Lebanon Livelihoods

Economic Opportunities and Challenges for Palestinians and Lebanese in the Shadow of the Syrian Crisis

Written by Lorraine Charles
with Sharq.Org
in partnership with Konrad-Adenauer-Stiftung
“Lebanon Livelihoods” is a research project undertaken by Sharq.Org, in partnership with Konrad Adenauer Stiftung, in 2017.

A series of interviews were conducted and recorded with Lebanese and Palestinians residing in Lebanon. The goal of the interviews was to gather personal accounts of challenges faced by members of those communities in relation to employment and entrepreneurship in the country. Edited audio and video recordings of those interviews, as well as articles summarising each account, were published at http://livelihoods.sharq.org.

This paper, written by Lorraine Charles, draws and presents quotes from those interviews.
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Sharq.Org is a non-profit organisation that works to promote and strengthen pluralism and independent thought throughout the Arab world. The organisation’s dedicated team works out of Beirut and collaborates with a wide network of partners across the region, developing collections of oral histories that reflect diverse topics and communities of and from the Arab world.

These collections of first hand narratives aim to give people the power to write their own history, to instigate discussion across borders, and to impact research and policy.

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Executive Summary

Prior to the Syrian crisis, the Lebanese economy had shown signs of vulnerability, manifested by low GDP, high inflation and a large informal labour market. The conflict in Syria and the influx of refugees into Lebanon has weakened an already fragile economy. Lebanon's low economic activity rates, high unemployment and a large informal economy have been aggravated due to the increased pressure of over one million refugees. Demographic and economic shocks have negatively affected the economy. This has affected both the host community and refugee populations.

The situation for vulnerable members of host communities and the Palestinian refugees has steadily deteriorated. The impact on unemployment, poverty and inequality has been profound. This has had a much more significant impact on the already vulnerable sectors of the Lebanese national population, as displaced Syrians have tended to settle in areas that were already extremely poor. The number of poor Lebanese has increased with as many as 1.5 million Lebanese nationals in a situation of vulnerability. The Syrian conflict has also caused increased competition for jobs, especially affecting unskilled youth. This has exasperated hostility between the two communities.

Yet, prior to the crisis Palestinian refugees had faced institutional discrimination through socioeconomic deprivation and legal barriers denying them access to public education, public health care and social services, as well as restricted employment and property rights. They are dependent on UNRWA for education, health and social services inside the twelve recognised Palestinian refugees camps. Moreover, the work restrictions placed on Palestinians affects retention in education particularly at the secondary level, as well as their options for tertiary education.

The challenges faced by the Palestinian community in Lebanon has been exasperated by Syrian refugees and Palestinian refugees from Syria. There has been a rise in the number of Palestinian families living below the poverty line and unemployed rates have increased.

For Lebanese, Palestinians and Syrians to have access to dignified livelihoods, the Lebanese government, with the cooperation of the international community, need to address the economic challenges in Lebanon. This would increase resilience and ensure that all segments of the population have the ability to be self-sufficient. A course of action could include:

- Cooperation between the Lebanese government and the international community to promote a more favourable economic environment,
- Removal of protectionist labour market measures,
- A greater emphasis on national vocational education and training,
- Companies could provide remote employment opportunities utilising technology.
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1. Introduction

In the wake of the largest refugee flow since World War II, international attention has focused on the plight of Syrian refugees, diverting attention from other humanitarian crises. Since the start of the conflict in Syria and the influx of refugees into Lebanon, the situation for Palestinian refugees and vulnerable members of host communities has steadily deteriorated. Among the most pressing issues facing these groups is access to formal employment. The Lebanese economy has long suffered from low economic activity rates and high youth unemployment, due in part to the economy’s inability to create sufficient jobs. The arrival of Syrian refugees has exacerbated this situation.

Longstanding issues in Lebanon have affected livelihood opportunities of both refugee and host populations. The various groups in Lebanon – Lebanese, Palestinians and Syrians – all face similar challenges. The extensive informal economy in Lebanon has meant that significant portions of each population face inadequate working conditions characterised by low wages, long working hours, irregular work, no formal contracts, often hazardous working conditions, and no retirement or other benefits, as well as difficulty in accessing healthcare and education.

This research identifies factors that have impacted the livelihoods of both Lebanese nationals and Palestinian refugees in Lebanon, in light of the Syrian crisis. Both communities have been affected by the conflict and the consequences of a pre-existing weak social welfare system, corruption, poor legislation and migration pressures. By reflecting upon the difficulties faced by Palestinians and the Lebanese host community, this report aims to understand the challenges faced by both groups.
2. The Lebanese Economy

2.1 Economic Challenges

The Lebanese Civil War (1975 to 1990) had a devastating effect on the Lebanese economy. Lebanon's overall real GDP declined by more than 70%, inflation increased dramatically, its banking system weakened and public debt increased. During this period many Lebanese emigrated to escape the effects of the war. The post-war reconstruction and re-investment in the country by the international community and the Lebanese diaspora contributed to revitalise the economy. The Lebanese economy experienced impressive growth in the decade following the end of the war with an increase in GDP from US$2.8 billion in 1990 to US$17.2 billion in 2000. By 2011, unemployment was 6.1%, the GDP was US$40 billion, the GDP per capita was estimated to be US$12,500, placing Lebanon in the upper-middle income category.

Yet, these macro-economic indicators masked deeper economic issues that plagued the country. Despite the overall low unemployment rates, youth unemployment rates were high. The World Bank estimated that youth unemployment (15-24 years) was 20.7% in 2011 (increasing to 21.2% in 2016). Essentially, the Lebanese economy does not create sufficient jobs to accommodate for the new entrants into the labour market. Between 2005 and 2009, Lebanon created 3,800 jobs per year, absorbing only one-sixth of the 23,000 Lebanese workers who enter the market annually. This is thought to be due to several factors. First, rigid labour regulations make it difficult to develop businesses and hire talent. This is compounded by legislation that prohibits the operation of job-hunting firms. Second, there is a skills mismatch. This makes it difficult for employers to find the skills required for the jobs available. Third, poor governance structures in Lebanon results in a lack of well-developed institutions that could facilitate job creation. As a result, many young people become discouraged and decide to drop out of the labour force and many also emigrate. Statistics show that inactivity rates of youth in Lebanon were as high as 70% in 2013, compared to a world average of 52.6%.

Labour informality also poses a significant challenge to the Lebanese economy. Informality arises as a way to absorb a proportion of the active population when an economy fails to create sufficient formal jobs. It is estimated that as much as 50% of the workforce in Lebanon is informal. Informal employment is more prevalent in the agriculture, construction, transport and commerce sectors, while at the other end of the spectrum finance, insurance and the public sector are completely formal. Labour informality is also prevalent among the self-employed. In 2010, an estimated 30% of the labour force in Lebanon was classed as self-employed, a significant proportion of this informal. This unusually high rate of self-employment, particularly for a middle-income country, is due to a shortage of well-paid formal jobs, making self-employment an attractive option for large numbers of Lebanese workers across education levels. In general, informal workers lack social security benefits and are mostly engaged in low productivity activities. Moreover, informality often equates to exploitative working conditions. Compared to workers in the formal private sector and the self-employed (who can earn above average wages), those employed in the informal economy earn less than average wages.

Underemployment is also a significant issue. As mentioned above, Lebanon has been unable to create sufficient jobs for its population. According to the International Labour Organisation (ILO), the "types of employment available in Lebanon over the past two decades have been, on average, of relatively low productivity, usually indicative of low-quality, low-paying jobs in informal activities." Yet, the Lebanese native population has a high rate of tertiary level graduates; 19% of the population have university degrees. This dichotomy has meant that unemployment and underemployment have a greater impact on the more educated. The highest rates of unemployment are observed at the secondary and university levels, 7.7% and 8.8% respectively, compared with only 4.4% for those who are illiterate. These figures do not account for those who voluntarily drop out or do not seek employment.

2.2 Lebanese Emigration

One side effect of the economic, as well as political, instability that has plagued Lebanon is the high rates of emigration. Emigration from Lebanon...
has been classified into several waves and can be traced back to the time of the Ottoman Empire. The most recent waves occurred during the Civil War and following this, beginning in 1990. It is estimated that the total stock of Lebanese emigrants by 2015 was approximately 1.9 million, with females constituting around 52% of emigrants and those aged between 20 and 64 years the majority, accounting for 50.7% of the total, while those below aged 20 years constituted 46%.

One the main drivers for the various waves of emigration from Lebanon is economic. It has been a channel for the young Lebanese and Palestinians to deal with unemployment, lack of long-term career prospects and rigid social mobility. During the most recent wave, emigration increased as a result of poverty, corruption, political instability, housing crises, and the continuous rise of public debt. Essentially, emigration has become a solution for educated youth to seek better employment opportunities and higher salaries.

“Travel became the only option for improving my economic situation and living conditions, especially since 1975, when the war began.”

“I studied economics at university and when I began to work, the tasks that were assigned were very menial. The company did not encourage my skills development so I decided that a career in Lebanon did not suit me and I needed a different weapon, going abroad.”

Most young emigrants work in the sectors of electricity, gas and water supply, transportation, communication and also in the medical sector. Lebanese emigrants hail from all social, cultural, geographical and religious backgrounds and their education levels are generally medium to high.

“I was not able to find a job related to my specialisation in Lebanon. So I had a choice, either to stay at home until I find a suitable job or work in another field. Thus, I travelled to Saudi Arabia and worked as a maintenance engineer in a medical equipment company for three years. Although I did not work as an engineer, my job tasks were related to engineering.”
3. The Impact of the Lebanese Education System

The Lebanese education system is highly fragmented. There are significant inequalities among citizens of different income groups in accessing quality education. This is mainly due to low public sector spending on education, resulting in low-quality education opportunities for poor families in public schools, in parallel with high-quality and expensive private schools. In general, students from better-off families attend expensive and usually better schools, while the poor are limited to public schools. It is estimated that only 30% of students attend public schools, 13% attend free private schools, 4% UNRWA schools, while 54% attend private schools.

Tertiary education in Lebanon also reflects the fragmentation observed in the primary and secondary sectors. Although Lebanon hosts more than forty higher education institutes, only one is public. Yet, there are relatively high levels of tertiary education; one fifth of Lebanese nationals and 4% of the Palestinian population have university degrees. However, as noted previously, this education profile does not match the concentration of mostly low skilled jobs that are available, creating a surplus of educated and skilled labour.

In the case of university graduates, only 53% are employed, the rest are either inactive or unemployed. The high cost of tertiary education produces a demand and expectation of wages higher than those set by the market, further disincentivising graduates. The economy has been unable to fully absorb the mostly young and educated labour force, resulting in both higher unemployment and high emigration rates in this demographic.

The skills-education mismatch is also evident in the low levels of entrants to technical vocational education. As in many parts of the world, this is the sector where most jobs are created. The reluctance of Lebanese workers to enter this sector means that medium-level technical expertise (e.g. skilled workers, technical assistants) is extremely scarce and many of these jobs remain unfilled.
4. The Impact of the Syrian Crisis on the Lebanese Economy

4.1 Socio-Economic Impacts

The conflict in Syria has had a significant economic, social, political and security impact on an already fragile Lebanese system. It has created severe demographic and economic shocks across the country, negatively affecting tourism, foreign investments and demand on government services. Public services have been stretched, including infrastructure, national health and education, unable to cope with the large numbers of new arrivals.

Lebanon’s pre-existent socio-economic challenges, characterised by low economic activity rates and high youth unemployment and a large informal economy, have been aggravated by the Syrian crisis, especially impacting poor and marginalised citizens. Between 2012 and 2015, the average standard of living in Lebanon deteriorated, with real per capita GDP decreasing by 8.3%, representing a total loss of US$726 million. Public debt soared, reaching almost US$70 billion, or about 145% of GDP, among the highest in the world. Public spending also increased by US$1 billion over the

Lebanon’s Refugee Legislation

Lebanon is not a signatory to the 1951 UN Convention Relating to the Status of Refugees or its 1967 Protocol. It is however bound by the customary law principle of non-refoulment (a state shall nor deport or return an individual to a country where his right to life or personal freedom is in danger of being violated because of his race, nationality, religion, social status or political opinions), and by obligations of the UN human rights treaties that it has signed, and which are incorporated in its Constitution. This means that Lebanon is obliged to ensure the safe admission of refugees, to protect them against refoulement and to respect their basic human rights. Yet, the Lebanese government insists that the presence of refugees from Syria is only ‘temporary’ and emphasises that Lebanon is “not an ultimate destination for refugees, an asylum country, or a resettlement country”. It regards all individuals who have fled Syria as ‘displaced’.

The 1993 bilateral agreement between Lebanon and Syria for Economic and Social Cooperation and Coordination maintained that nationals of both countries would have the freedom of stay, work, employment and practice of economic activity in both countries. In fact, at the beginning of the Syrian crisis, Lebanon had maintained this ‘open border’ policy, so that registered Syrian refugees were able to work legally in Lebanon. It had also been lenient to those who had not regulated their stay and to those who were working without permits. It was also tolerant of the opening and operating of unlicensed businesses.

However, as the number of Syrians refugees in Lebanon increased, this initial ‘open door’ policy and lenience was gradually abandoned, and the government adopted more protectionist measures. By early 2015, the government had begun to restrict the entry of Syrians into Lebanon, directing UNHCR to stop registering new arrivals from Syria. It also began to limit the renewal of residency permits, thereby making it more difficult for Syrians to remain in the country legally. The government also began to control and restrict access to the job market, only allowing Syrians to work in certain sectors – agriculture, construction and other labour-intensive sectors – where they would not be in direct competition with Lebanese workers. The Lebanon Crisis Response Plan made a clear distinction between creating permanent jobs for Lebanese workers and temporary jobs for Syrians.
period 2012 to 2014, with a shortfall in revenues estimated at $1.1 billion and overall losses related to the crisis totalled US$7.5 billion during this period\(^{28}\).

The Syrian crisis has caused a significant demographic shift in Lebanon. As of December 2016, 1,011,366 Syrians registered with the United Nations High Commissioner for Refugees (UNHCR) in Lebanon\(^{29}\). However, this number does not include the hundreds of thousands who remain unregistered, many whose presence in Lebanon pre-dated the crisis in Syria\(^{30}\). Unofficial estimates state that many as 1.5 million Syrians are in Lebanon\(^{31}\). The Lebanese government directed UNHCR to stop registration as of 5 January 2015\(^{32}\), and those who have arrived since remain unregistered. As of December 2016, there were also approximately 32,000 Palestinians from Syria\(^{33}\), decreasing from 50,000 in 2014\(^{34}\). This is in addition to the Palestinians living in Lebanon prior to the Syrian conflict and registered with United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). With a population of approximately 5.8 million Lebanese citizens\(^{35}\), this means that approximately one in every four people in Lebanon is a refugee.

Another challenge that Lebanon is facing in the light of the Syrian conflict is an increase in prices of basic commodities and services. This has affected both the host community and refugee populations. There is increased demand for rented accommodation, thereby increasing rental prices. This situation is most severe in Beirut. In some districts, rents are said to have increased by 400%, because of an increased demand for apartments. Refugees, fleeing to Lebanon with their life savings, are often able to afford higher rents than poor Lebanese, often by housing several families into a single apartment.\(^{36}\)

4.2 The economy and the Lebanese worker

The impact on unemployment, poverty and inequality has been profound. This is much more significant on already vulnerable segments of the Lebanese national population, as displaced Syrians have tended to settle in areas that were already extremely poor. It is estimated that approximately 30% of people in Lebanon lived beneath the national poverty line before the crisis\(^{45}\). Since the start of the crisis this proportion has increased. It is believed that 170,000 Lebanese citizens (about 4% of the population)\(^{46}\) have fallen below the poverty line, and as many as 1.5 million Lebanese nationals are considered to be in a situation of vulnerability due to the Syrian crisis\(^{47}\). In addition, 52% of Syrian refugees also live below Lebanon’s poverty line of US$3.84 per day \(^{48}\), while 52% of Syrian families and 10% of Lebanese families \(^{49}\) live in extreme poverty.

The Syrian conflict has also caused increased competition for jobs. Yet, even prior to the Syrian crisis, Lebanon had faced high youth unemployment rates (as described previously). This increased competition coincided with a prevalence of low quality and low productivity jobs in an unregulated and poorly governed labour market.

“The number of taxi drivers has increased because of the Syrians who joined the profession. This has reduced my monthly revenue and has forced me to increase my working hours. But we must understand the difficult circumstances that Syrians face and help them. They are not responsible for what is happening in their country.”\(^{50}\)

Syrians entered a market characterised by limited compliance with labour laws manifested by deteriorating working conditions for many, especially the poorest. There was also a large informal economy that included child labour and general non-adherence to minimum wage laws\(^{51}\).

The profile of the average Syrian refugee worker is one who is mostly unskilled, with low educational attainment and high willingness to work under difficult conditions. This threatens the poorest and most vulnerable among the Lebanese national population who worked mainly in the construction, agriculture and, to a lesser extent, the service
Vulnerability of Syrian Workers in Lebanon

The Syrian labour force exists in a state of economic vulnerability. Syrians work outside Lebanese labour protection mechanisms in the informal labour market, aggravating their already impoverished condition and inability to meet their fundamental household expenses. A survey conducted by the ILO revealed that 92% of employed Syrian refugees in Lebanon do not have employment contracts. More than half of them work on a daily, weekly or seasonal basis for low wages. Syrian refugees have an average monthly income of US$277, 40% lower than the minimum monthly average for Lebanon of US$448. The ILO also estimates that 50% of young Syrians do not have activities to generate income and this figure increases to 66% among young women.

4.3 Benefit to some businesses

The influx of refugees and the increased competition in the labour market has benefited some sectors of the Lebanese population, namely business owners. Lebanese employers are able to hire Syrian workers at lower wages. Most often, these workers are hired informally and are more vulnerable to poor working conditions, including long working hours, no social security benefits, as well as no sick or holiday pay.

“Today we are suffering because of the chaos in the country, especially with the presence of Syrian refugees. They can rent a shop without registering the lease and thus paying no taxes, and offer competitive services at lower prices. The Syrians are just looking for ways to live. I hire Syrians employees in my shop because their salaries are lower, which reduces my costs, so I can continue to compete in the market.”

The informality of the Lebanese labour market has also benefited many Syrian businesses. Most operate illegally, without licenses and without paying electricity, water or taxes, often occupying the same building as their residence. These businesses almost exclusively employ Syrians. Much of the stock (mainly furniture, clothes, and food) are imported directly from Syria and sold at very low prices, normally below the market value.

4.4 The response of the international community and Lebanese government

The economic impact of the Syrian crisis on Lebanon meant that it has become dependant on funding from the international community. There has also been emphasis on accessing non-traditional donors. Lebanon has been able to access funding through the World Bank's Multi Donor Trust Fund, the UN-managed Lebanon Recovery Fund and the EU Regional Trust Fund in response to the Syrian Crisis, as well as concessional funding through the World Bank, that is managed Global Concessional Finance Facility.

In order to counter the economic and social challenges, as well as the increased economic vulnerability among much of the Lebanese population, the Government of Lebanon has developed a response plan. The Lebanon Crisis Response Plan (LCRP) was developed by the United Nations in partnership with the Lebanese government and other international and national partners. The LCRP aims to address the challenges generated by the crisis in “a holistic and comprehensive manner, through longer-term, multi-year planning”. It established the following set of strategic objectives: ensure the protection of displaced Syrians, vulnerable Lebanese citizens and...
Palestine refugees; provide immediate assistance to vulnerable populations; strengthen the capacity of national and local service delivery systems to expand access to and quality of basic public services; and reinforce Lebanon’s economic, social and environmental stability.

LCRP has established livelihood interventions that aim to directly support 2,750 Lebanese micro, small and medium enterprises (MSMEs), start-ups and cooperatives. This will, in turn, contribute to "creating or maintaining 5,600 job opportunities in 2017. This will be achieved through fostering local economic development in the most vulnerable areas, where poverty and unemployment are concentrated, and where private sector actors, Lebanese MSMEs and entrepreneurs need support to develop new commercial linkages, expand productivity and ultimately create jobs.”

The European Union and Lebanon have also established a partnership – the EU-Lebanon Compact – that aims to guide efforts to improve the living conditions of both Syrian refugees in Lebanon and vulnerable members of the host community. The key objectives of the EU-Lebanon Compact are to provide ‘an appropriate and safe environment’ for refugees and displaced persons from Syria, and create a beneficial environment in Lebanon, for host communities and other vulnerable groups. Fostering economic growth and creating job opportunities is one of the key priorities of the compact. The compact includes an EU allocation of a minimum of €400 million between 2016 and 2017. This is in addition to the bilateral assistance of more than €80 million for the same time period. The aim of the compact is to assist Lebanon in transforming the current situation into an opportunity to improve the socio-economic prospects, security, stability and resilience of the whole country.
5. The Challenges faced by Palestinian Refugees in Lebanon

5.1 Status of Palestinians

Palestinian refugees in Lebanon have become a forgotten minority. According to UNHCR, "Palestinian refugees in Lebanon reportedly continue to face acute socioeconomic deprivation and legal barriers to their full enjoyment of a broad range of human rights". They are dependent on UNRWA for all aspects of their life due to their inability to access public education, public health care and social services, as well as formal employment.

Palestinians have resided in Lebanon since 1948. While exact numbers are difficult ascertain, it is estimated that there are between 260,000 and 280,000 Palestinian refugees in Lebanon. This estimation is remarkably lower than the 500,000 registered with UNRWA, possibly due to high migration rates. In addition, there are between 3,000 and 5,000 Palestinians who are not registered with UNRWA (non-ID), and also 32,000 Palestinians from Syria, who also lack a legal status. These latter groups are not recognised by the Lebanese government and therefore live in an extremely precarious situation, unable to access basic services and exercise their human rights.

Lebanese law treats Palestinian refugees as a special group of foreigners, denying them the same rights granted to other foreigners. This not only deprives Palestinian refugees of the basic rights enjoyed by Lebanese, as well as other foreigners, but also deprives them from their rights as refugees according to international conventions. While allowed the freedom to move throughout the country, Palestinians often face entry and exit controls to the camps and this is often tightened depending on security concerns. There are also restrictive property rights as Palestinians are prohibited from legally acquiring, transferring or inheriting property in Lebanon. They are restricted from making repairs to their homes because the entry of building materials into Palestinian refugee camps is prohibited.

Palestinian refugees are scattered throughout the twelve camps and forty-two gatherings across the country. These camps and gatherings are often described as urban ghettos, comprising of concrete blocks with corrugated roofs, lining narrow alleys that are covered with a maze of makeshift electric wires and lined with sewage and water pipes, many leaking. The camps are surrounded by checkpoints and, in some cases, security walls and barbed wire. Lebanese authorities have no jurisdiction inside the camps. Palestinians have restricted access to Lebanese government services and depend almost entirely on UNRWA and NGOs for education, health and social services, which are provided inside the camps.

5.2 Labour market restrictions and discriminatory practices

The overall profile of the Palestinian workforce is one that is poorly educated, young and lacking in skills. It is estimated that only 42% of Palestinians are economically active. The number of Palestinian workers in Lebanon is estimated at 75,000, approximately 5% of the total labour force (citizens and non-citizens) and less than 15% of the ‘foreign’ workers in Lebanon. Most Palestinians are engaged in low-status jobs concentrated in commerce and construction, and a significant proportion work on a daily or weekly basis and are engaged in private employment in the informal sector.

Palestinians lack the right to work in the public sector and in thirty-six specified professions. This includes professional jobs such as medicine, law and engineering, as well as other skilled and semi-skilled jobs such as farming and fishery, and public transportation. Interviewees articulated the frustrations this caused.

"Palestinians are restricted from many professions, such as medicine and engineering. This has meant that many have become less ambitious. Yet, others still pursue university majors that they can’t practice as professions, and accept jobs that don’t match their level of education, such as working as mechanics or construction workers."
Even armed with a university education, it is difficult for Palestinians to secure employment. Interviewees explained their experience finding employment and articulated the experience of being rejected for jobs simply because they have Palestinian identity documents.

“After graduating from university, I joined the Islamic orphanage as a volunteer and worked there for six months, during which I received excellent reviews. However, my Palestinian identity prevented me from being employed full time.”

“During university semesters and the summer vacations, I worked part-time jobs that do not require a contract or work permit to be legal, such as a rescue worker in marine parks, at swimming pools, in restaurants and cafes. However, when I graduated it was very difficult to find a job because I have Palestinian identity.”

Another said that she hoped that her children could attend university, yet was not optimistic about their futures. She had little expectation that they would get decent jobs because they were Palestinian.

As Palestinian professionals are prohibited from finding work in the Lebanese economy, some find ways to work informally. Yet, even these are vulnerable to exploitation. For example, doctors, prohibited from legally working in the Lebanese economy and only able to legally work in camps, can agree to work for Lebanese clinics informally, signing prescriptions under the Lebanese doctors’ names. One interviewee explained his experience working as an engineer, also a prohibited profession for Palestinians.

“When making a contract with a contracting company, the engineer registers himself as an individual institution, registers with the treasury, pays taxes and provides engineering services as a service provider, but avoids using the term engineer explicitly, which is against Labour Law.”

For those who are less educated the situation is more dismal. One Lebanese female married to a Palestinian explained that her husband struggled all his life to find employment and secure a steady income. He put this down to the fact that he was Palestinian.

“It is known that Palestinian refugees in Lebanon do not easily find jobs.”

Most Palestinian refugees in Lebanon are reported to work in menial, low paying jobs in the informal sector. Informal labour renders Palestinians more vulnerable to exploitative working conditions. Most are employed without a written contract, receive no health coverage, paid holiday or sick leave. Very few are entitled to a pension or end-of-service indemnity. They are often overworked and poorly paid.

In order to work, Palestinians require a work permit, which can be obtained at no cost. Obtaining a work permit involves a lengthy administrative process, and often depends on the goodwill of their employer. Yet, even when employers apply for work permits, they are often not granted.

“A number of laws have been issued that prioritise the employment of Lebanese, especially in senior positions such as managers. Often, when Palestinians apply to the Ministry of Labour for work permits, they are not granted.”

The ILO estimates that only 2% of employed Palestinians have work permits.

Palestinians who work in the formal sector are obliged to pay into Lebanon’s social security fund,
yet have no access to social security services, such as family, illness and maternity allowances\textsuperscript{92}. The exception to this is the end-of-service indemnities, to which, according to a 2010 law, they are now entitled\textsuperscript{93}.

Discriminatory employment practices also extend to the wages that Palestinians receive. The average monthly income of Palestinian workers is US$356, considerably below Lebanon’s official minimum wage of US$447, and 20\% less than the average monthly income of Lebanese workers. Moreover, half of employed Palestinians earn less than US$330 a month\textsuperscript{94}. In general, they do not receive equal remuneration as their Lebanese counterparts for equivalent jobs\textsuperscript{95}.

“My salary was much lower compared to that of my Lebanese colleagues with the same specialization in the same company.”\textsuperscript{96}

These inherently discriminatory laws and practices have hindered Palestinians from legally joining the Lebanese labour market, and the majority resort to working in the informal economy. This has led to a vicious circle of poverty from which Palestinians struggle to escape.\textsuperscript{97}

5.3 Discriminatory practices in education

Their lack of access to the Lebanese public education is one of the core contributors to the difficulties faced by Palestinians. Most Palestinian students attend UNRWA schools, which are severely under-resourced and suffer from overcrowding, due to a severe lack of funding\textsuperscript{98}. While there is access to private schools, this is beyond the means of most Palestinian families. In the 2016/17 school year, UNRWA provided elementary, preparatory and secondary educational services to nearly 38,000 Palestine refugee children, including over 5,000 Palestine refugee children from Syria. These students were enrolled in 67 schools throughout the country\textsuperscript{99}. UNRWA also operates eight vocational training centres, with a capacity for 7,200 trainees\textsuperscript{100}.

The situation is similar with access to higher education. As vast majority of higher education institutions in Lebanon are private, they are theoretically accessible to Palestine refugees, but high tuition costs make it prohibitive to most\textsuperscript{101}. Moreover, because of limited access to the labour market, some do not see any purpose in completing an education that does not grant full access to formal employment.

The work restrictions placed on Palestinians affects retention in education particularly at the secondary level, as well as their options for tertiary education. This is thought to be due to “the worsening socio-economic conditions of Palestinians in Lebanon, as well as to the fact that Palestinians, remarkably for a people once renowned for their hunger for education, no longer see the benefits of an education, given the work restrictions the Lebanese government had imposed for so long.”\textsuperscript{102} The frustration about the lack of choice of university studies is evident among the Palestinian community.

“Palestinians do not choose university majors according to interest. I wanted to study veterinary medicine, but I did not because I am a Palestinian, and we are not allowed to work in this profession in Lebanon.”\textsuperscript{103}

Yet, education is beneficial to Palestinians. Research has shown that tertiary education (vocational and university) increases the chances for employment, and this is even more profound for women\textsuperscript{104}. In general, better education is collated to less exploitative working conditions, higher wages, fewer hours, more benefits and enhanced protection\textsuperscript{105}. Palestinians that manage to become skilled professionals, such as doctors, lawyers or teachers, via access to higher education, often have better working status and more decent jobs.

5.4 Institutionalised discrimination?

Along with inequitable social and economic conditions, discrimination against Palestinians seems to be institutionalised in Lebanon. This not only impacts employment opportunities but society in general.

“Sometimes I was prohibited from working in jobs that required direct
engagement with customers because of my Palestinian dialect.”

Speaking about the company he established that employed a mixture of Lebanese and Palestinian staff, one interviewee explained that within the company there were no tensions between the two groups. Yet, it was not the same when it came to customers.

“It is good that our company includes a mixture of Palestinian and Lebanese staff. We all get along because of personalities regardless of identity and belonging. Yet, we sometimes lose customers because of our Palestinian dialect, a challenge that we cannot change or overcome.”

Societal discrimination also affects the lives of many Palestinians in Lebanon.

“I faced racism by some Lebanese, especially after security incidents, which the Palestinians were a part of.”

“In the past, there was a positive relationship between Palestinians and Lebanese. Racism began to unfold toward Palestinian refugees when the late Prime Minister Rafik Al Hariri took office.”

5.6 Palestinian contribution to Lebanese economy

In spite of the social and economic restrictions faced by Palestinians in Lebanon, they make a significant contribution to the economy. In 2012, it was estimated that Palestinians contributed more than US$300 million a year to the Lebanese economy, particularly in rural areas, where most reside. Another factor that contributes to the economy is remittances to Lebanon from Palestinians abroad. Surveys have shown that more than half of the households in the eight largest camps reported that they receive financial assistance from relatives abroad. The estimated average value of remittances into Lebanon from Palestinian migrant workers is thought to exceed $US60 million a year.

5.7 Impact of the Syrian crisis

The arrival of over one million Syrian refugees has also had a significant socioeconomic impact on the established Palestinian refugee community in Lebanon. It is estimated that approximately half of the more than 32,000 Palestinian refugees from Syria in Lebanon live in one of the twelve recognised Palestinian refugee camps, the other half living among the host community.

The approximately 32,000 Palestinians from Syria who reside in Lebanon lack legal status. This renders them vulnerable to detention and fines, and/or deportation to Syria. Their lack of legal status also restricts their access to basic services, employment and civil documentation. While Palestinian refugees from Syria can access healthcare and education via UNRWA schools, as well as other humanitarian assistance, their lack of legal status and up-to-date registration documents, as well as restrictions on movement, seems to negatively impact their ability to access these services. Palestinian refugees from Syria also have extremely limited access to employment opportunities in the informal sector. This exasperates their vulnerability and many struggle to provide food and shelter to their families, often ending up in debt.

The Syrian crisis has had a profound impact on unemployment, poverty and inequality for Palestinians. Unemployment among Palestinian refugees in Lebanon rose to 23% in 2015, compared to 8% at the start of the Syrian crisis. In addition, 90% of Palestinian refugees from Syria and 68% of pre-existing Palestinian refugees live below Lebanon’s poverty line of US$3.84 per day, while 6% of Palestinian refugees from Syria in Lebanon live in extreme poverty. The institutionalised discrimination against Palestinians, manifested in restricted access employment (and education) opportunities, has been exasperated by increased competition for already limited resources and caused increased tensions.
Lebanon has experienced its fair share of woes. The Syrian crisis has put additional pressure on an already fragile economy and society. At the start of the crisis, the Lebanese and Palestinian communities had demonstrated remarkable generosity responding to the mass displacement. Yet, as the crisis became more protracted and the numbers of Syrians and Palestinians from Syria increased, Lebanese infrastructure and services, including education and healthcare, began to exhibit increased signs of vulnerability. The Lebanese economy also began to display signs of increased weakness. Unemployment rates – particularly among the youth – increased, large numbers fell below the poverty line, economic activity rates decreased, and Lebanon’s already large informal sector grew.

While the crisis has negatively impacted all of Lebanese society, the poor and marginalised have been disproportionately affected. The presence of Syrian refugees in poorer communities has increased competition for jobs, with many Syrians willing to accept less pay than Lebanese. As a result many Lebanese, particularly unskilled youth, have become unemployed, many have fallen below the poverty line, and approximately one third of the Lebanese population is now considered vulnerable. Also negatively affecting the poorest among Lebanese society is the increased price of commodities and a spike in rent prices.

Palestinians refugees in Lebanon are particularly vulnerable. The institutionalised discrimination against this group, manifested in restricted access to education and employment opportunities, has been exasperated by increased competition for already limited resources. Palestinians experience low rates of education achievement and difficulty to access tertiary education, with rates much lower than their Lebanese counterparts. Restrictions in the labour market for Palestinians influence their perceptions of the value of higher education, with many not seeing the value of degrees if they are unable to work in these professions. The Syrian crisis has also had a negative impact on the Palestinian population. Many Palestinians from Syria have found refuge in the already crowded refugee camps. The numbers of Palestinians who live below the poverty line has increased and unemployment rates have risen, in line with the overall deterioration of the Lebanese economy.

There is an urgency to address the economic challenges faced by Lebanon so that Lebanese, Palestinians and Syrians have access to dignified livelihoods. It is in the interest of the Lebanese government and the international community that all segments of the population have access to better and formal employment in order to increase resilience. It is the responsibility of the Lebanese government to ensure that all segments of the population – both native and guests – have the ability to be self-sufficient. Options that could be considered include:

- The Lebanese government and the international community could cooperate to promote a more favourable economic environment in Lebanon to attract foreign direct investment and increase the number and quality of jobs.

- Greater emphasis could be placed on technical vocational education and training, along with basic entrepreneurship training, advice and follow up. Consultation with the private sector in Lebanon in order to survey the skills required for available jobs would inform training institutes about the courses that should be taught. A direct feed from the training institutes to the private sector would ensure that jobs are filled with qualified and skilled individuals.

- Removal of protectionist labour market measures, including the formalisation of many SMEs and elimination of regulations prohibiting segments of the society from the labour market could invigorate the economy.

- International companies could explore providing employment via work remotely. The global-skills shortage, education for employment skills training via technology, and most importantly cloud based applications, could provide an opportunity for a segment of the population to benefit from employment in a less geographically limited way. The Lebanese government should work toward finding a way to formalise this type of employment.
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