

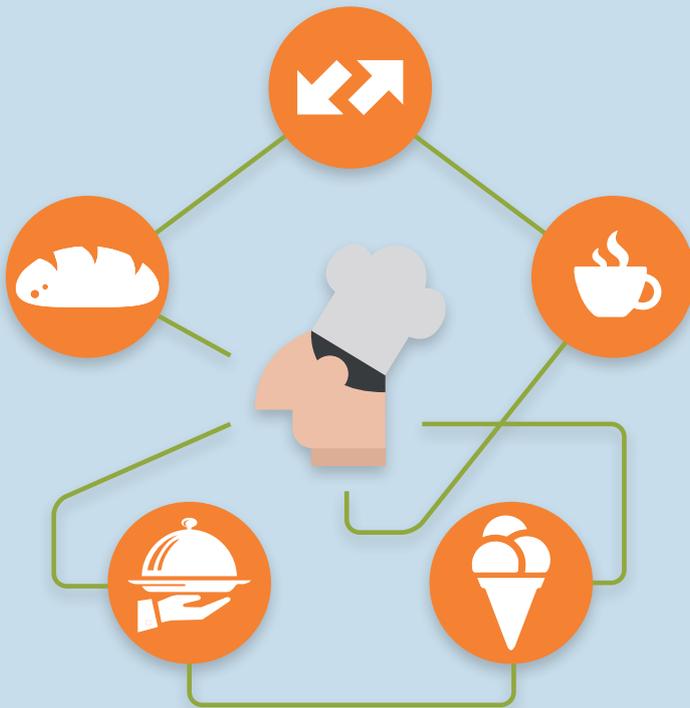


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Working conditions, minimum standards and employer-provided protections of Lebanese and non-Lebanese informal workers in the food & beverage industry in central Bekaa, Minieh and Akkar



Case Study
Research
August 2018



Working conditions, minimum standards and employer-provided protections of Lebanese and non-Lebanese informal workers in the food & beverage industry in central Bekaa, Minieh and Akkar

Case Study Research

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Executive Summary

Many studies have investigated the crisis in livelihood, a crucial factor for the well-being and dignity of displaced and refugee populations, and the lack of legal protection to which Syrian workers are subjected, especially in light of Lebanon's crisis response plan. This research intends to shed light on another angle to this issue, by focusing on protection-related questions within the food and beverage (F&B) industry, an increasingly informal sector due to worsening socio-economic conditions. According to the International Labor Organization (ILO), informality in the labour market is defined, "among other things, by the absence of explicit and registered work contracts and/or the absence of social security coverage for workers on the job."

The geographic scope of this research is the Bekaa and Akkar, economically underdeveloped regions that host the two largest Syrian settlements in Lebanon at 35.7% and 25.8% respectively. The study examines the employer's role in the protection of vulnerable workers, whether Lebanese or Syrian, and relies on data collected from a survey in those two areas. The survey encompasses 200 interviews with employees within the F&B sector (102 from Akkar and 98 from the Bekaa) generating information on the respondents' formal status, working conditions and potential grievances. The study also relies on focus groups with local business employers in both areas.

The survey led to key findings in five areas:

1. Contextual factors in the Bekaa and Akkar, including security concerns and a neglected tourism infrastructure, are major causes for economic decline that has led to the widespread exploitation of Lebanese and Syrian workers at different levels of vulnerability within the F&B sector.

2. The exploitation of workers in social and economic terms is rampant, including a denial of benefits, such as days off, sick leave and a lack of basic protection (applicable to 86% of the Lebanese and non-Lebanese workforce). It is amplified by discriminating and prohibitive legal requirements that strip Syrian workers of any guarantee or protection during their employment and puts them at the mercy of their employers.

3. Employers put in place a micro-compensation mechanism that provides minimal protection. It includes the provision of micro-coverage and benefits for work accidents and/or healthcare issues (95% of employees in the Bekaa and 83% in Akkar reported access to these benefits), skills-building and dispute-solving mechanisms.

4. Informal employment contributes to local development, minimally mitigating the acute economic crisis that has been going on for a decade by stimulating an increase in production and consumption patterns. More generally, economists reveal that Syrian livelihoods make a positive impact on local economies through the generation of housing-related incomes and job creation, which sustains mini development cycles. They impact, however, an already strained public sector, especially in relation to education, health and infrastructure.

5. Recommendations to local authorities, stakeholders and donors active in the mission of protecting vulnerable communities in Lebanon include acknowledging durable solutions and consolidating social cohesion measures through the F&B Sector; increasing protection from discrimination and exploitation and facilitating access to justice; investing in the local workforce through vocational training, higher skills-building for host communities and empowerment of youths and women; investing in public services and infrastructure.

The F&B sector is among the most dynamic on a national level. Although it faces serious challenges, as the case studies in the Bekaa and Akkar have shown, the sector holds great potential both for economic development and for better relations between Syrian refugees and Lebanese host communities.



Introduction

Lebanon is characterized by an open economy, yet remains subject to significant political uncertainty and instability with the risk of spillover effects from the Syrian conflict. Since the beginning of the political crisis in Syria, Lebanon has suffered the repercussions of the conflict given its geographic proximity to Syria. More than a million refugees have entered Lebanon, establishing the largest two settlements in the Bekaa (35.7%) and in northern Lebanon (25.8%),² two regions that were already socio-economically underdeveloped. This led to additional challenges to the local context and distortions to the labour market. A 2014 International Labour Organization (ILO) study concluded that the continued growth of refugee populations in Lebanon put a strain on the local economy, threatening social cohesion between them and host communities.”³

According to various reports, the Syrian crisis had a negative impact on the Lebanese economy, “economic growth has slowed, private investments reduced, the trade deficit has expanded, and real estate and tourism – the two most important sectors – have declined,” causing economic difficulties for “host communities in particular.”⁴

According to the same ILO report, “the majority of Syrian refugees ended up living in difficult socio-economic conditions with limited livelihood resources.”⁵ For this reason, the issue of livelihood represents a crucial factor for the well-being and dignity of displaced and refugee populations. Durable Solutions, i.e. aiming for displaced

² Operational portal: refugee situations, UNHCR, 31 May 2018, <https://data2.unhcr.org/en/situations/syria/location/71>

³ S. Masri and I. Srour, *Assessment of the impact of Syrian refugees in Lebanon and their employment profile*, ILO, Regional Office for Arab States, 2014, p. 42

⁴ *Ibid.*, p. 9

⁵ *Ibid.*, p. 8

communities to “no longer need specific assistance and protection needs linked to their displacement”⁶ make way to the importance of livelihoods for both displaced and host communities. In protracted displacement situations, such as the Syrian context, international standards related to durable solutions include “integration” into local communities and addressing “the needs of both [Internally Displaced Persons] IDPs and their hosts, which in turn reduces the risk of tensions arising and facilitates (re)integration.”⁷

This process involves access to the marketplace and allows for benefits from the basic protection of the rule of law. “Self-reliance”⁸ for migrants and refugees is in the interest of both host communities and local economies. According to the ILO, “employment is core at all stages of disaster management and response; it is an immediate as well as a development need, thus requiring that job creation be an integral part of both humanitarian and reconstruction response.”⁹

Lebanon, despite being a signatory to the New York Declaration for Refugees and Migrants,¹⁰ and having made commitments to international donors, continues to disregard differences between migrants and refugees (or “displaced people” as per the government’s term) which has been troublesome for the Syrian populations living on Lebanese soil.

The already difficult socio-economic situation of the Lebanese population before the influx of refugees aggravated the resentment against Syrian communities, whose presence and action were considered to be distorting the labour market and the marketplace altogether.

⁶ IASC Framework on durable solutions for internally displaced persons, Inter-Agency Standing Committee, April 2010, <http://www.unhcr.org/50f94cd49.pdf>

⁷ Ibid.

⁸ The New York Declaration for Refugees and Migrants, Point 37, p. 8.

⁹ S. Masri, I. Srour, Assessment of the impact of Syrian refugees in Lebanon and their employment profile, ILO, Regional Office for Arab States, 2014, p. 43

¹⁰ The New York Declaration for Refugees and Migrants, UN General Assembly Resolution A/RES/71/1, UN, December 2016, http://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_71_1.pdf

In January 2015, the authorities implemented the Lebanon Crisis Response Plan (LCRP) in reaction to the Syrian crisis, requiring residency regulations, imposing sponsorship entailment and prohibiting work. As a consequence, the Syrian population gradually fell outside the legal protection afforded to externally displaced persons by international law and basic international standards.¹¹

While the LCRP strategy mandated strict regulations, especially on foreign labour, a large number of Syrian refugees in Lebanon continue to work to survive their ordeal, as they fled their homes because of war. Paying for rent, health care costs and higher education (not covered by international aid) are some of the expenses that led Syrians to seek underpaid jobs, mostly in the informal sector, in light of the irregularity and ambiguity of their status. Informality in the labour market is defined, “among other things, by the absence of explicit and registered work contracts and/or the absence of social security coverage for workers on the job”¹², and represents a large chunk of the Lebanese economy. Experts estimate “the share of informally-employed persons in Lebanon [...] at about half”¹³, and the World Bank speaks of a rate of 36.4% as a percentage of the country’s GDP.¹⁴ As a result, 66.9% of the labour force in Lebanon does not have

11 Cf. NRC, and IRC, *Legal status of refugees from Syria: challenges and consequences of maintaining legal stay in Beirut and Mount Lebanon*, June 2014; K. El Mufti, *Access to justice for Syrian refugees in Lebanon: legal field study, a survey of court cases against Syrian nationals in Lebanon for criminal matters*. Centre International des Sciences de l’Homme (CISH), November 2015, Amnesty International. *Pushed to the edge Syrian refugees face increased restrictions in Lebanon*, London, 2015, <https://www.amnesty.org/download/Documents/MDE2417852015ENGLISH.PDF>; M. Janmyr, *Precarity in exile: the legal status of Syrian refugees in Lebanon*. *Refugee Survey Quarterly*, Volume 35, Issue 4, 1 December 2016, pp. 58–78, <http://bora.uib.no/bitstream/handle/1956/15916/hdw016.pdf?sequence=3&isAllowed=y>; K. Jones; L. Ksaifi, *Struggling to survive: slavery and exploitation of Syrian refugees in Lebanon*, The Freedom Fund, 2016; M. Janmyr. *The legal status of Syrian refugees in Lebanon*, Fares Institute for Public Policy and International Affairs, March 2016, http://website.aub.edu.lb/ifi/publications/Documents/working_papers/20160331_Maja_Janmyr.pdf

12 S. Ajluni and M. Kawar, *Towards decent work in Lebanon: issues and challenges in light of the Syrian refugee crisis*, ILO, 2015, p. 24; for a more elaborated definition of informality cf. General Conference of the International Labour Organization, 90th Session, 2002, Conclusions, paragraph 3, Geneva.

13 S. Ajluni and M. Kawar, *Towards decent work in Lebanon: issues and challenges in light of the Syrian refugee crisis*, ILO, 2015, p. 24

14 H. Abou Jaoude, *Labour market and employment policy in Lebanon*, European Training Foundation, 2015, p. 8

access to any social security system,¹⁵ 15% of which falls within the servicesector.¹⁶

Many reports and studies have covered the livelihood crisis¹⁷ faced by Syrian refugees and the absence of legal protection for those who manage to find work.¹⁸ The new angle offered in this study is protection-related issues in a sector in which the informal character has been growing because of the dire socio-economic conditions, i.e. the F&B sector particularly in the Bekaa and Akkar regions. This study focuses specifically on the role of employers in the protection of vulnerable persons, whether Lebanese or Syrian.

The outcome of this survey led to a series of findings that is presented in this paper through five main sections. The first section concerns the widespread exploitation in the F&B sector at different levels of vulnerability of the Lebanese and Syrian workers based on contextual factors in both Bekaa and Akkar. The second deals with the denial of social and economic rights to workers and employees. The third uncovers some layers of protection a minima that are nonetheless implemented by employers in the F&B sector in these areas. The fourth tackles the contribution of such businesses (again a minima) to local development struggling against an acute economic crisis for the past decade. The fifth and final section offers recommendations to stakeholders and namely donors active in the mission of protecting vulnerable communities in Lebanon.

15 H. Abou Jaoude, *Labour market and employment policy in Lebanon*, European Training Foundation, 2015, p. 8

16 S. Ajluni and M. Kawar, *Towards decent work in Lebanon: issues and challenges in light of the Syrian refugee crisis*, ILO, 2015, p. 26

17 Cf. for instance: K. Shellito, *The economic effect of refugee crises on host countries and implications for the Lebanese case*, Joseph Wharton Scholars, 2016, http://repository.upenn.edu/joseph_wharton_scholars/3; N. Kukrety, *Poverty, inequality and social protection in Lebanon*, Oxfam and the Issam Fares Institute at the American University of Beirut, January 2016; K. Jones, L. Ksaifi, *Struggling to survive: slavery and exploitation of Syrian refugees in Lebanon*, The Freedom Fund, 2016; UNHCR, UNDP, WFP, *Vulnerability assessment of Syrian refugees in Lebanon*, VASYSR 2017, December 2017.

18 Cf. footnote 9



Methodology

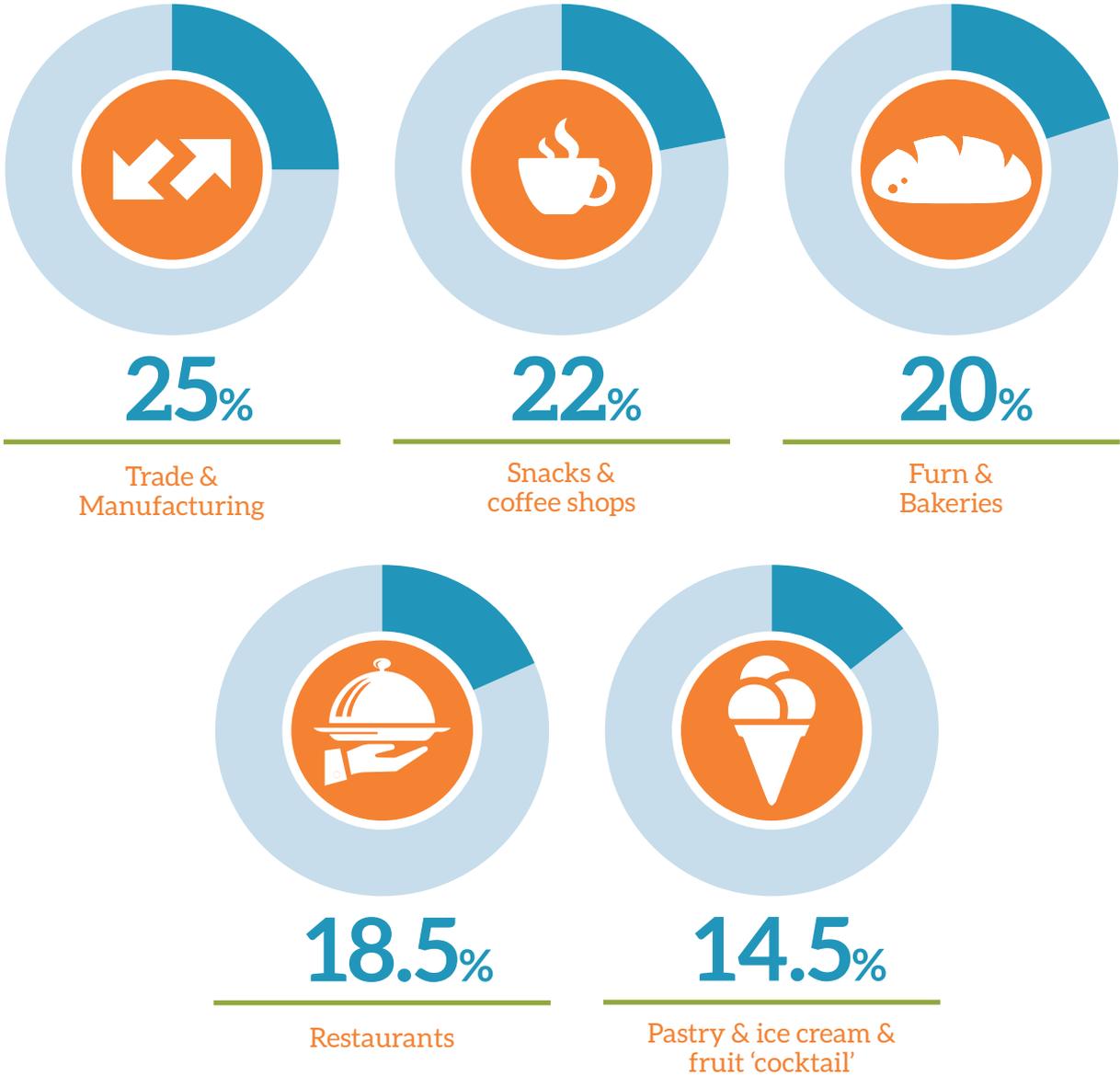
The study encompasses a survey of 200 respondents from the workforce (102 from Akkar and 98 from the Bekaa) that investigates workers' formal status, work conditions and potential grievances, in addition to focus groups with employers from local businesses in both areas and with representatives from the municipalities.

Furthermore, case studies were identified through fieldwork based on visits to F&B establishments in these areas and by conducting semi-structured individual interviews with employers and employees in different towns in the Bekaa and in Akkar. The businesses forming the bulk of our case studies contain many samples of different types, whether a restaurant, local bakery, snack, coffee shop, kiosk or pastry shop. Eighteen businesses were surveyed in April 2018 (11 in Bekaa and 7 in Akkar) to serve as case studies to complement the quantitative research carried out by LOWER in the same period.

The history, size, location, activity range and situation of these establishments differ as many variables were considered, and employers (either owners or managers) were interviewed in the vicinity of their shops. Shops were small businesses or large fast food restaurants with 30 workers, either formally registered enterprises or unregistered, fiscally active or not, with both Syrian and Lebanese labour or exclusively one of the nationalities. Most of the shops were owned, the rest were leased and some were family businesses while others were managed by Lebanese or Syrian professionals. Most, however, did not respect the basic elements of the Lebanese Labour Law and the provision requiring employers to provide their employees with basic social security coverage.

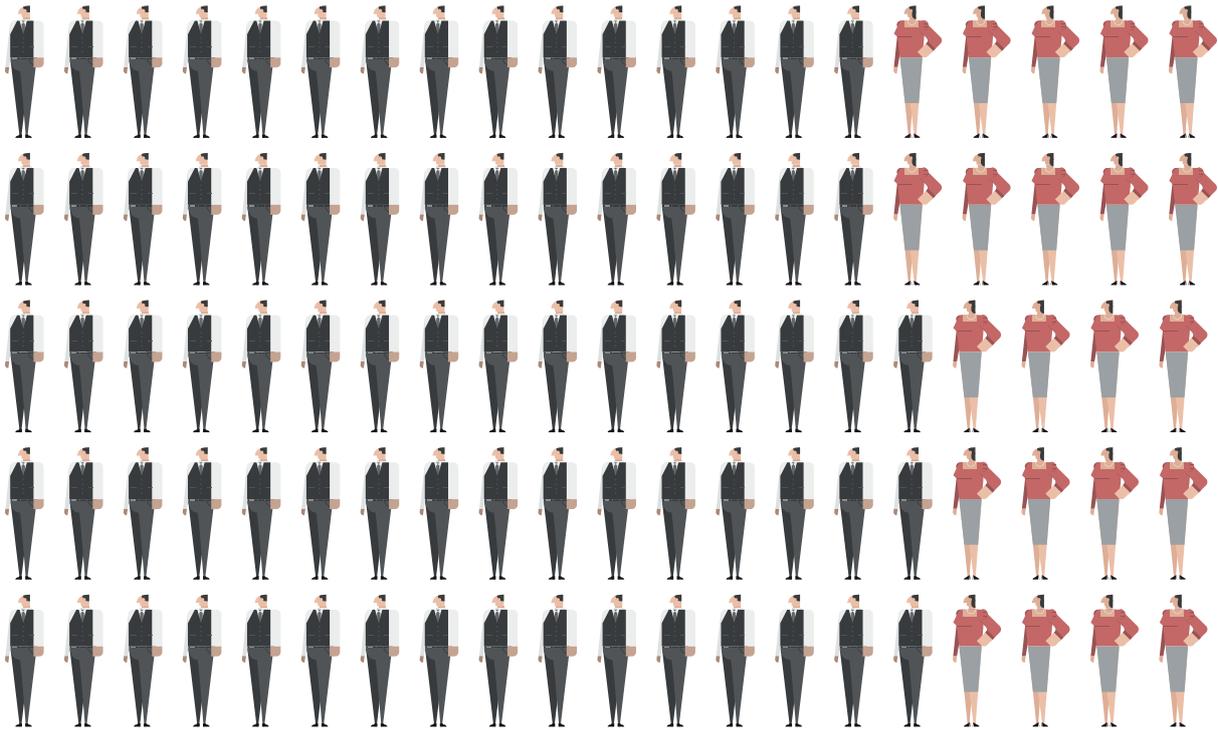
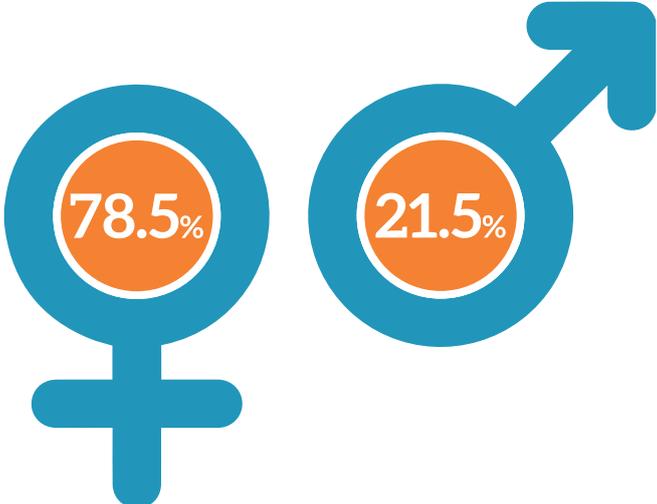
The survey considered all types of businesses within the F&B sector, i.e. both the businesses that work with the raw materials or within the trade industry (dairy farms, butchers, supermarkets...), and those that work in the preparation and delivery of the final product (snacks, restaurants, pastry shops...). The graphs below indicate the breakdown by type of F&B sector for the full survey and for each of the geographical areas covered, the Bekaa and Akkar.

Types of F&B Businesses of Full Survey Sample



The survey includes a breakdown of the respondents' gender and nationality, as presented in the next series of graphs, with a clear predominance of male workers and employees in the F&B sector in both regions.

Gender Breakdown of Survey Sample



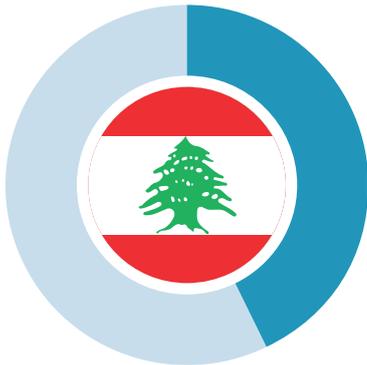
Moreover, Syrian workers have a strong presence in this type of industry with 43% of the total respondents being Syrian, slightly behind Lebanese employees, who accounted for 48.7% of the respondents.

Breakdown of Survey Sample by Nationality



48.5%

Syrian



43%

Lebanese



6%

Palestinian

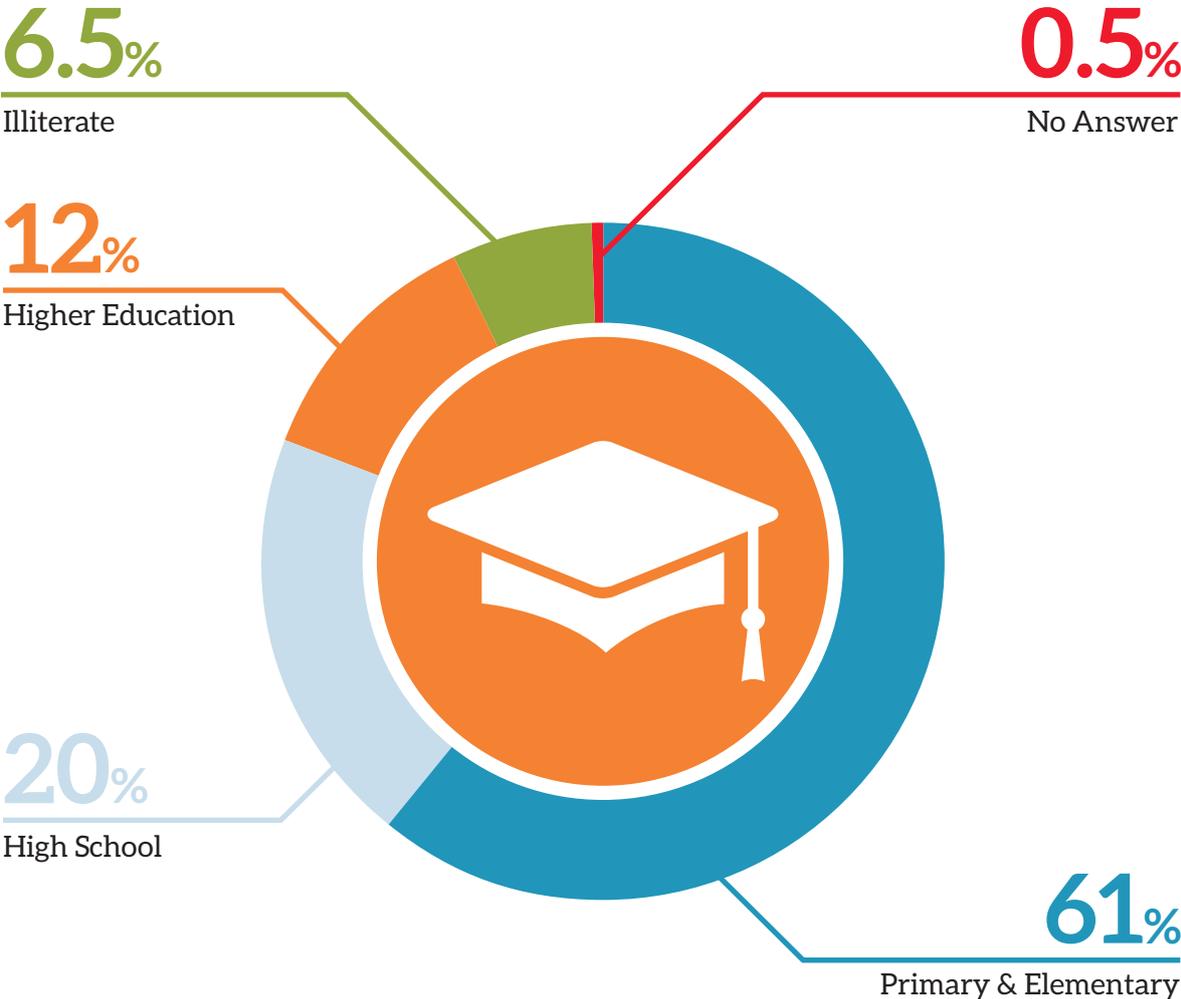


2.5%

Other

The respondents' level of education was also among the demographics collected during the survey. The following graphs depict the respondents' low level of education in the full survey's sample, in addition to the geographical breakdown in the Bekaa and Akkar. Overall, only 20% of respondents had reached a high school level of education, 61% had reached either a primary or elementary level and 12% had attained higher education.

Level of Education of Respondents of Survey Sample





Contextual factors: exploitation of vulnerability and failed protection

Syrians traditionally work in specific sectors of the Lebanese economy, such as construction, agriculture and services. However, with the influx of Syrian refugees into Lebanon, “the characteristics of the Syrian immigrant labour force have changed,” with skilled workers entering the labour market and working in a wide array of sectors,¹⁹ including F&B.

In 2014, the ILO published an estimated Syrian refugee economic activity distribution in Lebanon per sector²⁰ showing a shift in the traditional distribution as Syrian refugees started integrating into the Lebanese marketplace (cf. Table 1), with services now making the largest sector for Syrian livelihoods at a rate of 36%.

¹⁹ H. Abou Jaoude, *Labour market and employment policy in Lebanon*, European Training Foundation, 2015, pp. 8-9

²⁰ ILO, *Assessment of the impact of Syrian refugees in Lebanon and their employment profile 2013*, Beirut, 2014, p. 25

| Table 1 Syrian workforce by sectorial activity | |
|---|--------------------------------|
| Economic activity | Proportion of Syrian workforce |
| Agriculture | 28% |
| Commerce | 15% |
| Services | 36% |
| Construction | 12% |
| Other | 6% |
| Industry | 4% |
| Total | 100% |

The United Nations High Commissioner for Refugees (UNHCR) vulnerability assessment carried out for 2017 on the basis of field surveys showed different results, revealing that “employed men were mainly involved in construction (33%), agriculture activities (22%) and services (16%), while employed women were mainly involved in agriculture (55%) followed by services (24%).”²¹

The case studies confirmed the high inclusion rate of Syrian workers into the Lebanese F&B sector and the emergence of typically Syrian informal F&B businesses owned and managed by Syrians and serving a Syrian clientele. Out of the 18 case studies, only one business owner (in Baalbek, Bekaa) didn’t employ any Syrians, accusing them of slowing down his business. Another business surveyed (Minyara, Akkar) had shut down because it could not bear the cost of “employing Lebanese workers only in accordance with the current regulations,” according to the owner.

All the other shops had Syrians employees, either exclusively or in addition to Lebanese labour. According to the results obtained by LOWER's survey, the majority of the employees (91% in the Bekaa and 85% in Akkar) were not covered by the National Social Security Fund (NSSF) as stipulated by the Lebanese Labour Law requires.

The lack of proper workers' status represents, for the ILO, an indicator of the "high rate of informality in the Lebanese economy"²² or "another way of saying that there is inadequate social protection for working people or retirees (i.e. health insurance, old-age, disability and death pensions, unemployment insurance, maternity benefits, employment injury benefits and support for the poor, etc.)."²³

This harsh situation for workers is not aided by the contextual factors, which contributed to the shrinking of the Lebanese economy. In fact, "since 2009 due to political and security uncertainties [...] economic decline has been accelerated by the Syrian crisis and refugee influx. [...] This has resulted in reduced foreign investment, reduced tourism and increased demand on government services, including education and health."²⁴

On the tourism front, the case studies in Baalbek, heart of the Roman Temple ruins, were a showcase of how the slow touristic activity has shaken the local economy and its F&B sector. Most business owners and managers surveyed in the area blamed local authorities and the Ministry of Tourism for not encouraging sustainable tourism in the local souks surrounding the Temple ruins.

Another major tourist attraction in Baalbek is the Saydet Khawla (the daughter of Imam Hussein), a particularly important religious site for Shiite worshipers located at the southern entrance of the city.

²² S. Ajluni and M. Kawar, *Towards decent work in Lebanon: issues and challenges in light of the Syrian refugee crisis*, ILO, 2015, p. 28

²³ Ibid.

²⁴ H. Abou Jaoude, *Labour market and employment policy In Lebanon*, European Training Foundation, 2015, p. 2

Despite the large number of visitors, however, these tourists are not providing economic dividends to the local F&B sector.

The volatile security situation is another issue mentioned by many business owners. On the day of the field survey (14 April 2018), for instance, bombings struck the outskirts of the Lebanese-Syrian borders. One owner of a large snack in the souks of Baalbek reported a “drop of 60% of the regular activity” on that and hoped for a better tomorrow “with the electoral campaign [before the May 6 elections], Ramadan iftars [the month of Ramadan was due on May 15] and the football World Cup [starting mid-June].”

One of the shops surveyed in Ersal was an unregistered snack owned by a Syrian national. It also suffered due to the recent security problems in the area, but could count on an exclusively Syrian clientele to sustain a livelihood and a staff of three workers, all Syrian, none benefiting from social care benefits.

Unlike Baalbek, where there is a great potential for tourism, business owners in Akkar took a big hit because of the Syrian crisis and the deteriorating security situation in its aftermath. A snack owned by a Syrian man had to downsize his staff to seven (all unregistered Syrians) because of the blow. He also had to secure a Lebanese business partner to avoid trouble with local authorities cracking down on Syrian businesses and had to cope with the rising cost of living, including rent.

Because of the drop in tourism and the unstable security situation that led to a challenging business environment, employers in the Bekaa and Akkar are justifying their inability to provide full social coverage for their workers. For Syrians, the lack of coverage renders them even more vulnerable. As for Lebanese workers, the case studies have shown clear differences in the status and the employment situation, notwithstanding the presence of patterns of vulnerability that are also exploited by employers. According to the ILO, both the

Syrian refugees and their Lebanese hosts who live in impoverished areas “compete for poorly paid and scarce job opportunities.”²⁵

As such, the economic factors are regularly brought forward to explain how “the labour market has particularly been stretched as Syrian refugees seek work in order to survive”²⁶ since “Lebanon was already suffering from pre-existing labour market challenges, pertaining to the limited creation of decent jobs and deteriorating labour standards in many employment sectors,”²⁷ as emphasized by the ILO.

The Bekaa and Akkar were further hit by the initial difficulties characterizing the Lebanese labour market, such as “low activity and employment rates; a low contribution of women to economic life; a large informal sector; a high influx of foreign workers; and a large number of skilled Lebanese people seeking and obtaining employment abroad.”²⁸ Furthermore, unemployment “is especially high among youth and disproportionately high for women, a rapidly growing component of the labour force,”²⁹ an element also noted within Syrian refugee populations in the country. In the F&B sector, the number of women workers and employees in the shops visited, whether Lebanese or Syrian, was close to zero (only one facility in Akkar’s Halba had female employees in charge of serving clients). LOWER’s survey showed similar trends with an overall lower proportion of female workers in the F&B sector as shown in the table below.

Out of the 200 individuals surveyed, 43 respondents were female workers distributed across the different types of F&B businesses as shown in the table below.

25 S. Masri, I. Srouf, *Assessment of the impact of Syrian refugees in Lebanon and their employment profile*, ILO, Regional Office for Arab States, 2014, p. 42

26 S. Ajluni and M. Kawar, *Towards decent work in Lebanon: issues and challenges in light of the Syrian refugee crisis*, ILO, 2015, p. 2

27 Idib.

28 H. Abou Jaoude, *Labour market and employment policy in Lebanon*, European Training Foundation, 2015, p. 7

29 S. Ajluni and M. Kawar, *Towards decent work in Lebanon: issues and challenges in light of the Syrian refugee crisis*, ILO, 2015, p. 21

Moreover, the survey results showed that 40.5% of the respondents' workplaces do not have any women working there and 41% of these places have less than five female employees. Broken down by gender, in the case where respondents are men, 50.3% of the male sample does not have any female colleagues. In the female sample, 48.8% work in an environment with less than five female employees (for 40.1% in men sample) and 32.6% in a facility employing from 5 to 10 female employees (7.6% in the men's sample).

Vulnerability and tensions also arise from the pressure exerted on wages due to the influx of Syrian workers into the Lebanese labour market. Experts have calculated the median monthly wage for workers to 450,000 Lebanese Pounds (LBP), or US\$ 300, with the lowest wages in Akkar and Tripoli.³⁰ But Syrians, on average "would earn a monthly income for working adults US\$ 193 (US\$ 206 for men, but only US\$ 158 for women), despite being employed for nearly the same number of working days (14 for men and 13 for women)."³¹ Our case studies in the Bekaa and Akkar concurred with the low wages pattern of F&B workers established by the LOWER survey as shown in the table below, with an acute difference in status and wage between the Lebanese and the Syrians.

As such, 48.5% of the survey's respondents declared earning less than the minimum wage, but the proportion of Syrians is much higher than the Lebanese (58.1% to 38.1%). The same goes for the higher salary bracket as shown in the table below.

30 S. Masri, I. Srour, *Assessment of the impact of Syrian refugees in Lebanon and their employment profile*, ILO, Regional Office for Arab States, 2014, p. 9

31 UNHCR, UNDP, WFP, *Vulnerability assessment of Syrian refugees in Lebanon*, VASYR 2017, December 2017, p. 71.

Respondents' F&B workplace salaries
in the Bekaa and Akkar with a nationality breakdown

| Monthly salary | General sample (200 respondents) | Syrians (86 respondents) | Lebanese (97 respondents) |
|---|-------------------------------------|-----------------------------|------------------------------|
| Less than minimum wage (675,000 LBP) | 48.5% | 58.1% | 38.1% |
| 676,000–1 million LBP | 35% | 23.3% | 46.4% |
| 1 million–1.5 million LBP | 1.5% | 0% | 3.1% |
| More than 1.5 million LBP | 2% | 0% | 4.1% |
| No answer | 13% | 18.6% | 8.2% |

Those earning more than 1 million LBP (7.2%) are solely Lebanese and occupy management positions in accounting or direct supervision.

Respondents' salaries in F&B workplaces
in the Bekaa and Akkar broken down by gender and geography

| Monthly salary | Bekaa sample | | | Akkar sample | | |
|---|-----------------|--------------|----------------|------------------|--------------|----------------|
| | General (98) | Male (76) | Female (22) | General (102) | Male (81) | Female (21) |
| Less than minimum wage (675,000 LBP) | 49% | 47.4% | 54.5% | 48% | 44.4% | 61.9% |
| 676,000–1 million LBP | 24.5% | 21.1% | 36.4% | 45.1% | 48.2% | 33.3% |
| 1 million–1.5 million LBP | 2% | 1.3% | 4.5% | 1% | 1.2% | 4.8% |
| More than 1.5 million LBP | 3.1% | 2.6% | 4.5% | 1% | 0% | 0% |
| No answer | 21.4% | 27.6% | 0% | 4.9% | 6.2% | 0% |

Case studies also confirmed the high rate of informality, not necessarily of the shops themselves, but of the working status of the employees in the F&B establishments surveyed. A great portion of the Syrian workers was not sponsored and did not benefit from any formal social benefit as per the Lebanese Labour Law. The same applies to Lebanese workers in these same facilities (at a slightly lesser extent) with only five shops (out of 18 case studies) having declared granting the

NSSF to their Lebanese staff (in one case, the shop had to close because of the owner's inability to afford such regular costs). Those are considered "permanent" workers, mo'allim, another label for "skilled," hence indispensable for the smooth running of the establishment. These high

Salaries of female workers within the survey's respondents show a similar tendency to underpay employees in the F&B sector and keep them in an informal status, as shown in the gender distribution table. A larger proportion of women earn less than the minimum wage (54.5% versus 47.4% for men in the Bekaa and 62% versus 44.4% in Akkar).

rates of informality are also observed in the literature as "92 per cent of Syrian refugees have no work contract and over half (56 per cent) work on a seasonal, weekly or daily basis; only 23 per cent earn regular monthly wages."³² Another ILO report showed that the "vast bulk of Syrian refugee employment, regardless of the level of education attained, was informal in character [...] Some 86 per cent received no job related benefits and 9 per cent were entitled to sick day and weekend benefits."³³

³² S. Masri, I. Srour, *Assessment of the impact of Syrian refugees in Lebanon and their employment profile*, ILO, Regional Office for Arab States, 2014, p. 9

³³ S. Ajluni and M. Kawar, *Towards decent work in Lebanon: issues and challenges in light of the Syrian refugee crisis*, ILO, 2015, p. 37

In addition, “unequal treatment, which can amount to discrimination, including in wages and working conditions, increases the magnitude of impoverishment and social rejection, leading to ‘social dumping’ and unequal pay.”³⁴ In our case studies from the F&B sector, the vast majority of the workers were Syrian, with the presence of many Syrian managers and even owners of informal establishments. The observed competition and market distortion led to a rejection of the presence of the Syrian workforce.³⁵

In a context of economic crisis, the impact on business activity is also visible in the F&B sector, especially in peripheral areas like the Bekaa and Akkar. Lebanese and Syrians workers in these regions usually bear the brunt of budget cuts, which often mean denying the workers their basic social rights in violation of national regulations. This in turn creates a vicious cycle that maintains significant rates of poverty and vulnerability even among host communities.

³⁴ The access of refugees and other forcibly displaced persons to the labour market, background paper and draft ILO guiding principles for discussion at the ILO tripartite technical meeting on the access of refugees and other forcibly displaced persons to the labour market (Geneva, 5-7 July 2016), Geneva, 2016, p. 20

³⁵ Cf. Maja Janmyr. Precarity in exile: the legal status of Syrian Refugees in Lebanon. *Refugee Survey Quarterly*, Volume 35, Issue 4, 1 December 2016, p. 71, <http://bora.uib.no/bitstream/handle/1956/15916/hdw016.pdf?sequence=3&isAllowed=y>



Legal and regulatory factors: exploitation of poverty and failed social rights

In 2008, even before the Syrian crisis began, the Bekaa already had an “average prevalence of overall poverty (29%), it had higher than average prevalence of extreme poverty (10.8%) particularly in the areas of Baalbeck and Hermel.”³⁶

With the refugees’ arrival and rise in vulnerability, the poverty incidence rose to “53 per cent in the North, [...] and 30 per cent in Bekaa, compared with the national poverty rate of 28 per cent” in 2014 according to an ILO study.³⁷ Today, “85 per cent of refugees in Lebanon live in locations in which 67 per cent of the local population is already below the poverty line”³⁸, adding to the challenge of social cohesion with the host communities.

In addition, Lebanese underprivileged households see even greater injustice when they know that “refugee households’ income comprises a daily wage and humanitarian assistance [...] of about 40% of the

³⁶ H. El-Laithy, K. Abu-Ismaïl and K. Hamdan, *Poverty, growth, and income distribution in Lebanon*, UNDP/ International Poverty Centre, 2008

³⁷ S. Masri, I. Srouf. *Assessment of the impact of Syrian refugees in Lebanon and their employment profile*, ILO, Regional Office for Arab States, 2014, p. 35

³⁸ K. Shellito, *The economic effect of refugee crises on host countries and implications for the Lebanese case*, Joseph Wharton Scholars, 2016, p. 25, http://repository.upenn.edu/joseph_wharton_scholars/3

annual income for most refugee households.”³⁹ At the same time, the proportion of households living below the poverty line has continued to increase, “reaching 76% of refugee households in 2017”⁴⁰, despite the humanitarian assistance and aid, which continue to decrease year after year in terms of means and volume. For instance, the same reference noted, “as of 13 October 2017, [a refugee’s] needs were only 30% funded. Insufficient funding is threatening food assistance, health care and access to safe water,” in addition to hindering the “management of tensions between host communities and refugees.”⁴¹

Moreover, it is worth noting that Syrian refugees are “spending less every year, reporting per capita monthly expenditures of US\$ 98, a drop of US\$ 6 compared to 2016 and US\$ 9 since 2015. This is a sign that households have fewer resources. Three quarters of Syrian refugee households had expenditures below the Minimum Expenditure Basket (MEB), unable to meet basic needs of food, health, shelter and education.”⁴²

As such, the importance of livelihoods is paramount for both host and displaced communities in order to cultivate social cohesion and boost local development. Among the challenges facing both communities is the legal framework in place as it relates to the Labour Law and the longstanding tendency of employers not to apply it. Vulnerable communities are far from working in conditions that qualify as decent work, defined by the ILO “as being productive work in conditions of freedom, equity, security and human dignity. Decent work delivers a fair income, provides security in the workplace and social protection for workers and their families, encourages social integration, gives people the freedom to express their concerns, collectively organize and participate in decisions that affect their lives, and guarantees equal opportunities for all.”⁴³

39 N. Kukrety, *Poverty, inequality and social protection in Lebanon*, Oxfam and the Issam Fares Institute at the American University of Beirut, January 2016, p. 11.

40 UNHCR, UNDP, WFP, *Vulnerability assessment of Syrian refugees in Lebanon, VA-SYR 2017*, December 2017, p. ii.

41 *Ibid.*, p. i

42 *Ibid.*, p. ii

43 S. Ajluni and M. Kawar, *Towards decent work in Lebanon: issues and challenges in light of the Syrian refugee crisis*, ILO, 2015, p. 2

For Syrians, the difficulty is amplified as Lebanon “has erected a guard against foreign professional labor”, as noted by Sari Hanafi when denouncing the legal framework that discriminates against Palestinian refugees in the labour market.⁴⁴ This initial framework limiting access to work has quickly turned into a “catch-22” situation for Syrian refugees, in which the complexity of the rules traps them in a legal limbo. Syrians in Lebanon faced new residency regulations in 2015 requiring them to apply for prohibitively costly permits. In order to afford residency permits, Syrian refugees need access to employment capable of generating funds for permit fees that the UNHCR does not cover. One of the conditions for obtaining a residency permit, however, is to sign a pledge not to work.

This new set of regulations had ended the open-door policy towards Syrian nationals wishing to enter the country, based on the 1993 bilateral agreement for Economic and Social Cooperation and Coordination between Lebanon and Syria,⁴⁵ but placed hundreds of thousands of Syrians in a legal no man’s land with most of the displaced community now illegally staying in the country as per the Lebanese regulations.

For refugees not registered with the UNHCR, “an additional requirement includes a ‘pledge of responsibility.’ This pledge can either be a sponsorship by a Lebanese individual for an individual work permit, or a group pledge of responsibility provided by a registered entity that hires a number of Syrian nationals.”⁴⁶ The sponsorship system allows their holders to work but only in three sectors: agriculture, construction, and services.

As presented in the HCR Vulnerability Assessment for 2017, “the lack of legal residency leaves refugees exposed to an increased risk of

44 S. Hanafi and Å. A. Tiltnes, *The employability of Palestinian professionals in Lebanon: constraints and transgression*. *Knowledge, Work and Society*, 2008, Vol. 5, n°1, p. 12

45 Cf. M. Janmyr, *Precarity in exile: the legal status of Syrian refugees in Lebanon*. *Refugee Survey Quarterly*, Volume 35, Issue 4, 1 December 2016, p. 69, <http://bora.uib.no/bitstream/handle/1956/15916/hdw016.pdf?sequence=3&isAllowed=y>

46 M. Janmyr. *Precarity in exile: the legal status of Syrian refugees in Lebanon*. *Refugee Survey Quarterly*, Volume 35, Issue 4, 1 December 2016, p. 69, <http://bora.uib.no/bitstream/handle/1956/15916/hdw016.pdf?sequence=3&isAllowed=y>

arrest, hinders their ability to register their marriages and births, and makes it difficult for them to work, send their children to school or access health care. Only 19% of households reported that all members were granted legal residency by the Directorate of General Security, a continued decline from 58% in 2014, 28% in 2015 and 21% in 2016.”⁴⁷

Under such conditions, it is understandable why so many of the Syrians working in the identified case studies benefit from the Kafala (sponsorship) system. Even those who have a registered sponsor are violating the law by working in a field legally closed to Syrian labour.⁴⁸ In addition to the lack of residency papers, Syrian workers are stripped from any guarantee or protection during their employment, and fall under the mercy of their employers.

As such, employers are able to exploit the Lebanese authorities’ refusal to grant specific rights to refugees as they continue to consider them “forcibly displaced persons,” hence enjoying “much more limited rights of international protection (and other entitlements) in the host country.”⁴⁹

As a consequence, the majority of Syrian refugees in Lebanon are working with negligible working benefits or protection (86%)⁵⁰ and many reports have highlighted that forced labor became “so widespread as to constitute the norm”⁵¹, with dire effect on Lebanese workers as well, forced to align with a difficult working climate to avoid being replaced by Syrian labour.

47 UNHCR, UNDP, WFP, *Vulnerability assessment of Syrian refugees in Lebanon, VA-SYR 2017*, December 2017, p. i

48 Cf. Derbas: Some Syrian refugees have violated labor laws, National News Agency, 15 April 2016, <http://nna-leb.gov.lb/en/show-news/60036/Derbas-Some-Syrian-refugees-have-violated-labor-laws>

49 The access of refugees and other forcibly displaced persons to the labour market, background paper and draft ILO guiding principles for discussion at the ILO tripartite technical meeting on the access of refugees and other forcibly displaced persons to the labour market (Geneva, 5-7 July 2016), Geneva, 2016, p. 8

50 S. Masri, I. Srouf. *Assessment of the impact of Syrian refugees in Lebanon and their employment profile*, ILO, Regional Office for Arab States, 2014, p. 30

51 K. Jones, L. Ksaifi, *Struggling to survive: slavery and exploitation of Syrian refugees in Lebanon*, The Freedom Fund, 2016, p. 3, cf also Is forced labor becoming a ‘norm’ for Syrian refugees in Lebanon? Al Arabiya English, 12 April 2016, <https://english.alarabiya.net/en/2016/04/12/Syrian-refugees-in-Lebanon-at-growing-risk-of-forced-labor.html>

Case studies from the F&B sector surveyed in Bekaa and Akkar were common when considering the enforcement of social benefits mandated by the Lebanese Labour Law, such as granting the NSSF to employees.⁵²

In the private sector, more than 40% of employees are not registered with the NSSF overall.⁵³ These rates are significantly higher in the F&B sector surveyed in the Bekaa and Akkar, pushing thousands of Lebanese and Syrian workers into an informal status without basic protections. The LOWER survey showed that 0% of Syrians benefitted from the NSSF coverage, whereas the ratio for Lebanese was 75.3% of unregistered and 23.7% registered are benefiting from this coverage. In addition, “more than 80 per cent of Lebanon’s over 65 population have no pension or health coverage.”⁵⁴

As for Syrians, Lebanese law provides for Social Security contributions for foreign workers, “but this is rarely followed and many Syrian refugees are unable to claim it anyways owing to their legal status in the country.”⁵⁵

Furthermore, most of the Syrian and Lebanese workers in the F&B establishments surveyed were deprived from a day off or even sick leave, a finding in line with the LOWER survey showing that only 10.5% of Syrian workers and 35.1% of Lebanese workers benefit from sick leaves. On the subject of weekly rest, the LOWER survey found a higher rate than that of the field case studies, with 66.3% of Syrian respondents and 79.4% of Lebanese respondents expressing benefiting from this right.

⁵² The NSSF is a contributory fund that gathers the contributions of employers, employees, and the government. The contribution to the fund is 23.5% of the wage, with 21.5% borne by the employer and 2% by the employee.

⁵³ N. Kukrety, *Poverty, inequality and social protection in Lebanon*, Oxfam and the Issam Fares Institute at the American University of Beirut, January 2016, p. 20

⁵⁴ S. Ajluni and M. Kawar, *Towards decent work in Lebanon: issues and challenges in light of the Syrian refugee crisis*, ILO, 2015, p. 5

⁵⁵ N. Kukrety, *Poverty, inequality and social protection in Lebanon*, Oxfam and the Issam Fares Institute at the American University of Beirut, January 2016, footnote 28, p. 46

The “permanent workers” (mostly Lebanese) would be paid on a monthly basis and the Syrians would be considered “day labourers” and paid weekly. Employers explain that the fluctuating situation of the Syrians in Lebanon is leading to a very high turnover rate of the Syrian staff (families leaving the area, change of jobs, leaving the country, etc.), making it impossible to formally register them. A more protective status could anchor Syrian workers closer to their workplace, but the low qualifications required for tasks assigned to Syrian workers within the F&B sector render the employees easily interchangeable, with a few exceptions that we will present in the next section.

The following table gives a sense of the different status between Lebanese and Syrian workers based on the LOWER survey in the Bekaa and Akkar, clearly showing a slightly brighter situation for Lebanese but notwithstanding a crucial deprivation of basic labour rights for both.

| Work situation comparison of 7 variables between Syrian & Lebanese workers in both Bekaa and Akkar | | |
|---|----------------|-----------------|
| Type of contract | Syrians | Lebanese |
| Oral | 96.5% | 72.2% |
| Written | 2.3% | 27.8% |
| Work status | Syrians | Lebanese |
| Permanent | 65.1% | 74.2% |
| Seasonal | 27.9% | 13.4% |
| Doesn't know | 7% | 12.4% |
| NSSF registration | Syrians | Lebanese |
| Yes | 0% | 23.7% |
| No | 98.8% | 75.3% |
| Doesn't know | 1.2% | 1% |
| Remuneration | Syrians | Lebanese |
| Weekly | 32.6% | 33% |
| Monthly | 41.9% | 49.5% |
| Daily | 20.9% | 12.4% |
| Not fixed | 3.5% | 1% |
| Weekly day off | Syrians | Lebanese |
| Yes | 66.3% | 79.4% |
| No | 33.7% | 20.6% |

| Sick leaves | Syrians | Lebanese |
|-------------------------|---------|----------|
| Yes | 10.5% | 35.1% |
| No | 89.5% | 63.9% |
| Doesn't know | 0% | 1% |
| Work accidents coverage | Syrians | Lebanese |
| Yes | 86% | 90.7% |
| No | 10.5% | 6.2% |
| Doesn't know | 3.5% | 2% |

From a geographical breakdown, some differences do appear between both regions, with a lesser degree of social protection for Syrians (written contracts in the Bekaa for 16.3% of the respondents whereas 0% in Akkar; a higher permanent status in the Bekaa than in Akkar for Syrians; some NSSF coverage – less than 10% though). But in return, Syrians in Akkar, according to the respondents, benefit more from sick leaves (18.8% in Akkar and 5.6% in Bekaa) and have more coverage in the case of workplace accidents (71.9% in Akkar and 29.6% in Bekaa).

Facing this dark picture, and despite confirming the literature on the absence of employee protections in the labour market, the case studies shed some light on what we can call **micro-compensation mechanisms** put up in place by the shop owners or managers to provide very minimal protection.



Main Findings

1 ●

Protection a minima: micro-compensation mechanisms set by employers

Initially, workers coming from vulnerable backgrounds have not waited for the “generosity” of employers to sustain various coping strategies, starting with the Palestinian refugees through which workaround strategies had emerged,⁵⁶ now engulfing Syrian communities in a Lebanese context used to *laissez-faire* practices. Indeed, many studies have highlighted how “poor households (Lebanese as well as refugee) adopt a range of coping mechanisms to withstand the stresses and shocks to their household economy.”⁵⁷ According to the 2017 Vulnerability Assessment of the UNHCR, “96% of refugees applied some type of livelihood coping strategy”⁵⁸, such as reducing non-necessary expenses, bartering, ditching, in addition to sending children to work instead of schools.⁵⁹

The micro-compensation mechanisms observed from our case studies allowed us to identify at least three major features directly relate to the wellbeing of the workers in many of these establishments, keeping in mind that most of the employers we visited own their facility, which eliminate the cost of rent from the equation.

56 S. Hanafi and Å. A. Tiltnes, *The employability of Palestinian professionals in Lebanon: constraints and transgression. Knowledge, Work and Society*, 2008, Vol 5, n°1, p. 12

57 N. Kukrety, *Poverty, inequality and social protection in Lebanon*, Oxfam and the Issam Fares Institute at the American University of Beirut, January 2016, p. 13

58 UNHCR, UNDP, WFP, *Vulnerability assessment of Syrian refugees in Lebanon, VA-SYR 2017*, December 2017, p. 80

59 Cf. *The Lebanese valley where Syrian refugee children are used for labour*, SBS News, 17 July 2016

A first element of micro-compensation lies in the **provision of micro-coverage and benefits for work accidents and/or healthcare issues**. In five of the case studies (three in the Bekaa and two in Akkar), establishments would offer their staff, Lebanese and Syrian, this type of basic coverage to encourage them to remain in their business. One bakery in the outskirts of Baalbek (Bekaa) also lodges its Syrian staff, but only those without their families and provides them with a day off, a monthly pay and basic healthcare coverage. Another snack in Baalbek offers “healthcare whenever needed” and continued paying the salaries of the entire staff for two months when the shop was being restored after it had burnt down in September 2017 because of a gas leak. One Syrian worker was injured at the time and received treatment at the expense of the snack’s owner. Furthermore, during Ramadan, the pay of the workers stays the same despite working reduced shifts because of fasting. The snack “even replaced a Bangladeshi migrant who was deported with Syrians due to lesser costs and a closer culture to ours” as per the Lebanese manager of the shop.

In Taalbaya (Bekaa), a coffee shop also covers any work accident involving its staff, Lebanese or Syrian, despite not granting any days off. A similar model was observed in two snacks on the Minieh-Abdeh coastal road (Akkar). One Lebanese employer covers any accident costs, in addition to sick leave and a day off per week in one, and the second employer covers only accidents occurring during employee shifts.

From the perspective of the employers who provide such micro-benefits, they indicated during our interviews that this type of system is designed to avoid a high employee turnover rate, which can be harmful to a business in recurring need to prepare and train new replacements.

According to LOWER survey’s results, the coverage of work accident costs by employers is quite noticeable (95% in the Bekaa and 83% in Akkar stated their workplace provides this type of coverage). Sick leave, however, is much less common with rates reaching 15% in the Bekaa and 29% in Akkar.

Another micro-compensation feature noted in some of the case studies falls in the category of **skills-building** by employers to, on one hand sustain a certain quality in a very competitive sector like F&B, and on the other favour Lebanese labour to strike a balance with Syrian employment. In the bakery visited in Baalbek (Bekaa), in-house training is provided to new staff, plus additional skills-building for the new Lebanese “*moaalmeen*,” the actual artisans who bake the *tannour* bread (very

famous in northern Bekaa). The Syrians assisting the “*moaalmeen*” are also instructed on the precise techniques, to ensure that customers are served high quality bread. Others become waiters, cook preps or delivery persons.

In the LOWER survey, items relevant to an investment in capacity-building do appear, but in very low rates, with only 3% of respondents being provided financial compensation for education in the Bekaa and 1% in Akkar. Those four respondents in this category are mainly Lebanese (with one Palestinian) and mostly young (under 30 years of age).

In Syrian-owned or managed shops and in some of the Lebanese-owned facilities, the entire staff is composed of Syrian employees, relying less on experience and dealing with a higher employee turnover rate

The final feature perceived from the case studies in the F&B sector in Akkar and the Bekaa pertains to **dispute-solving mechanisms** within the private facility to preserve some order and ensure social cohesion. These are usually prompted by the employers to re-

solve any tension or resolve any conflict originating from the shop. Many case studies showed the reliance of internal mechanisms to deal with issues pertaining to conflict with or among workers. Strategies resembling mediation techniques are used in order to listen and

In relation to capacity and skills-building, out of the total individuals surveyed, only 3% of the respondents noted having received any training or awareness on Food Security & Safety. Therefore, 97% of those working in the F&B sector surveyed, are not familiar or trained on the necessary food security measures needed. The lack of investment in training on food security and safety, the lack of know-how, and the inability to take sick-leaves puts the consumers at risk.

Respondents Trained on Food Security and Safety



arbitrate among the disputing parties and settle the matter as quickly as possible while safeguarding fairness.

These mechanisms sometimes offer some assistance for a worker who could be in conflict with the employer or manager. As efficient as such mechanisms may seem, however, we observed hints at more subtle dynamics of a system shaped by *clientelism* and based on the employers' connections, will and interest.⁶⁰ Their social and economic vulnerability is "forcing the Syrian de facto refugees to seek

⁶⁰ Cf. for instance L. Comati, *Dialogue and local response mechanisms to conflict final project evaluation, South Lebanon and Tripoli, Search for Common Grounds, November 2015; Between local patronage relationships and securitization: the conflict context in the Bekaa region, conflict analysis report, Lebanon Support, UNDP, January 2015*

membership in local patronage networks for protection, including that provided by landowners on whose land informal settlements are constructed, employers, and local political actors.”⁶¹ Instead of gaining increased levels of protection, the workers are growing more dependent on those in charge of their livelihoods, which only adds to their state of vulnerability.

At the same time, these micro-compensation systems are based on unwritten agreements and newly formed customs, and mostly rely on employers who stay in the lead by design and by implementation. As such, many of the case studies visited did not comprise at least one of these mechanisms. Furthermore, an important point to highlight is the insignificance or complete absence of formal institutions (Ministry of Labour, municipalities, security services, etc.) in the role of controlling, facilitating, inspecting the employers-employees relation. Even if some of these mechanisms achieve a certain level of compensation, the latter do not replace Lebanese laws and legal guarantees that would offer a maximum level of socio-economic protection for workers.

2. ●

Contribution a minima to local development

As acknowledged by the New York Declaration on Refugees and Migrants, many reports and studies focus on the importance of “access to labour markets for refugees and other forcibly displaced persons”⁶² being the “turnkey to these developmental objectives alongside managing the wider socio-economic impacts of labour market access.”⁶³ In Lebanon, displaced communities have been settled in what have become known as “humanitarian silos”⁶⁴, instead of designing a policy

⁶¹ Between local patronage relationships and securitization: the conflict context in the Bekaa region, conflict analysis report, Lebanon Support, UNDP, January 2015, p. 17

⁶² The access of refugees and other forcibly displaced persons to the labour market, background paper and draft ILO guiding principles for discussion at the ILO tripartite technical meeting on the access of refugees and other forcibly displaced persons to the labour market (Geneva, 5-7 July 2016), Geneva, 2016, p. 11

⁶³ Ibid.

⁶⁴ P. Collier, A. Betts. Why denying refugees the right to work is a catastrophic error, The Guardian, 22 March 2017, <https://www.theguardian.com/world/2017/mar/22/why-denying-refugees-the-right-to-work-is-a-catastrophic-error>

that would benefit from the presence of refugees and international aid to boost long-awaited local development in remote areas.

Many experts have pointed to some of the potential benefits of refugees' presence and workforce for the Lebanese national economy. Daniel Garrote, a senior researcher with the social enterprise Huloul [...] "pointed to the figures indicating the cash flow into Lebanon directly resulting from that reality. Over \$20 million in food allowances, for instance, is allocated every month by the World Food Program to refugee families and vulnerable Lebanese via 'cash-for-food' electronic cards."⁶⁵

"Who said that poor people do not contribute to the economy?"⁶⁶, asserted Ziad Abdel Samad, executive director at the Arab NGO Network for Development. According to the Abdel Samad, "the current political discourse in Lebanon is blowing out of proportion the level of competition between Syrian refugees and local communities."⁶⁷ According to the UNHCR data, a large majority of refugees in Lebanon are women and children. The 2017 Vulnerability Assessment reported that "the labour force (those aged 15–64 and employed plus those not working but seeking work) represented 68% of working-age men and 10% of working-age women,"⁶⁸ which undermines the idea that Syrians are seriously competing with Lebanese on the job market.

On a larger scale, Syrian livelihoods can contribute positively to local economies. Research conducted by the UNHCR showed that Syrian refugees in Lebanon spend US\$ 1.03 million per day on housing—which amounts to a total of US\$ 378 million annually,⁶⁹ bringing new revenue streams for many of Lebanon's property owners among host communities.

⁶⁵ Syrian refugees: A boom for Lebanon's economy? The Daily Star, 20 June 2017, <http://www.dailystar.com.lb/News/Lebanon-News/2017/Jun-20/410237-syrian-refugees-a-boon-for-lebanons-economy.ashx>

⁶⁶ *Ibid.*

⁶⁷ *Idem*

⁶⁸ UNHCR, UNDP, WFP, *Vulnerability assessment of Syrian refugees in Lebanon, VASR 2017*, December 2017, p. ii

⁶⁹ F. Marsi, Syrian refugees: A boom for Lebanon's economy? The Daily Star, 20 June 2017, <http://www.dailystar.com.lb/News/Lebanon-News/2017/Jun-20/410237-syrian-refugees-a-boon-for-lebanons-economy.ashx>

In the F&B sector, however, the competition is quite noticeable, as Syrians have taken low-skilled jobs as waiters, kitchen helpers and delivery persons as the case studies have confirmed, in addition to the LOWER survey, which found a higher representation of Syrian low-skilled workers (70% in Bekaa and 44% in Akkar) than Lebanese (29% in the Bekaa and 20% in Akkar). In management and mid-management positions, Lebanese are in larger numbers compared to Syrians (48% versus 7% in Bekaa and 48% versus 31% in Akkar). As for skilled workers and “moaalmeen,” the Lebanese face stiff competition from the Syrians, as close proportions were revealed in both areas (16% versus 15% in Bekaa and 30% versus 25% in Akkar).

| Job type of respondent in F&B workplace in the Bekaa and Akkar broken down by geography & nationality | | | | | | |
|---|--------------|---------------|-------------|---------------|---------------|-------------|
| Region | Bekaa sample | | | Akkar sample | | |
| Nationality | General (98) | Lebanese (31) | Syrian (54) | General (102) | Lebanese (66) | Syrian (32) |
| Low-skilled (waiter, delivery, host, etc.) | 62.2% | 29% | 70.4% | 26.5% | 19.7% | 43.8% |
| Moaallem/cook/chef | 13.3% | 16.1% | 14.8% | 30.4% | 30.3% | 25% |
| Management, sales and accounting | 18.4% | 48.4% | 7.4% | 41.1% | 48.5% | 31.3% |
| No Answer | 6.1% | 6.5% | 7.4% | 2% | 1.5% | 0% |

Nonetheless, employers who have chosen to implement some protective mechanisms to retain skilled Lebanese cooks and artisans do so while denying most of those workers Labour Law benefits and depriving skilled workers from most of their rights.

Additionally, experts have stressed that refugees can be a boon to the host country, including “spurring long-term investment” and leading displaced communities to become “productive economic consumers and producers.” In the case studies from the Bekaa and Akkar, many of the businesses visited were established less than three years old, thus creating job opportunities for both Lebanese and Syrians in the area and benefiting both communities.

Many of these newly established businesses pay rent, employ Lebanese and Syrians (three out of 10 are all Syrian-run), acquire vegetables and products from local markets and producers, pay basic taxes (usually municipality), thus sustaining mini development cycles that are beneficial to the local context. Yet, the potential margin for expansion remains great.

A UNDP/UNHCR report calculated that “every US\$ 1 spent on humanitarian assistance has a multiplier value of US\$ 1.6 in the economic sectors”⁷⁰, i.e. “when the U.N. agencies disburse US\$ 800 million of humanitarian assistance, it is as if they were actually injecting US \$1.28 billion into the Lebanese economy.”⁷¹

That’s why, according to Khalid Abu Ismail from the ESCWA, the Lebanese economy could benefit from “Syrian refugee workers if it proposes suitable development projects”⁷², trumping the negative effects of the Syrian crisis on the host country. Among the negative impacts, Kevin Shellito summarized them as follow: “straining public and private services, causing physical and economic overcrowding and increasing societal strife and the potential for civil conflict.”⁷³ At

70 UNDP, UNHCR, *Impact of the humanitarian aid on the Lebanese economy*, 2015, p. 8, <http://www.lb.undp.org/content/dam/lebanon/docs/CrisisPreventionRecovery/Publications/Impact%20of%20Humanitarian%20Aid-UNDP-UNHCR.PDF>

71 UNDP, UNHCR, *Impact of the humanitarian aid on the Lebanese economy*, 2015, p. 8, <http://www.lb.undp.org/content/dam/lebanon/docs/CrisisPreventionRecovery/Publications/Impact%20of%20Humanitarian%20Aid-UNDP-UNHCR.PDF>

72 H. Mahmoud, *Syrian refugees change the Lebanese labor scene*, *Al Arabiya English*, 8 July 2016, <https://english.alarabiya.net/en/business/economy/2016/07/08/Syrian-refugees-change-the-Lebanese-labor-scene.html>

73 K. Shellito, *The economic effect of refugee crises on host countries and implications for the Lebanese case*, *Joseph Wharton Scholars*, 2016, p. 2, http://repository.upenn.edu/joseph_wharton_scholars/3

the same time, the positive effect of international aid also has its limitations, as “it had no positive impact on tourism and export, which actually contracted in 2014,”⁷⁴ as the presence of Syrian refugees and the raging war in Syria “had caused tourism to fall by 23 per cent and exports to decline by 7.5 per cent in 2014.”⁷⁵

On that point, the international community agrees that “Lebanon is bearing a disproportionately high burden as a result of this conflict and is facing a humanitarian tragedy, especially in terms of refugees per capita – the highest rate in the world,” as stated in the Lebanese declaration at the London Support Conference in February 2016,⁷⁶ with the World Bank estimating that “Lebanon has incurred losses of US\$ 13.1bn since 2012 out of which US\$ 5.6bn in 2015 alone (over 11% of GDP), as well as massive impacts on public services including education, health, energy, water, waste collection and treatment and infrastructure, all of which had been strained even before the crisis.”⁷⁷

As Lebanon recognized “the protracted nature of the current crisis”⁷⁸, wishing to “launch a new approach and vision on how to manage the temporary and ongoing stay of the Syrians in a way that is neither prejudicial to the interests of the country nor to those of the Lebanese citizens, while abiding to the principle of non-refoulement”⁷⁹, the adequate response in line with sustaining local development is still lacking.

The government’s pledge in front of international donors to the “fact that the employment of Syrians necessitates a review of existing

74 UNDP, UNHCR, *Impact of the humanitarian aid on the Lebanese economy*, 2015, p. 18, <http://www.lb.undp.org/content/dam/lebanon/docs/CrisisPreventionRecovery/Publications/Impact%20of%20Humanitarian%20Aid-UNDP-UNHCR.PDF>

75 Ibid.

76 Supporting Syria and the Region Conference, Lebanon Statement, London, 4 February 2016, p. 1, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/498026/Supporting_Syria__the_Region_London_2016_-_Lebanon_Statement.pdf

77 Supporting Syria and the Region Conference, Lebanon Statement, London, 4 February 2016, p. 1, available on https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/498026/Supporting_Syria__the_Region_London_2016_-_Lebanon_Statement.pdf

78 Ibid.

79 Ibid.

regulatory frameworks related to residency conditions and work authorizations”⁸⁰ hasn’t been set in motion as it failed to seek, “in conformity with Lebanese laws, ways to facilitate the streamlining of such regulations, including periodical waiver of residency fees and simplifying documentary requirements such as waiving the ‘pledge not to work’ requirement for Syrians.”⁸¹

One of the missed opportunities of the spillover of the Syrian crisis into Lebanon is neglecting the need to support the training of the unskilled Lebanese workforce to make the competition less salient in local marketplaces. As highlighted by Shellito, the “increased competition doesn’t hang native workers out to dry, but rather forces them to develop a set of complementary—and usually higher skilled—contributions to the labor force”⁸², which is among the mechanisms set up by many employers as highlighted in our case studies.

Additionally, allowing Syrian refugees access to work under clear procedures can only be beneficial: “it allows the Lebanese authorities more control of the labour market and protecting some sectors for the Lebanese; it addresses the labour shortages which exists in some sectors and which is always supplied by non-Lebanese workers; improved earnings of Syrians means improved consumption levels which will positively affect the economy and finally, income security for Syrians will lead to improved social cohesion.”⁸³ Socio-economic and human development, however, should be at the heart of policy design and implementation when it comes to the workforce and its contribution to local economies.

80 Ibid., p. 2

81 Ibid.

82 K. Shellito, *The economic effect of refugee crises on host countries and implications for the Lebanese case*, Joseph Wharton Scholars, 2016, p. 12, http://repository.upenn.edu/joseph_wharton_scholars/3

83 S. Ajluni and M. Kawar, *Towards decent work in Lebanon: issues and challenges in light of the Syrian refugee crisis*, ILO, 2015, p. 7



Conclusion & Recommendations

The F&B sector is among the most dynamic on a national level, but challenges are present in the regions away from the dynamism of Beirut and Mount Lebanon. The case studies in Bekaa and Akkar have shown the dire conditions that the sector has to cope with, despite its great potential for development. Not only on the economic level, but also to lay the ground for better relations between Syrian and Lebanese communities, in anticipation of a stabilized post-war period for the Lebanese regions close to Syria.

- **Acknowledge durable solutions: consolidate social cohesion measures through the F&B Sector**

To local authorities (short-term):

- Recognize and facilitate mediation mechanisms and problem solving processes
- Remove curfews and movement restrictions
- Sponsor sports, cultural and culinary festivals and events

To Civil Society Organisations (CSOs) and International Organisations (IOs) (short-term):

- Further develop mediation mechanisms and problem solving processes
- Further develop livelihood programs for both refugees and host communities

- **Increase protection from discrimination, exploitation and facilitate access to justice**

To local authorities (medium-term):

- Discourage local businesses from resorting to discriminatory and predatory practices
- Encourage local businesses to respect the Labour Law, in

- cooperation with the Ministry of Labour
- Set up local complaint mechanisms for workers and employees
- Train municipal police and develop community policing when possible to favour close interaction with local businesses and discussions with employers and workers

To CSOs/IOs (medium-term):

- Continue lobbying national authorities to relieve Syrians from documentation hazards such as the Kafala system and to establish administrative procedures that are clear and straightforward
- Develop awareness campaigns against discrimination and exploitation within F&B sector
- Research and monitor discriminatory practices, child labour and gender-based exploitation within the F&B sector
- Increase legal assistance efforts aimed at resolving the grievances of workers and employees
- Increase the cooperation and dialogue with security services, members of the judiciary and local authorities with a focus on opting for protective decisions

- **Invest in the local workforce through vocational training, higher skills-building for host communities, empowerment of youth and women**

To local authorities (medium-term):

- Improve local control over food quality and hygiene by increasing Hygiene and Quality Control inspections in the F&B sector within its territorial jurisdiction regardless of the legal status of workers and employers

To CSOs and IOs (short-term):

- Develop vocational training education and invest in higher skills for members of host communities losing low-skilled jobs to Syrian workers
- Provide training in Food Safety & Hygiene for workers in F&B businesses
- Continue providing vocational training to Syrian refugees, namely youth and women in support of self-reliant livelihoods

- Further cooperate with regional chambers of commerce and industries to better identify business opportunities in F&B sector
- Systematically rely on local catering in all field activities

To businesses (short-term):

- Enhance in-house training and skills-building programs for both Lebanese and Syrian workers
- Commit to non-recruitment of children and underage workers
- Increase dialogue and cooperation with CSOs and IOs developing capacity-training programs for the F&B sector

- **Invest in common structures (infrastructure, waste, energy, public spaces, etc.).**

To local authorities (short-term):

- Support investments in local infrastructures creating jobs for refugees and members of host communities, such as roads, parking lots, energy, waste management and public spaces
- Eliminate any discriminatory barrier restricting non-Lebanese nationals from accessing public spaces
- Maintain and increase the number of public spaces, parks, and attractions that would greatly support the F&B local sector

To CSOs and IOs (short-term):

- Increase presence in public spaces through local initiatives and events
- Create more community centres, with activities targeting women and youth
- Establish local food banks in cooperation with local businesses to benefit low-income families and refugees

To businesses (short-term):

- Sponsor and fund local works involving common structures
- Support local authorities in equipping and maintaining public spaces to attract customers and sustain clientele
- Donate surpluses to local food banks

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