

**OVERVIEW OF THE LEBANESE ECONOMY AS A STARTING
POINT FOR THE ANALYSIS OF HUMAN CAPITAL IN THE
NATIONAL ECONOMY**

The economy of Lebanon is developing, with a private sector that contributes to 75% of aggregate demand and a large banking sector that supports this demand. The major industrial sectors include metal products, banking, agriculture, chemicals, and transport equipment. Lebanon has a competitive and free market regime and a strong laissez-faire commercial tradition. The Lebanese economy is service-oriented; main growth sectors include banking and tourism. There are no restrictions on foreign exchange or capital movement. The Lebanese economy depends on its tourism sector throughout all seasons of the year. The US puts a strong exporter position with Lebanon, generally ranking as Lebanon's fourth-largest source of imported goods. More than 160 offices representing US businesses currently operate in Lebanon. This is connected with a large Diaspora in the US. More over eEmigration has yielded Lebanese "commercial networks" throughout the world. The government is tackling the daunting task of administrative reform, aiming to bring in qualified technocrats to address ambitious economic programs, and reviewing further savings that can be realized through reforms of the income tax system. The Lebanese Government faces major challenges in order to meet the requirements of a fiscal adjustment program focusing on tax reforms and modernization, expenditure rationalization, privatization, and improved debt management.

As of 2013 World Bank analysis of Quality Life Index, it was estimated that: 15% of the Lebanese people live below poverty line (\$2,500); 45% of the Lebanese people live in the moderate middle class (\$9,000) annually. This is 12% from the level of 1998; 33% of the Lebanese people live in the upper middle class (\$15,000 - \$27,000) annually. This is 19% from the level of 1998; 7% of the Lebanese people lives in the highest upper class rich (\$30,000 and above) annually. This is 1% from the level of 1998.

In connection of that we can see Lebanese economy needs the reforms in economy and strategy of its development. On the basis of the potential strategic directions of development of the national economy of Lebanon a model of transformation of the structure of human capital will be proposed. Its implementation, as an essential condition for growth and development of the national economy, will give a dynamism of sectors and fields.