did not work, or were dispatching field officers to the areas and neighborhoods but could not properly track data. We found a need in this space of humanitarian education and awareness,” Bawab says.

According to Bawab, NGOs working with students in rural areas during the pandemic initially moved to managing their beneficiaries via WhatsApp groups but this did not go well at a moment when the schools and NGOs did not have a remote learning plan for their beneficiaries. Challenges that the NGOs had to deal with included learners who did not know how to use a laptop computer, or who did not have much internet connectivity, or who otherwise had barriers against environments such as Google classroom.

“We had to come up with an alternative mobile solutions for [the beneficiaries and NGOs] to still get content and educational materials without spending too much time on training them on using platforms. We took advantage of their familiarity with WhatsApp and sent them materials, saving the NGO time and stress,” Bawab explains.

eFlow’s user base, which reached 2,000 learners in the first three months of operations, quintupled to 10,000 in the three months to July 2021, he adds. The client base by middle of this year numbers seven NGOs, including Jordan’s Queen Rania Foundation, Mentor Arabia, Relief International, and UNICEF. About half of current users are based in Lebanon, Jordan, and Iraq. Beneficiaries also are served in Oman and the United Arab Emirates. Outside of Arabic-speaking countries, eFlow pilot ventures are running or being set up in Latin America (Mexico, Peru and Costa Rica), as well as Zimbabwe.

Bawab says that the startup, apart from an angel investment of \$35,000 for 10 percent of equity, relied on own resources for funding. It to date achieved revenue of \$150,000 under its variant of the B2B business model whereby paying client NGOs contract the startup for education projects. Projects are free of charge for learners who also are supported by the respective NGO with the required connectivity and the devices they need to access the educational content. eFlow is enrolled in the Bloom Accelerator program, in which it is a grantee of \$10,000, and in terms of accolades last

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month was among global winners of a Seedstars-managed competition called The Migration Entrepreneurship Prize.

The both socially and educationally tinged startup has been admitted to the portfolio of impact investment fund Village Capital and is slated to receive \$100,000 worth of IT tools and support on basis of Village Capital's partnership with IBM. eFlow is currently undertaking preparations for a pre-Series A funding appeal looking for \$500,000 to \$1 million, the exact timeline of which has not yet been determined. Funding in the round would be sought from a strategic investor or from a VC fund with educational focus and expertise.

The company did not try to register legally in Lebanon as first step but went straight to Dubai. Its incorporation there, however, did not change the startup's existential anchoring in Beirut. According to Bawab, the team – currently 12 full-timers – is based in Beirut, and planned hires should expand this team to more than 20 and possibly as many as 30 by the first quarter of next year.

The skillsets that the company is looking for in new hires range from web developers to content designers and sales experts. Its operational focus in the second half of this year is to acquire more clients, get more users, and more use cases, Bawab says. Prospects that the startup is also seeking to explore include the corporate social responsibility market. “Corporate training is another big oppor-

tunity for us but for now we are focusing on marginalized communities, refugees – people that may live in camps or may face trauma from war and migration,” he adds. In its longer journey, he envisions the Lebanese startup as entity that could be acquired by a big name in international educational publishing or even a communications giant, be integrated into a leading international educational NGO, or become a tech department of UNICEF.

CATALYSIS

Equally far from credentialism and base profit motives as the two previously described edutech startups is Catalysis, the brainchild of budding entrepreneur Lara Shabb. Shabb, who appears to have

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no difficulty impressing not only her colleagues but even faint acquaintances with natural, entrepreneurial dynamism, shifted from the path of an employee to being a hopeful edutech entrepreneur as the Lebanese crisis unfolded.

(Full disclosure: she accepted a short engagement as Executive's managing editor in fall of 2020, and worked with the magazine for several months).

Combining her expertise in digital communication tools with her personal dedication to wellness and spiritual growth, she designed her startup as “a marriage of e-learning and social competence,” which she aspires to realize as nexus of wellness and education. “Our niche is wellness, everything related to fitness, mindset, coaching, meditation, and the product we are building is positioned to meet needs not fully served by either of two verticals,” Shabb says.

In her view, domineering social platforms of the Facebook kind understand the paradigm of community but are void of values whereas teaching platforms such as leading educational content aggregator Mindvalley – the personal growth and wellbeing focused platform's course offering includes diverse teachings of everything from spiritual evolution to body transformation, from conscious parenting to millennial entrepreneurship – are void of community, besides being stuffed with lengthy, and expensive to produce, video presentations.

To differentiate her wellness education hybrid, Shabb aims to administer “bite-sized” wisdom videos that will be consumed on the smartphone and also can be produced with a minimum of special-



ized audio tools and everyone's essential digital device. "We encourage using iPhone and headphones when filming", she says, and enthuses, "Many teachers have much to share but cannot compete at that level, so the home smartphone clip is the answer of Catalysis. We are building in the space where you get the best of the platform world and the best of the education content world."

She concedes that the startup is still tweaking its minimum viable product, which is due to be completed in short order, and revealed to the virtual world as the Catalysis platform before the fourth quarter of 2021.

In financing terms, her venture has benefited from a tech grant under the umbrella of the United States Agency for International Development (USAID). Owing to this grant, the engineering of the site is taken care of and being implemented by a team of fresh engineers from Zahle who are working on this project under the mentorship and supervision of expert computer engineers. Shabb describes the engineering cost of Catalysis, which is currently in beta testing, as the startup's biggest expense – worth between \$50,000 and \$100,000 to the startup and covered by the recent tech grant that was awarded to the project under USAID.

The only expenditure of own funds was to cover the cost of establishing the brand. According to Shabb, bootstrapping and volunteer efforts by her handpicked project collaborators accounted for most of the non-engineering work that has been invested since the startup's ideation at the beginning of this year. The worsening depreciation of the Lebanese lira was the drop that made her creative reservoir overflow into startup action. "The idea was to allow teachers to put online what they already know in order to create a passive income stream in dollars. [This was] because I run a wellness course and saw that all of my companions were basically making nothing for the work they were doing. This work is really needed, coaching, energy healing, sound healing", she says.

She adds that about 50 handpicked teachers have signed upon her project, including relatively unknown but highly knowledgeable practitioners who also have day jobs besides their chosen callings and educational roles, along with a small selection of better known instructors and some that are international stars in their fields. However, any individual registering on her site will not be classified as "teacher" or "student" but as member of the community. Shabb envisions that teachers will

bring their micro-followings to the site and help expand its reach organically.


Members who upload videos will retain their intellectual property (IP) over their contributions and will be able to seek monetization under two different formulas. According to Shabb, all content will have to comply with Catalysis' objective for "abundance, community, and service," and content that the site administrators deem to be of insufficient value vis-à-vis these requirements, is liable for being flagged and removed.

On top of the satisfaction of owning their IP, content providers to the site can classify their video clips as free offerings, premium, or attach a course fee or bundle fee. This corresponds to the Catalysis business model, which foresees offering free access

to entry level users in combination with subscription based and fee-based access on the higher content levels. Teachers uploading premium content will receive shares of subscription income as far as applicable and on the highest content level Catalysis will take a cut, projected at 10 percent, of the fees that

teachers charge for their top offerings. Pricing power will be the privilege of each teacher, with the market expected to regulate pricing via supply and demand.

In this sense, the business model of Catalysis appears to be more peer-to-peer marketplace than business-to-consumer (B2C). Committed to lean enterprise principles, the startup will initially focus on the MENA region as its addressable market. Transactions will be dollar-based (with eventual options for teachers to charge their Lebanese adherents in local currency at the rate they choose).

Shabb does not plan for any big and costly marketing campaigns. The longer term vision for the venture is facilitating wellness education, achieving educational influence, and solving the problems of independent teachers – inclusive of solutions such as payment gateways – who crave to embellish their educational influence but may lack tech skills and marketing knowledge. A second correlated power of Catalysis will be organizing wellness conferences and events, beyond which it is Shabb's dream to penetrate the corporate market and generate rapid transformations there, fulfilling the promise of Catalysis. 

■ [...] teaching platforms [...] are void of community, besides being stuffed with lengthy, and expensive to produce, video presentations

FATES HINGING ON INTERNATIONAL FUNDING



PHOTO: Matthieu Alexandre / Caritas / AFP

Improving INGO employee job security to enhance economic stability

In Lebanon, the non-governmental sector has been booming since 2011 from the year the Syrian refugees influx started. This sector is employing Lebanese staff and paying them in real US dollar currency, enabling them to support their families and benefit the surrounding local economy. However, employees of international non-governmental organizations (INGOs) on fixed-term or consultancy contracts do not enjoy currently enough job security and so the trickle-down effects of their salaries are lost. In 2020 alone, the Lebanese economy lost 220,000 jobs and among those jobs were INGO employees working on fixed-term contracts and consultants. That fact has a high negative impact on the local economy. Helping the INGO employees and consultants retain their jobs enhances the local micro economy, and retains their talents in the country. Hence, the article discusses the potential increase of job security and stability for the INGO employees on fixed-term contracts and consultants.

Non-governmental organizations (NGOs) working in Lebanon are classified into local NGOs, United Nations-based NGOs, and international

INGOs. The current article discusses only the jobs of INGO employees since most of them pay the salaries of their employees in US dollar banknotes ("fresh" dollars) they can use to purchase goods priced in US dollar currency or exchange at the daily black market rates, which, as at end-August 2021, hovers between 18,000 and 20,000 Lebanese pounds to the dollar, compared to the bank rate of 3,900 Lebanese pounds to the dollar (the "lollar" rate). There are around 60 INGOs in Lebanon who employ people based on three types of contracts: fixed-term contracts, open-ended contracts, and consultancy contracts. Almost 100 percent of these INGO employees start on a fixed-term contract for the first two years, and less than 5 percent of the total number of employees are hired as consultants. INGOs activities in Lebanon started to spread out rapidly with the significant increase in the influx of Syrian refugees as of 2012. The mandate of those INGOs is based on humanitarian objectives where their role is to implement social, nutritional, hygiene, and educational programs targeting mostly Syrian refugees and host communities in underserved areas. In

addition, with the emerging economic crisis, their role started to encompass social programs targeting the hosting communities within the Lebanese society in order to help them surpass the crisis. After the August 4, 2020 explosion, the INGOs increased their support to the hosting communities within the Lebanese society through the local NGOs.

ON FUNDING AND JOB INSECURITY

INGOs pay the contractual agreements of their employees and consultants out of funds allocated by donors that include general donors such as the World Bank and European Union, UN-based donors (UNHCR, UNDP, UNICEF, OCHA, etc.), state-led donors such as the USAID, BPRM, LAFD, WPA, BMZ, Australian Aid, NORAIID-SIDA (Swedish) and CIDA (Canadian), as well as individuals and corporations. Contractual agreements between the INGOs and their employees and consultants last as long as there are funds. Those funds granted to the INGOs working in Lebanon, were on an increasing slope until 2017. After 2017, the INGO funds started decreasing drastically and got diverted into surrounding countries having also a Syrian refugee influx, mainly Jordan and Turkey.

Whenever there is a shortage in funds due to a decrease in donations, consultancy agreements and fixed-term contracts will not be extended after reaching their deadline. In addition, employees on open-ended contracts will be subject to article 50 of the Lebanese Labor Law, which allows for a massive employee downsizing in case of lack of funds. Thus, the INGOs employees who are on open-ended contract are notified at least a month ahead that their contractual agreement is ending.

The INGOs operating in Lebanon are compensating their employees and consultants in real US dollars. This compensation enhances the micro Lebanese economy where it has a role in decreasing the inflation through making US dollar banknotes more available. In addition, it increases the purchasing power of the INGOs employees and consultants. Since some of this monetary compensation is spent in the local market, third parties (suppliers, service providers, currency dealers) are also benefiting from this inflow of US dollar banknotes.

Compensation costs for INGOs' employees and consultants represent 20 percent to 25 percent of the total allocated funds, with the remainder going towards program implementation and logistics. The majority of this compensation includes the basic salary, bonuses, NSSF subscriptions, benefits, and cost of transportation. Whenever there

is a lack of funds, it drastically affects employees and consultants where their contractual agreement comes to an end. Thus, that fact affects negatively the local micro economy since less US dollar banknotes would be available for the local market. Stopping the contractual agreements of the employees and the consultants impacts also the remaining ones where this increases their level of job insecurity and reduces their motivation.

AMENDING THE LABOR LAW

Helping INGO employees and consultants maintain their jobs and income in real US dollars provides a boost to the local micro economy. This help comes in the form of improving the legal framework and legal clauses that ensure enhanced job contractual agreement security. As matter of

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fact, the Lebanese Labor Law dates back to 1946 and few improvements have been incorporated since then. Moreover, legal clauses within the Labor Law related to employees and consultants are left to various unclear interpretations. The following are points that can

be factored in the current Lebanese Labor Law in order to strengthen the job contractual agreements conditions of the employees and consultants working at the INGOs:

1. Encouraging INGOs to establish a common union or association, which would represent the interests and welfare of the employees and consultants working with the INGO. Here, each INGO can elect one or several employees on an open-ended contract to represent the welfare of the remaining INGO employees within the union or the association. This election of the representatives is considered official. The union board itself is elected by the representatives of the INGOs employees and the decision of the board is binding for the member of this union or association.

Actually, there is currently a similar association in Lebanon. It is called the Lebanese Humanitarian INGO Forum (LHIF). LHIF currently counts 60 INGOs member, where they meet regularly in order to share information and knowledge and for each member there is an annual fee. However, the objectives of LHIF are to discuss financial and strategic perspectives. Thus, the objectives of LHIF are not oriented towards the welfare of the employees. Moreover, the decision of LHIF are not binding to its members.

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2. Currently, the compensation and benefits scheme is standardized among the employees working under open-ended contracts and fixed-term contracts within the INGOs, however, the former enjoy more job security and longevity than their colleagues on fixed-term contracts. To counterbalance that fact, there is a need to restructure that compensation scheme as per the below points:

- Restructuring the fixed-term contract agreements to include more benefits, such as better health insurance schemes and higher transportation refunds.
- Restructuring the benefits of the staff on fixed-term contracts to turn them into monthly cash benefits such as end-of-service indemnities and yearly bonuses.
- Restructuring the compensation scheme for fixed-term contract employees in order to increase their salary since they are subject to a higher risk of unemployment than employees on open-ended contracts.


3. Including a clause in the Lebanese Labor Law to standardize fixed-term contracts with a minimal duration of, for example, six months, secures a longer employment period for the INGOs employees. All the employees at the INGOs start with a fixed-term contract before it is turned into an open-ended one after two years of employment with the same INGO. These fixed-term contracts have frequently a duration of less than six months.

4. In order to provide a higher sense of job security to the INGOs' national employees, the Lebanese Labor Law could include a binding clause mentioning clearly the percentage of foreigners each private organization and INGO can hire. The current Lebanese Labor Law does not stipulate a certain mandatory percentage of foreign employees working within the private organizations and INGOs. What practically happens, upon hiring a foreigner on a local employment contract, the Ministry of Labor requests a list of the employees' names and nationalities. This list is requested for issuing work permits. Here, it is left to the discretion of the ministry to assess how high is the percentage of the foreigners working at the organization before issuing the work permit.

As per the International Labor Organization (ILO), in 2017 the foreign workers ratio was 7.6 percent worldwide and 17 percent in the US. Ideally, this percentage in Lebanon should be 10 percent out of the total number of employees.

5. The current Lebanese Labor Law, specifically article 50 stipulating how to rehire employees who were laid off due to downsizing resulting from a lack of funding, needs to be amended. Article 50 mentions that the employer is obliged to grant the priority of rehiring these employees within a year whenever funds are available again. That article mentions also that the employer is obliged to give a one-month notice before the discharge from work. Moreover, article 50 stipulates certain criteria upon which employees are chosen to be downsized. Those criteria are generalized, similar at each situation, and it is unclear how they are chosen.

Several steps in article 50 can be incorporated in order to increase the job security and motivation for the employees in general and at the INGOs in particular:

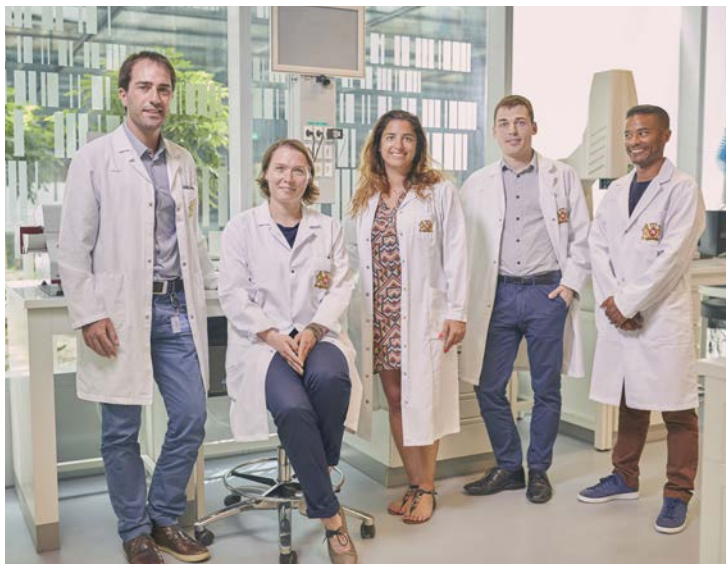
- Providing the employees to be laid off for lack of funding with a notice period longer than one month.
- Ensuring the criteria upon which the employees to be laid off are chosen are situational and not standardized. In addition, the employer has to show more transparency and clarity of how those criteria are chosen.
- Ensuring the rehiring process of downsized employees is clear and transparent. Moreover, giving the priority to rehire the downsized employees has to be based on two conditions: a) employee good performance; and b) acceptance of both parties (the employer and the INGO employee). 



■ Helping INGO employees and consultants maintain their jobs and income in real US dollars provides a boost to the local micro economy

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In light of global changes, will experts succeed in acknowledging the low-risk smoking alternatives?



Smokers smoke cigarettes for the sake of nicotine, but by doing so, they are putting their lives at risk. Over eight million people lose their lives yearly to illnesses caused by tobacco, causing an economic burden on health care of \$1.4 trillion in addition to productivity loss.

Global organizations have long been teaming up with traditional nicotine replacement methodologies to organize various global awareness campaigns that aims to reduce the number of smokers. But alas, the number of smokers has remained over a billion since 2000. According to National Cancer Registry Program in India, the use of tobacco led to over 27 percent of cancer cases in the country in 2020, and the number is expected to increase by 12 percent by the year 2025.

Combustible cigarettes have been considered the most harmful products because more than 7000 chemicals are present in cigarette smoke, of which more than 70 are linked to cancer. Experts from several countries are working on a simple practical formula to provide a less harmful substitute for tobacco, thus helping individuals to quit smoking and build a smoke-free future. They are calling for the adoption of the approach that consumes alternatives like using e-cigarettes and devices that heat and not burn the tobacco, since eliminating smoking using traditional methods is nearly impossible.

The majority of smokers would have quit if it weren't for the addictive nicotine, therefore, it has become an integral part of the solution, by offering it in smoke-free products to mitigate the harm. Among those products, emerged the IQOS that heats tobacco instead of burning it, which has become the most popular and most effective alternative to cigarettes and the first of its kind to be approved by the FDA to license its sale in USA. It is a pioneering innovation from Philip Morris, the world's largest cigarette producer, which has joined forces with various smoke-reduction forces to strive for a smoke-free future.

Since smoking related diseases are caused by the process of burning tobacco and not due to nicotine, or in other terms from the smoke emitted from a cigarette, which contains more than

6,000 harmful chemicals, the company worked on creating an innovation that heats tobacco instead of burning it at a maximum temperature of 350 degrees Celsius instead of the 800 degrees found in conventional cigarettes. It emits nicotine-containing vapor instead of smoke and reduces the emission of harmful chemicals by 95 percent compared to cigarettes. However, It does not necessarily equal a 95% reduction in risk and is not risk free.

A recent clinical trial conducted in the UK showed that e-cigarettes are more effective than nicotine replacement treatments in achieving long-term smoking reduction and cessation. A survey undertaken in India found that after initiating e-cigarette use, 30 percent of participants quit smoking and 38.8 percent quit using smokeless tobacco products. Another 41 percent of participants reported reduced smoking while 30 percent reported that they reduced their smokeless tobacco use.

More than 11.7 million adult smokers have given up on conventional smoking, replacing them with the revolutionary tobacco heating device and Philip Morris expects this number exceed 40 million by 2025. By mid-2021, the company estimated that, out of 20.1 million total IQOS users, 14.7 million had switched to IQOS and stopped smoking. Of them, 4.3 million live in non-OECD countries.

In many developed countries, the large-scale implementation of smokeless tobacco has helped in replacing cigarettes and contributed to the decline in their sales, thus reducing the number of smokers.

Countries which have successfully embraced THR strategies have met their tobacco control goals. For example, the UK has taken a compassionate approach to safer alternatives and products with reduced risks - including groups with high smoking prevalence. Sweden, on the other hand, has the lowest rate of adult smoking found anywhere in the developed world (7 percent), due to the large-scale implementation of smokeless tobacco instead of smoking, while Japan saw an accelerated decline in cigarette numbers in the five last years, since the introduction of HnB products.

This product is not risk free and provides nicotine, which is addictive. Only for use by adults.

This article is brought to you by Philip Morris International

E-LEARNING FOR BETTER JOB PREPAREDNESS



Acquiring key skills for the evolving job market

The shift from traditional to unconventional teaching methods, including online and blended learning, was extremely timely for educational institutions and their teachers as it helped them finally step into the new learning methods of the 21st century. Prompted by the restrictions imposed by the COVID-19 lockdown, educational institutions realized the importance of this digital shift so that they are no longer lagging when it comes to adequately preparing the youths with skills that include learning agility and working in teams remotely to name a few. In our fast-paced and ever-changing world, rethinking the way we learn is the only way we can keep up with it. As e-learning guru Debadrita Sengupta says: “A quintessential skill in the modern business world is to be able to learn, unlearn, and relearn.”

EDUCATION GEAR SHIFT

The current pandemic took the world by storm, especially schools who have been fixated on traditional teaching methods for a very long time. While technology has changed a lot of industries drastically and even demolished some, such change has been particularly slow in the educational sector. Despite the fact that many educational institutions and schools have integrated technology in their teaching methods, conventional and traditional teaching methods were still very much dominant.

Face-to-face interactions between students and their teachers have always been deemed essential for effective learning. It is safe to say, however, that the pandemic shifted the whole system and gave schools, teachers, and students no other choice but to adopt remote learning. This shift incentivized the educational sector as a whole to catch up with the rest of the world and ride the wave of digital transformation. Despite the fact that many people criticized this shift for various reasons, we believe that using unconventional teaching methods will do the students good in the longer term. Innovative and blended teaching methods were introduced because of the pandemic but are here to stay after it. Why? Because they offer students a skillset that is otherwise not learnt, the most important of which is being agile. Today, these skills, among many others, can make or break one's career.

There is a wide consensus that entrepreneurship is an effective solution to rising youth unemployment in the Arab World. In the Middle East and North Africa, according to WEF, the profession “entrepreneur” has risen by 37 percent in five years only. So we all tend to agree that we need more innovators and entrepreneurs. But are our educational institutions adequately preparing youths to become the entrepreneurs of the future? Youths need to be equipped with 21st century skills that will better prepare them for an ever-changing job market. In addition to agility and critical thinking, some of the soft skills now sought after by top firms include possessing an innovative and an entrepreneurial mindset. Furthermore, embracing change and dealing with challenges as opportunities is more important than ever. With a declining economy, the labor market has become very competitive. Days where employees would punch in and out of a job are over; having a mindset of life-long learning and continuous self-development, especially in an online environment, is crucial to one's success. Possessing this trait early on will better prepare the students for the labor market. Other skills include the ability to execute remote and diverse teamwork successfully, presentation and pitching skills, and an advanced sense of community engagement.

While the latter are soft skills, some of the most in-demand digital skills of the future include artificial intelligence, virtual and augmented reality, robotics, mobile and web-app development, and many more.

IN-ROADS INTO 21ST CENTURY SKILLS

In order to bridge the gap between the education system and the needs of the new job-market, Riyadh for Social Innovation SAL launched Shabab Lab in July 2021, the first social innovation e-learning platform in the Arab world. Shabab Lab provides schools and educational institutions with a unique opportunity to complement their efforts to provide a high-quality education through validated and tested hands-on self-paced online programs that integrate technology, entrepreneurship, and the social good in a coherent and seamless way. Designed by professors at the American University of Beirut, the platform has already partnered with prominent international schools in Lebanon and the Arab region. Some of the Lebanese schools which have tested the platform and signed-up for 2021-2022 programs include International College, American Community School, Brummana High-School, College des Saints Coeurs Ain Najm, and Rawdah High School. Shabab Lab's programs provide highschool students with a head-start preparation for the future of jobs as they require them to engage in team-work, design thinking, market research, ideation of solutions to social and environmental problems in their communities, business planning, solution prototyping using a newly learned technology, and pitching. By undergoing these action-based programs, the youths transform into responsible global citizens that help make the world a better place. Through the project-based programs offered in both English and Arabic, students are provided with a life-change experience as they create technology solutions for the social good and become the changemakers that their communities need. In addition to schools, many corporations, such as mobile operators, and INGO's, such as UNICEF and other United Nations (UN) agencies, are paying more attention to youth empowerment and upskilling as part of their agenda to prepare a skilled pool of talents. Moreover, many governments in the Arab world, especially GCC countries that have outlined their strategic vision and which include innovation and developing the knowledge economy as priority areas, are investing money and resources to

provide their youths with similar opportunities to strengthen their entrepreneurial and digital skills and to become responsible and innovative citizens in their countries who can transform challenges into opportunities and flip social frustrations into solutions.

Schools subscribe to the Shabab Lab platform to provide their students with access to the full-fledged programs that are present on the platform for high-schoolers starting with Grade 10. Through programs titled "Web for Change" for Grade 10 (already on the platform), "AR for Good" for Grade 11 and "AI for Good" for Grade 12 (launching in Fall 2021) students learn to develop new technology that is in demand by the job market. Moreover, they identify a problem under a specific social/environmental theme based on the UN Sustainable Development Goals (SDGs),

■ Are our educational institutions adequately preparing youths to become the entrepreneurs of the future?

and develop a prototype and a business plan to prove that their project idea to solve this problem is indeed feasible and sustainable. Some of the main outcomes include an enhanced entrepreneurial mindset and a skillset that

includes both hard and soft skills such as technology development, teamwork, communication skills, community engagement and business planning. The created pitch decks are assessed by expert jury members where all teams compete in a regional competition over valuable in-kind and monetary awards. So far, over 50 social and environmental projects have been created and pitched through the Shabab Lab platform in 2 editions of the "Web for Change" program with over 180 student participants coming from more than 15 schools.

In addition to the school offering, Shabab Lab is currently expanding its free content available to anyone who signs up on the platform. This content includes courses on social innovation and design thinking, and in the making is a series of online courses/videos on career orientation, neuroscience and learning, and open innovation to name a few. These courses expose students to areas that are normally emphasized in the curriculum and are being prepared in partnership with world-renowned experts in their domains and will enable Shabab Lab to become the "Coursera for high schoolers in the Arab world".



Mona Itani and Yasmeen Kaissi are the founder and business development manager, respectively, at Shabab Lab

SUSTAINABLE JOB CREATION THROUGH EDUPLOYMENT

Q&A with Nadim Zaazaa, managing partner of Nucleus Ventures (Workforce Lebanon)



Workforce Lebanon is a recent initiative that one can see having been spliced from DNA strands of entrepreneurship, education/upskilling, and job matching. Executive conversed with Nadim Zaazaa, managing partner of Nucleus Ventures, the entrepreneurship hub which hosts Workforce Lebanon. The interview was transatlantic.

E *How are you connecting to Lebanon in your mind these days?*

My heart is broken over what is happening in Lebanon and wherever you go you feel that you have an anchor called Lebanon weighing you down.

E *How is the program Workforce Lebanon designed?*

The program is designed for students to learn either fully virtually or in a hybrid environment any

skills that will lead them to land a job in the technology sector [working] either remotely or in person.

E *The headline of your public relations blurb on Workforce Lebanon says that you are on a mission to create 1,000 jobs in tech. This is different from creating a skill base of employability in 1,000 people. Is your aim more about the skill base expansion or about the job creation in Lebanon?*

The idea of Workforce is not just to enhance skills. Workforce is an eduployment offering, which means that we also work on relationships with employers. We are leveraging our knowledge of the sector through a relationship with employers which is long-standing as an accelerator since 2015. We are building a network of employers and we usually offer employers a role in designing the programs and determining which profiles they are looking for so that the student is matched with the most fitting employer when he graduates. This approach to employment is in fact quite trending now, especially in the US where employers are reverse engineering the learning journey that a prospective employee needs to go through in order to be job-ready from [the first day] when they join their company. This is what workforce is about. It is the intersection between the employer and the skills required between basic education, college education, and job-ready skills.

E *Does this mean that the WOZ organization of Steve Wozniak, which is a partner of the initiative, is also involved in this aspect of the Workforce program or are they only involved by way of the coding school partnership they have with you?*

WOZ is a content partner. We are in partnership with their affiliates but we also have other job-matching partnerships. For example Lebnet is going to offer mentoring our graduates, Notre Dame University – the one in Indiana in the US – is offering access to the US market on the back of their support in getting students job-ready, meaning

they are supporting students primarily in preparing for interviews and applications.

E *Your online project description does not really spell out the minimum requirements that prospective enrollees have to have before they join the program. I would imagine that they would have to have a college education, perhaps at least a bachelor's degree in something related to IT. Is that so?*

To the contrary. Any person interested in learning can approach us. We have many programs and students can have anything from basic internet skills and take longer/bigger programs to prepare them for the basic jobs, or they can be college graduates with degrees in computer engineering who are looking to beef up their profiles with very specialized skills. It [can be] anything in between.

E *So it would be correct to say that a prospective participant in the workforce Lebanon program does not have to have an IT degree from a university?*

Yes. The key message is that there are multiple programs that require different skill levels so if you have basic knowledge of internet you can apply to the basic programs and you can also be a developer and apply for more advanced programs to give you a specialization or an edge. You can even be an advanced coder and take courses that help you in your career as well. Our offering is flexible in that regard.

E *With regards to the jobs that people can hope to find after their graduation from the program, would the main prospects be in form of remote working from Lebanon or would there also be jobs that could involve people going abroad to join a company?*

The idea is that they end up working remotely in Lebanon, yeah. However, we do not restrict them from traveling if they end up traveling. We also have partnerships with universities, especially our partner [Lebanese American University] LAU to host some of those teams through industry spots there and enhance their chances of landing jobs with industrial partners of these universities. So they can work with international companies through our hubs in these universities, especially LAU.

E *In developed economies, latest hourly numbers of employee contribution to GDP is above \$50 per hour worked. Employee productivity in mature IT firms should normally be fairly high when compared to other industries. In startup tech ventures, this productivity is not neces-*

sarily as high in the early years. Would you expect that each one of the 1,000 jobs would have a specific implied productivity, like have to come with let's say \$200,000 in annual productivity?

We measure impact differently. We look at what is called the multiplier effect which says that one job in technology is equivalent to five jobs in adjacent sectors. You also want to see the cluster impact, meaning tech companies in Lebanon will then start working with service providers so you look at what impact these companies will have on their suppliers and providers in Lebanon. You also look at average increase in household income through the jobs created.

E *But if the people are working remotely with overseas companies, would the multiplier effect for the local economy still be the same as if they were hired by a tech company here? If someone is for example working remotely, and perhaps cooking at home instead of ordering delivery to the office every day, how would the equation of redistribution of income to the community be changed?*

You are right. People working remotely is a novel situation and even in the US there is now a big question mark about where one pays taxes, where you reside or where you are employed. Those two are very different. It is an interesting and novel problem. For us the idea for now is that these people are generating income and bring in foreign income to the country, and will be spending it in

■ “The program is designed for students to learn [...] any skills that will lead them to land a job in the technology sector [working] either remotely or in person”

Lebanon and be able to help their families. [The Workforce project] is more focused on the context of poverty alleviation and sustainable job creation than to be able to really measure the impact in detail, especially given how dysfunctional the situation is right now.

E *Are the opportunities thought to become long-term jobs or is there a large gig-economy aspect to the workspace Lebanon idea, given that remote working is the default idea?*

[There are different options]. We have for example recently partnered with [Bridge.Outsource. Transform] in the field of data science services so that they can work with our graduates to offer the project management layer of outsourcing services

Labor education

as far as data processing and data sciences services to bill the clients. This is what they do and we collaborate with them in order to make sure that our graduates have a consistent route to the labor market and find opportunities that are more sustainable and being nurtured by other players in the ecosystem. We are exploring another similar partnership with the likes of CME who are a globally renowned development services company and software solutions provider. We are working with these employers and the LAU industrial park is also a destination where we can plug out talent so that they are working remotely and do that sustainably from Lebanon.

Are there any commercial investors in the Workforce Lebanon project who would expect a financial return?

No. Workforce is for the time being an impact [investment] initiative. We are funded by donors such as [United Arab Emirates-based] Al Ghurair Refugee Education Fund in partnership with DOT – Digital Opportunity Trust Lebanon. We also have [the United States Agency for International Development] USAID as a partner supporting us, and at this moment we have around 190 students in our programs. None of them pays a penny.

Over what period have these 190 students been enrolled?

We started in January, so we have been operating the program for about six months.

Can you say anything about your expected attrition rate, or inversely the retention rate of enrollees?

We are looking at 60 to 80 percent retention rate. At the time being [retention] is about 60 percent and we want to push this up to 80 [percent], meaning a drop-out rate of 20 percent. Ideally, Thomas, we want to have 1,500 students supported to run through the Workforce program, of which 1,000 would actually land jobs.

How many of these prospective 1,000 job owners would then actually find gainful employment in Lebanon and produce something locally for Lebanon, do you imagine?

I can't answer that. I don't know the exact figure. We did not look at this and also we don't see a difference between jobs created in Lebanon for Lebanon or jobs created in Lebanon for abroad. I [will be able to] tell that a few months down the line, once we start having a sustainable [supply] of graduates,

■ “We will work tirelessly to provide scholarships and run programs until we have secured 1,000 [graduates who find jobs]”

But in terms of the labor skill base in Lebanon, you would contribute to improving it wherever the graduates go?

Absolutely. There are two KPIs for us. One the number of students we train – which is 1,500 at least – and [two], the number who land sustainable jobs.

If we note that there does not seem to be a large majority of people who want to stay in Lebanon these days, would the Workforce Lebanon program seek to block further brain drain?

We are solving these one problem at a time. One thing we are considering is the creation of a sort-of income sharing agreement for our graduates, so that, if they do leave the country, pay back whatever scholarship they got which will then enable us to train another person. Effectively this is creating a circular impact.

So a social impact circular economy sort of thing?

Yes. If you land a job and leave [the country] all we ask is that you pay back what you received from us in scholarship so that we can sponsor a new student.

I suppose that would be a voluntary obligation, or would it be a contractual one?

We could make it a contractual one. I think this would be a very fair aspect.

Does the overall program have a built-in time duration or date of expiry?

We hope to achieve the 1,000 [graduates who find jobs] as soon as possible and this is our first hurdle. We will work tirelessly to provide scholarships and run programs until we have secured 1,000. That will be our first achievement.

So would there be a possibility that after exhaustion of the current grant money, you would look for follow-up funding?

We are talking to a lot of donors. We are sprinting toward that first objective but that doesn't mean we will stop at that. We will build on this for sure in the future. 