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For Inclusive and Fair Covid-19 Socio-Economic Recovery Measures in Lebanon: Synthesis Report

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ABSTRACT

In many countries, early, large, and sustained policy responses to the pandemic were successful in protecting families. However, the Government of Lebanon's response to COVID-19 and the simultaneous crises the country is experiencing, in terms of socio-economic recovery measures has been very limited, if not absent. Led by the American University of Beirut (AUB) and supported by Oxfam, the project "For Inclusive and Fair COVID-19 Socio-Economic Recovery Measures in Lebanon," investigates the impact of the pandemic and concurring crises on the employment and living conditions of the urban informal sector in Lebanon. The informal sector makes up a significant portion of the Lebanese economy (54% of the labor force before the start of the crisis). Furthermore, the project evaluates the government's response to both the health and economic challenges posed by the crises. The field work shows that the pandemic led to significant loss of employment and income among the population of interest. Household living conditions deteriorated drastically, leading the majority of households to resort to negative coping mechanisms. Government intervention was limited in scope and impact and failed to alleviate the daily hardships faced by the vulnerable population. Finally, we conclude with a series of short- and long-term policy recommendations that build on the evidence provided in this research work as well as lessons learned.

I. INTRODUCTION

Lebanon has faced multiple crises since the end of 2019, starting with civil unrest coupled with the start of the economic meltdown. As of the summer of 2019, the country had witnessed currency depreciation and significant restrictions on withdrawing foreign currency from bank accounts. The worsening living conditions led to massive monthslong protests where hundreds of thousands took to the streets renouncing the ruling elites. The government resigned in November 2020, (Dabouch, 2020), and it was only at the end of January 2020 that a new cabinet was formed, less than one month before the first COVID-19 case was reported in the country on February 21, 2020 (MoPH, 2020).

Prior to the pandemic, the public healthcare system made up around 50% of the Lebanese healthcare system. According to the World Bank (2022), and similarly to neighboring Jordan and Iraq, Lebanon's government health expenditures in 2019 were around 50% of total health expenditures. The remaining 50% being the domestic private health expenditures. Health expenditures in 2019 as a percentage of GDP for Lebanon, Jordan and Iraq were 8.65%, 7.58%, and 4.48% respectively. However, and for the same year 2019, the 28 public hospitals accounted for roughly 36.7% of government-subsidized hospital visits and the same percentage of government-subsidized admitted patients, while the remaining percentage was covered by the 118 private hospitals contracted by the Ministry of Public Health (Abu-Rish, 2021).

The pandemic coincided with two significant events: a major unprecedented financial and economic crisis, and the Beirut port explosion in August of 2020. Both events fueled political tensions and government resignations and contributed to a growing sense of instability and uncertainty across the country (HRW, 2021; HRW, 2022).

The economic crisis is considered to be among the top three most severe economic collapses worldwide since the 1850s (World Bank, 2021a; World Bank 2022b). Rapid depreciation of the local currency, skyrocketing inflation, massive closure of businesses and layoffs of employees, unofficial and discriminatory capital control, and shortages in daily essentials are some of the main observable characteristics of this crisis. According to the IMF (2022), Lebanon's real GDP which stood at 54.9 billion USD in 2018 has contracted by 1.9% in 2018, 6.9% in 2019, and 25.9% in 2020.¹ These figures match the ones reported on the website of the Lebanese Central Administration of Statistics (CAS). The World Bank (2022a) estimates the GDP's contraction in 2021 at 10.5%. In fact, the decline in GDP per capita recently prompted the World Bank to downgrade Lebanon from its status as an upper middle-income to a lower middle-income country.² Triple-digit annual inflation has been recorded for more than two years now, and according to Fitch Solutions (2022) Lebanon is set to reach the second highest inflation rate globally in 2022, ranking right behind Sudan. Alarming, the deteriorating economic conditions have drastically reduced households' purchasing power and have resulted in soaring poverty rates.

On August 4, 2020, a massive explosion at the Port of Beirut, situated at close proximity to residential and business areas in the heart of the city, ripped through the capital. The blast was caused by 2,750 tons of ammonium nitrate stored unsafely in a warehouse. The blast caused more than 200 deaths and thousands of injuries and massive destruction in the surrounding neighborhoods, affecting one third of the city (HRW, 2021). Following the blast, the cabinet resigned, and the executive branch of the government remained vacant for 13 months. This increased political tension in the country, halted policy-making efforts to address the economic situation, and contributed to further economic collapse (HRW, 2021; HRW, 2022).

¹ The nominal GDP is projected to have contracted from USD 45.4 billion (IMF, 2019) to USD 18.7 billion (IMF, 2020).

² Accessed at: <https://blogs.worldbank.org/opendata/new-world-bank-country-classifications-income-level-2022-2023>

Informal employment is common in both the private and public³ sectors in Lebanon (Fakhri, 2017). Due to the crises, the size of the informal workforce has increased from 54.9 % in 2019 to 62.4% in 2022 (CAS, 2022). Workers in the informal sector are considered among the most vulnerable populations in most economies (ILO, 2021a), particularly due to the lack of decent working conditions in their jobs. Informal work is characterized by a lack of: job security, paid or sick leave, health insurance, social security, fixed hours and steady income, among others. The COVID-19 pandemic added another layer of hardship to households with informal employment, particularly for those in contact-intensive sectors.

This report focuses on the impact of the COVID-19 pandemic and related government policies and actions on workers in the urban informal sector. The study, conducted by researchers at the American University of Beirut (AUB),⁴ aims to understand how the pandemic and the government's response impacted the population of interest. The focus was on the direct impact on employment and earnings and the subsequent effect on living conditions of informal workers and their households. Particular attention was given to the impact of the pandemic on health and healthcare accessibility of workers and their families. There is a significant gap in the literature investigating the impact of global health shocks on workers in the informal sector in Lebanon including refugees and migrant workers. These workers are considered to be more vulnerable to COVID-19 because they often live in more crowded spaces with less access to clean water, medical services, and personal protective equipment (Abu-Rish, 2021). This project aims to fill this gap by examining the impact of COVID-19 on employment and living conditions for urban residents of Lebanon, with a special focus on workers in the informal sector.

³ Informal employment is unusually large in Lebanon. Daily wage earners are commonly employed in ministries and publicly owned institutions. The public school system as well as the Lebanese University also employ a significant number of employees in both their administrative and academic staff as temporary hourly wage earners.

⁴ The AUB project team comprises four members: Dr. Leila Dagher (Principal Investigator), Dr. Ali Abboud, Ola Sidani, and Oussama Abi Younes.

II. LITERATURE REVIEW

The impact of the COVID-19 pandemic on all aspects of the global economy has been a subject of study in academic⁵ and grey literature. Economic growth was stalled or reverted in most industrial and developing economies (Calderon and Kubota, 2021). Global GDP declined by around 4% in 2020, representing the largest worldwide recession to be recorded for the last six decades (Miguel and Mobarak, 2021), reaching a height of 8.7% for the median middle-income countries. Richer countries suffered slightly less, registering an average GDP decline of 6.4% for the whole year of 2020 mainly because they had the means to start the recovery process before year end. On the other hand, although poorer countries faced a GDP growth rate at 5.2% lower than expectations, many of them suffered less in terms of the impact of COVID-19 on their growth rates mainly, because they did not have sufficient resources and means to implement strict lockdowns and livelihoods remunerations to their populations (Sanchez, 2021). And according to a UN study (2021),⁶ the World Bank announced in April 2020 that remittances will drop by 20% worldwide because of the pandemic, this being the steepest decline in recent history. What is more alarming is the reserved global trend of poverty reduction, whereby a 25-year record of consistent efforts to reduce poverty was expected to be washed away especially among the poor and vulnerable groups, as the Sustainable Development Goals Report 2020 showcased an expected rise in global poverty for the first time since year 1998, to reach a height of 8.8% by 2020 year-end compared to 8.4% in 2018. The pandemic put healthcare systems under immense pressure (Kaye et al., 2021), disrupted international trade and supply chains (Bank of England, 2021; Liu et al., 2021; OECD, 2022a), and impacted the environment (Rume and Islam, 2020).

When it comes to preventative measures, lockdowns, enforced health measures, and the emergence of the remote working modalities have had a major impact on labor markets. Assessing the impact of the pandemic on workers was studied extensively in the literature. The pandemic led to significant loss in employment and wage earnings globally (Osbrone et al., 2022; Hatayamo et al., 2021), as 8.8% of global working hours were lost in 2020 compared to the fourth quarter of 2019, equivalent to 114 million jobs lost on the global front (ILO, 2021b). The pandemic also led to a deterioration in work and living conditions among the workforce in most countries (CBPP, 2021; Cotofan et al., 2021; Weber et al., 2021), and an increase in inequality (Adarov, 2022; Ferreira, 2021; Yonzan et al., 2021).

While government support and financial packages helped mitigate some of the negative effect of the pandemic in the global north (OECD, 2022b), the workforce in low- and middle-income countries suffered significantly from the pandemic. In high frequency phone surveys from 39 developing countries Khamis et al. (2021) found that 34% of the respondents had to stop working and 62% reported a decrease in household income as a result of the pandemic. In the MENA region, workers, especially the most vulnerable such as workers in the informal sector, suffered significant negative effects over an extended period as a result of the pandemic. In a study covering four Arab countries (Krafft et al., 2021), the loss in employment and income among informal workers was significantly higher than those who have formal employment. The study based on panel survey data collected from Egypt, Jordan, Morocco and Tunisia, shows that the ratio of layoffs of informal to formal workers was as high as 4 to 1 in Morocco, the three other countries also exhibited disproportionate layoffs among informal workers. Similarly, the proportion of informal workers reporting a loss of income was double that observed for formal workers in three of the four countries in the study. An early study from Turkey (Seker et al., 2020), assessing employment vulnerability to the pandemic find that jobs held by informal workers have some of the highest levels of vulnerability across all sectors of employment. This study is particularly relevant, since like Lebanon, Turkey is a host for a large refugee community and in both countries a significant proportion of refugees are informally employed.

⁵ For a recent survey of academic literature see Brodeur et al. (2021).

⁶ United Nations Comprehensive Study of the Impact of COVID-19 on the Least Developed Country Category, April 2021.

In Lebanon, more than 89% of those declared as self-employed reported earning lower levels of income as a result of the pandemic, and 69.8% of them attributed the income loss to the compounded effect of the economic crisis and the pandemic (ILO, 2021a). And among those who did not lose their jobs, 71.4% reported a reduction in their working hours, of which 63% attributed it to the compounded effect of both the economic crisis and the pandemic (ILO, 2021a). Vulnerable and marginalized groups, women and members of the queer community, migrant workers and refugees suffered a disproportionate impact of the pandemic (Goldin, 2022; Jones et al., 2021; Bateman and Ross, 2020; Dempster et al., 2020; UNHCR, 2020). It has been reported that refugee and migrant workers have died of COVID-19 at a higher rate, and that a large number of potentially infected persons across the country could not secure access to COVID-19 tests due to either the expense or the long waits (Abu-Rish, 2021), but both claims have not been supported by any hard evidence.

The compounded effect of the pandemic together with the ongoing financial crisis in Lebanon had a significant detrimental effect on small businesses and workers alike (Elzir, 2021; Kebede et al., 2020). The outbreak of COVID-19 in the country aggravated an already dire situation by extending the crisis to sectors that were still largely unaffected up to the point of the start of the pandemic (Abi-Rached and Diwan, 2020). The pandemic exacerbated prevalent inequalities in the society by pushing thousands of families below poverty line (ESCWA, 2020; WFP, 2020). According to ESCWA (2021), nearly 4 million people in Lebanon live in multidimensional poverty.

In addition to the ongoing financial crisis, structural characteristics of the Lebanese economy and the workforce composition in Lebanon made it more sensitive to shocks (ILO, 2020). In this ILO study it was assessed that more than half of the workforce in Lebanon was employed in high-risk sectors that are vulnerable to shocks. Women, informal wage earners, refugees and migrant domestic workers hold a significant proportion of the jobs in these high-risk sectors and are therefore likely to have been disproportionately impacted by the pandemic. According to the 2019 nationally representative labor survey (CAS, 2019), these workers constituted a majority of the workforce in the country.

Several factors hindered the design and implementation of a proper COVID-19 response in the country, including the economic crisis and lack of fiscal space that the government was going through, the political deadlock that the country was facing, and the absence of political will. A few interventions took place that helped mitigate some of the negative impacts of the pandemic especially on health (Khoury et al., 2020; Berri and Abir, 2022). The government managed to conduct testing, tracing, and quarantining strategy in the early months of the pandemic. The government also managed to support some public hospitals to increase the bed capacity to meet the increased demand of hospitalization (Khoury et al., 2020). Moreover, in collaboration with UN agencies operating in Lebanon, the government ran a relatively successful campaign to raise awareness (UNICEF, 2020). The health aspect of the response had a noticeable success in the vaccination campaign as well (Asfahani et al., 2021). Lebanon's vaccination campaign effectively started in mid-February 2021, giving priority to healthcare workers and people aged above 75. Citizens and documented residents had the ability to register on an online platform (IMPACT) to receive the vaccine. While the use of an online platform facilitated the implementation of the strategy, its main obstacles were related to internet access, digital literacy, and the exclusion of undocumented (those who do not have an ID nor a passport) residents. Vaccine hesitancy also remained the main obstacle towards taking the vaccine (Oxfam, 2021; World Bank, 2021b).

The relative success in the medical response was not matched in mitigating the economic consequences of the pandemic. The general economic crisis and the fiscal position of the Lebanese state limited the resources that the government was willing or capable to commit to economic support for the population. In the earlier phase of the pandemic the government's main strategy consisted of maintaining a subsidy program to support residents' standards of living (Dagher and Nehme, 2021).

Realizing the need for national level safety net programs, plans were drawn by the government to expand already existing programs and create new programs. The lack of funding, political deadlock, and major void in governmental capacities are still major obstacles in the implementation of many of these plans (Kumar, 2021).

In the context of Lebanon, there has been limited evidence presented on the impact of the pandemic on workers in general, and more importantly those in highly vulnerable employment such as informal workers. One article notes that there is far more information about the pandemic's spread among Lebanese citizens than among refugee and migrant worker populations who constitute more than two million of the roughly 6.5 million population count (Abu-Rish, 2021). Our study aims to fill this gap by exploring the impact of the pandemic and concurring crises on urban informal workers, including refugee and migrant workers. The research aims to understand how the multidimensional shocks impacted the employment and earnings of this vulnerable group and what were the consequences on their livelihood. A major focus of the work is analyzing the public response to the crises and its successes and failures in mitigating the impact of these shocks on the population of interest.

III. METHODOLOGY

As part of this project, the research team conducted a data collection exercise that included (1) Focus Group Discussions (FGDs) and (2) Key Informant Interviews (KIIs) with experts in the field.

The FGDs consisted of semi-structured interviews conducted with residents of three different regions of Greater-Beirut:⁷ (1) Mar Mekhael/Quarantine/Port, (2) Burj Hammoud/Nabaa, and (3) Sabra/Chatila/Tariq El Jdide. Four sessions were conducted in each of the three regions. A total of 121 participants have participated in the discussions. The groups were clustered by region, gender, and nationality. The research team collaborated with local partners to identify participants. The sample was diverse in terms of age distribution, marital status, family characteristics, education levels, and sector of employment. The discussion focused on three broad themes: (1) the impact of the pandemic and government restrictions in response to the pandemic on employment and earnings; (2) changes in standards of living and coping mechanisms adopted by the participants; and (3) health, COVID-19 infections, and vaccination.

A total of 15 Key Informant Interviews were conducted with experts who played a role during the COVID-19 crisis in various capacities. The interviewees were selected to represent several actors: (1) the Lebanese government, (2) international organizations operating in Lebanon, (3) local CSOs, (4) labor unions, and (5) private sector employers. The questions were adjusted for each group of interviewees to fit within the field of their individual or institutional actions and responsibilities. In multiple interviews, the interviewees were presented with some of the major observations made during the FGDs and were asked to address the issues raised, provide an opinion on the prevalence of certain reported challenges, and discuss programs or plans that were proposed or put in place by their agencies to address these issues.

The methodology section and the main findings for each of the data collection methods (i.e. FGDs and KIIs) can be found in the appendix.⁸

⁷ Greater-Beirut includes Beirut proper and the adjacent towns constituting its northern, eastern, and southern suburbs. There is no geographic separation between Beirut city and these suburbs. Other than the administrative divisions, they constitute one urban entity.

⁸ The full reports can be accessed here https://drive.google.com/drive/folders/1Gki7QQ_ZUUHWJZvx4GHQp4FQTmWEKyhg.

IV. SYNTHESIS OF MAIN FINDINGS

This section presents the synthesis of the research findings on the impact of the pandemic and related government policies and actions on workers in the informal sector.

A. Impact of the Pandemic on Employment and Income

The pandemic was associated with a significant loss of income among workers in the informal sector. The main reasons for loss of income were the lockdowns and other social distancing policies aimed at limiting mobility that were adopted by the government during the pandemic.⁹ There were two significant weeklong lockdowns in which most non-essential businesses were closed. During the full lockdowns, as well as other periods where less restrictive measures were applied, there were severe limitations on attending usual places of work or searching for new employment. Daily workers and wage earners were often not compensated for missed days of work. A small proportion of businesses were willing to pay partial salaries for missed work in order to retain their employees. This was reported by multiple participants in the FGDs, most of whom were employed in the industrial sector, where a certain degree of skill and training is required, and business owners paid employees to retain them in the long run. A significant portion of the studied population were small shop owners and freelance professionals. These groups also suffered significant loss of income during the lockdowns because they could no longer conduct business.

For some of the FGDs participants, health concerns and fear of infection were also a significant contributor to income loss. On one hand, there was a lot of uncertainty about the virus and consequences of infection, especially during the early phases of the pandemic. The worry led many to self-impose restrictions on mobility, thereby limiting their ability to generate income. This is a particularly important phenomenon among the population of interest because many of them suffered from chronic diseases.¹⁰ On the other hand, the general fear of infection by the public reduced demand for certain services, which affected many sectors and professions. Among the study participants, small shop owners and workers in service professions, such as hairstyling, house cleaning, employees in dining and restaurant industry noted that in the early phases of the pandemic there was significant drop in clientele demand.

The pandemic amplified the negative impact of the pre-existing economic crisis. It led to further slowdown in economic activities, affecting both small businesses as well as large businesses who employ informal workers. The government actions to mitigate the pandemic spread were seen by workers and business owners as further recessionary and inadequate.

⁹ There were two major country wide lockdowns that lasted for a month each. Moreover, at various periods there were geographically targeted lockdowns based on local rates of infections. Other mobility restricting measures were also implemented, such as requesting electronic permission to visit malls or supermarkets, curfew periods and limitation on number of people in closed spaces.

¹⁰ There are no nationally representative statistics on chronic diseases and the correlation with type or sector of employment in Lebanon. However, most of the participants in the FGDs reported that at least one person in their family suffered from a disability or a chronic disease. Moreover, this population has limited or no access to health insurance, which could increase the prevalence of chronic diseases due to lack of preventative care and early detection.

While some global north countries provided generous unemployment benefits for workers who lost their jobs during the pandemic and/or put in place large stimulus plans to encourage large businesses to retain their employees and help small businesses survive the lockdowns, the Lebanese government failed to draw or to commit to such plans. The pandemic hit while Lebanon was facing a deep and significant financial and economic crisis. The government had just defaulted on paying the Eurobonds, limiting its ability to borrow funds on international markets. Moreover, the local financial system, including the Central Bank and local private banks, was in a state of undeclared bankruptcy as a result of huge losses accumulated over time that led to progressive depletion of foreign currency reserves (World Bank, 2021a). A strategy of incentivization by deferral of dues and certain taxes failed to provide the necessary incentives. According to multiple interviews with experts and policy makers at the time, suggestions such as deferral of income taxes, social security payments, rents and other dues were deemed unacceptable and insufficient by the different stakeholders.

The general view among workers and employees, as reflected in both the FGDs and one interview with a labor unionist, was that decision makers did not take their interests into consideration. The prevalent view on this side of the spectrum was that no proper consultation was made when major decisions were taken. Moreover, no proper compensation by the government was provided to make up for their income losses. A similar view was also reflected among business owners who believed government actions were ineffective, unnecessary, and costly.

The pandemic has had an extended negative impact on employment and earnings. Even after most restrictions were lifted, many workers continued to face difficulties finding new jobs or jobs comparable to those they held before the pandemic. Two significant factors contributed to this phenomenon. First, the pandemic progressed as the financial crisis unraveled into a rapid economic collapse. This was also aggravated by the Beirut port explosion in August 2020. Participants in the FGDs often confounded the impact of the pandemic and those of the financial crisis. The second factor is the changing nature of job requirements with the rise of teleworking. Many of the workers in the informal sector lacked skills that allowed them to transition to new types of jobs that became available. With limited low-cost training programs available for them, many workers could not acquire these new skills.¹¹

Prior to the pandemic, 54.9% of the employed workforce in Lebanon was in the informal sector (CAS, 2019). Among the experts we interviewed there was a general view that informality had significantly increased. This was confirmed in the follow-up labor force survey conducted by CAS in collaboration with the ILO in January 2022, where they found that informal employment increased to 62.4% (CAS, 2022). This is mostly due to closure of business and transition of recently unemployed workers into the informal workforce as taxi drivers, delivery workers, or other informal jobs. Another phenomenon that might have played a role in the increase in informality is the reverse migration from major urban center into rural areas. There are no reliable data to assess the magnitude of this phenomenon, but multiple experts interviewed in the research attest that this is a phenomenon they have observed.

Interviewees also noted that in the past two years they have noticed a new trend in informality; informal jobs that are less protected and with unpredictable pay became widespread. One alarming phenomenon, noted by multiple interviews, is the expansion of tip-based jobs, where employers pay no, or minimal wages and employees are expected to generate income out of tips. This is prevalent in the delivery business, but it has also become a widespread practice in some restaurants and other hospitality and services sector employers. These working conditions had limited precedence in Lebanon prior to the pandemic. One example are baggers at supermarkets, who worked for tips only and in some cases had to pay to acquire a spot in the supermarket.

¹¹ Interviewees from different non-profits corroborated this view. They reported that in response to rising demand, either their own organization or other organizations that they know of, initiated training programs to offer new skills for unemployed beneficiaries.

In addition to deteriorating quality and pay in informal employment, findings in the field research suggest that there has been a substantial transition towards unlawful or legally ambiguous activities. These activities include unlicensed currency exchange, unlicensed sale of regulated products such as alcohol and cigarettes, and sale of subsidized products on the black market. Higher-risk unlawful professions such as drug trafficking, cross-border smuggling, and sex work also became a last resort of employment. These activities brought additional security risks, as workers in these professions face a higher likelihood of physical harm, exploitation and potential for arrest and prosecution.

B. Impact of the pandemic on standards of living and coping mechanisms

The pandemic had a negative impact on the livelihood of most residents in Lebanon. The population of interest has been disproportionately impacted because of significant loss of income and other work conditions mentioned above.

Essentials—such as (1) adequate number and nutritiously diverse meals, (2) medicine and chronic diseases treatment, (3) electricity and other utilities, and (4) rent payments and maintenance expenses for lodging—were no longer within means of most households interviewed in the study. A significant toll of the crisis was laid on the most vulnerable members of the household, mostly women and children.

When discussing their living conditions, participants in the FGDs did not distinguish between the specific impact of the different shocks that were taking place in the country. Most notably the economic crisis and the impact of the pandemic were often combined and presented as one. They also focused on the lack of available infrastructure and governmental support to alleviate the burden of the compounded crisis. For instance, the deterioration in public power generation made most residents dependent on local private power generators. Currency devaluations, coupled with shortages and price hikes of different type of fuels increased the bills of these substitute power suppliers to levels beyond the affordability of most households in the sample of participants. In fact many participants stated that the generator bills were higher than the combined income generated by all members of the household, especially when significant income was lost as result of the lockdowns and other restrictions. This forced many of them to resort to antiquated methods, such as using candles and battery-based appliances, to replace power generators. Another source of stress on household budget was health expenditures. Lebanon had historically high levels of out-of-pocket health expenditures. World bank data show that in the early 2000s out-of-pocket health expenditure used to be close to 60% of total health expenditure, it decreased steadily to reach 33.54% of total health spending in 2019. It is worth noting that these are average figures for the whole population, the figures might be much larger for workers in the informal sector who do not enjoy any kind of social protection or benefits. To the best of our knowledge, there are no clear figures on out-of-pocket spending since the beginning of the crisis. Based on the field research it appears that in the studied population individuals rely on out-of-pocket spending and financial support from non-profits focused on provision of medical care.

Children in interviewed households suffered in two significant ways. First, austere living conditions impacted their nutrition and access to health. Many parents in the population of interest were no longer able to afford an adequate number of daily meals for their children. Similarly, providing medicine and healthcare for children became a serious hurdle for parents and caregivers. Second, children's attrition from school to enter the informal workforce became a common observation. A rise in child labor was observed in some of the most physically demanding jobs with minimal reward. Some of the common jobs young children were often observed performing include collection of plastic and other recyclable material that could be sold from dumpsters, selling small items on the side of major roads, and daily workers at local convenience stores or vegetable sellers. In addition to school dropouts, the educational attainment of those who did not quit schooling was also negatively impacted. Virtual learning, significant attrition among teachers who quit as a result of wage depreciation, and transition of children to lower-quality schools as a result of parents' inability to afford tuition, have all contributed to the decrease in quality of education.

Women were at increased risk of physical or emotional abuse by household and non-household members. In the FGDs, it was mostly non-Lebanese women who reported such events. Physical abuse reported by participants included being beaten by a family member (most frequently a husband) and being attacked by a landlord for delay in rent settlement. Women also reported their husbands leaving the family and no longer providing any form of support.

The deterioration in living conditions was reflected in the type of support local non-profit organizations started offering progressively throughout the pandemic. Daily warm meals, food stamps for purchase of groceries from local convenience stores, medicine and free doctor visits became staples of support offered by most local NGOs.

According to KII interviewees who held various public offices at different periods during the crisis, the Lebanese government had limited ability to create large subsidy programs or financial support packages. With no proper infrastructure to create a strong social safety net through which the government is able to respond to crises, and no major external financial support nor the ability to borrow, there were limited financial resources on hand to finance nationwide social protection programs. Moreover, given the wide scope of the financial crisis and the eventual erasure of most of the middle class, the government also had limited capacity to distribute the burden of the added COVID-19 shock.

Early in the pandemic, the government recognized the need for systematic cash transfer programs to compensate for lost income due to lockdowns and other restrictive measures. One of the first measures implemented to that end was a LBP 400,000 monthly payment extending over 6 months. Given the lack of a national registry, the government had to rely on proxies to determine beneficiaries. Cash transfers were made to taxi drivers and households whose children attend public schools. The Lebanese government already had an established social support program that started in 2011, which is the National Poverty Targeting Program (NPTP) that was launched to support less than 5,000 families and was expanded to reach 20,000 families by 2020. Most importantly, this program contained detailed information on a large number of applicant families. In response to the crisis, plans were initiated to progressively expand this program to reach 75,000 families (about 420,000 people). This program was intended as a fast-track intervention to support the families that are most in need.

The contemporaneous crises led to a rapid increase in poverty rates. By March 2020, at the start of the pandemic, estimates showed that poverty rates in Lebanon had reached 45%, half of which were in extreme poverty (MPI, 2019). By the end of 2021, estimates of poverty rates reached a staggering 80% (ESCWA, 2021). Given this significant expansion of the poverty pool, and the limited availability of effective social protection, a program—the Emergency Crisis and COVID-19 Response Social Safety Net Project (ESSN)—was designed in 2019 with the aim of reaching a wider range of families in 2020, in addition to the existing NPTP. Due to delays in negotiating the loan terms and passing it through Parliament, this program did not start disbursing until March 2022. The goal of the program is to offer support for 150,000 households. By July 2022, a total of 63,000 vulnerable Lebanese families (approximately 295,000 individuals) had received assistance (WFP, 2022). Two additional programs were designed and are awaiting funding for initiation: the Broad Coverage Cash Transfer program (BCCT) and the Public Sector Cash Scheme (PSCS). The plan for these combined programs is to include around 75% of Lebanese households under the social safety net. This would match the proportion of Lebanese families that plunged under the poverty line. A call for household registration for cash transfers resulted in more than 500,000 families registering on the online platform IMPACT.

The major obstacle facing implementation of these public social safety nets is the allocation of appropriate funding;¹² national funding is not available and international donors do not trust the government. Most of these support schemes are planned to expand and disburse over three years, which is an indication of the expected length of the crisis by policy makers. Challenges to these programs extend beyond funding and include the ability to identify targeted beneficiaries due to the lack of nationwide up-to-date data on living conditions and earnings.

¹² <https://www.economist.com/middle-east-and-africa/2021/07/08/mired-in-crisis-lebanon-begs-for-foreign-assistance>

In response to the loss of income resulting from the pandemic, families had to adopt several coping mechanisms to survive the crisis. Strictness in spending and reassessing family consumption priorities was one of the most common approaches adopted by families who have lost a significant portion of their income. Other mechanisms were also adopted, when possible, including accruing debt and delaying dues. Some people resorted to selling large assets and requesting support from family or friends who live abroad. In the FGDs, mostly Lebanese participants reported exercising the latter two mechanisms.

C. Infections, Immunization, and General Health Issues

The Ministry of Public Health (MoPH) was responsible for addressing and managing all the health aspects related to the COVID-19 crisis. The Ministry received support from multiple international institutions, most notably from the World Health Organization (WHO). Other UN agencies operating in Lebanon entered into a collective task force to support residents either directly or through support to various ministries and departments of the Lebanese government.

The MoPH oversaw tracking of infections, preparing guidelines and health protocols, and most importantly, the readiness and capacity of the Lebanese health system to respond to the crisis. The Ministry benefited from a World Bank loan as well as financial support from WHO, other countries and private entities to increase capacity in public hospitals. At the beginning of the pandemic, there was reluctance from private hospitals to commit resources, medical staff, and beds in the effort to respond to the crisis. Consequently, the burden of response fell mostly on public hospitals and their medical staff. This was of particular significance because, prior to the crisis, private hospitals played a more significant role in the Lebanese health system and the public hospitals were under-equipped and lacked sufficient resources. The COVID-19 crisis exposed the vulnerability of the Lebanese healthcare system that was totally reliant on private institutions. The private sector was reluctant to respond to the crisis and the public sector had limited capacity given the long history of under investment.

There was a significant rate of COVID-19 infections in the sample of FGDs participants. Most participants reported that either them or someone in their family have contracted the virus. Very few required medications and only one participant reported that there was a need for hospital admission for treatment.

Treatment costs were a serious concern for this group. Very few participants reported being considered as eligible or have received medical aid from the government or non-governmental agencies. This reporting was contradicted by information provided from multiple experts interviewed who claimed that treatment related to COVID-19 was financially covered by the MoPH or by refugee organizations if the patient was a refugee residing in Lebanon. There are two likely reasons for the conflicting reporting on treatment coverage: (1) individuals were unaware of the policy and as a result were reluctant to ask for needed care out of fear of being charged large sums in medical bills; and (2) participants in FGDs could be referencing over-the-counter medicine that they might have purchased to treat their symptoms at home. It is important to note that because of the financial crisis and shortage of foreign reserves, people had to endure the pandemic at a time when subsidies on medicine were progressively being removed, leading to shortages and a hike in medicine prices. The removal of subsidies also led to a significant increase in cost of hospital admission and treatment. Given the absence of free healthcare, this had a significant effect on the population under study, as many of them had a high proportion of out-of-pocket healthcare cost. Participants stated that as much as possible they would try to avoid going to a hospital or clinics even in some extreme health events.

The FGDs revealed a high prevalence of chronic diseases or severe disabilities among the participants or their family members. The amplified economic and financial crises, leading to multiple livelihoods challenges, have also affected the ability of workers in the informal sector to obtain medications required to manage chronic diseases. The uncertainty brought by the pandemic made it more difficult to pursue treatment, attend regular doctor's visits and seek preventative care.

There are two areas where government actions received almost universal approval by participants of the FGDs and KIIs: (1) awareness campaigns on the importance of precautionary actions, and (2) the nationwide vaccination campaigns. Participants in the FGDs agreed that the MoPH awareness campaign had an impact on their behavior and helped them to obtain relatively easy access to public information about the pandemic. Information was disseminated directly by government agencies at schools, public announcements and through collaboration with third parties, mostly local non-profits. The vaccination campaigns appeared to be equally successful, where most FGDs participants who wanted to get the vaccine were able to at no cost. Registration on the online platform IMPACT was relatively easy. Local NGOs played an important role in assisting some of the technologically challenged individuals in registering for the vaccine. There was a considerable number of participants who had vaccine hesitancy.

D. Decision making and government priorities

The Lebanese government took the threat of the pandemic seriously early on. There were several layers of committees and agencies involved in the various decisions made in response to the crisis. The Council of Ministers (CoM) was the main governmental agency taking final decisions. Assisting the CoM was the National Committee for COVID-19 which incorporated a group of experts. Experts provided up-to-date assessments of the situation and provided recommendations to the CoM. The minister of Public Health and other ministers involved in the response to the crisis had also their own teams advising and assisting them in day-to-day decisions.

According to multiple interviewed experts, public health and containing the spread of the virus was the primary concern among the major decision makers. The impact of measures taken on the economy were of lesser consideration. This triggered heavy criticism of government policy from several sides, including some members of the national committee for COVID-19 who were representing ministries and departments that are more concerned with the economy and employment. Employers, labor unions and workers in general were also critical of government policies. These major stakeholders believed that they were not properly consulted before consequential decisions were taken, and that even when consulted their point of view was not given serious consideration.

Decision makers and the experts supporting them faced major challenges in designing robust and accurate policies:

(1) *Lack of timely and reliable data on demographic and economic outcomes.* Epidemiological data were collected by the MoPH and were made widely available. This success was mostly due to the MoPH having a well-established plan for tracking and collecting information of communicable diseases. On the other hand, there was a significant gap in access to economic data.

(2) *Lack of trust between different actors facilitating the response as well as between the actors and the public.* There was a reciprocated lack of trust between the government and local non-profit entities. The public mistrusted both the government and local actors. Multiple decision makers interviewed claimed that the lack of trust by the public was the biggest challenge they faced.

(3) *No pre-existing emergency or contingency plans.* In response to the crisis, policies had to be improvised, and decision makers did not have a playbook from which they could select responses or plans. This also contributed to clashes in jurisdictions between different agencies and actors. Moreover, the lack of plans also meant personnel were not ready or qualified to deal with such a large crisis.

V. CONCLUSION AND POLICY RECOMMENDATIONS

The COVID-19 pandemic had a negative impact on the livelihood of the population in Lebanon. Workers in the informal sector, who constitute the majority of the active labor force in the country, were at a significant disadvantage. The contemporaneous crises—including the pandemic, economic and financial crisis, and August 2020 Beirut port explosion—aggravated the situation and added to the impact of the COVID-19 outbreak, resulting in unprecedented poverty rates and loss of income. While the government put in place mitigation measures for the COVID-19 pandemic, it failed to properly address the economic impacts of the pandemic and compounded crises. To date, three years after the onset of the crisis and more than 30 months since the COVID-19 outbreak, the country still lacks a financial recovery plan that allows the average citizen and resident access to resources and financial recovery.

Findings show that the lack of data, absence of pre-existing plans, insufficient setups and systems for crisis mitigation, coupled with financial incapacity and lack of political will, were the main reasons for the failure of the government to mitigate the impact of the crises on the most vulnerable, particularly informal workers. Given the observations made and lessons learned from the current crisis, we recommend the following actions so the government of Lebanon can better prepare for future shocks:

1. Scarcity of Data (employment, vulnerability of households, and informal businesses)

Informal workers constitute the majority of the workforce in Lebanon (GIZ, 2019). The crisis increased the size of the informal workforce from 54.9 % in 2019 to 62.4% in 2022 (CAS, 2022). This category of the labor force experiences no—or minimal—job security, unemployment benefits, healthcare coverage, etc. and are thus extremely vulnerable to all shocks that have economic impacts.

Moreover, government policies and actions during the crisis did not reflect awareness of their impact on the informal workforce or on the informal businesses, and that is partly due to the lack of data. Currently, Lebanon does not have comprehensive reliable databases, and the partial ones that exist such as the NSSF data, exclude workers in the informal sector. Similarly, there is not enough information on micro, small, and medium enterprises MSMEs—estimated at over 90% (MoET, 2014)—the largest portion of which is informal.

- Short-term Recommendations

* Create and maintain a census on the country's workforce (employed and unemployed) by sector that includes the informal sector, which abides by data privacy regulations and is not shared across governmental entities, but rather only used for crisis support. Putting in place a nationwide yearly labor force survey which feeds into a National Social Registry should be a priority to inform policy in the future. As noted in the validation workshop there is no need to start from scratch; the government can build on the CAS data or the IMPACT database which already has data on more than 500,000 households i.e. around 50% of Lebanese households. A single unified integrated Social Registry that identifies, compiles, and stores household information on vulnerability can facilitate the government's effort to provide urgently needed assistance for the vulnerable population.

- Long-term Recommendations

* Revise the NSSF law to include informal and migrant workers and ensure social protection schemes are extended to include all workers in Lebanon, and work towards the better implementation of current labor law articles. As a signatory of ILO agreements, Lebanon is committed to guaranteeing decent work conditions for all workers in its territory. The current labor laws, as demonstrated by the simultaneous crises of the past three years, have failed to provide reasonable protection and decent work conditions for the workers.

2. Lack of Social Protection

Social protection schemes in Lebanon do not support refugees, migrants, unemployed people, workers in the informal sectors, and workers in some sectors including agriculture. While this has always been a risk for the majority of residents in Lebanon, the impact of the lack of safety nets was exacerbated by the crisis, where many who have lost their income and jobs found no other support. Workers lost income due to lockdowns, temporary or permanent closure of businesses, and currency devaluation. For many, the loss of employment was extended. A new trend of employment informality has developed: informal jobs with more volatile pay and lacking any standards of workplace safety became widespread. Workers have seen a deterioration in standards of living and adaptation of austere coping mechanisms. Major concerns included the provision of food, healthcare, and housing. Moreover, MSMEs were also significantly affected with prolonged interruption and disruption of their businesses. Many of them were not able to resume activity even after the major COVID-19 waves have passed.

- Short-term Recommendations

- * Based on the comprehensive Integrated Social Registry, measures taken during a crisis can be targeted and should explicitly take into account the varying vulnerabilities of the various groups in the workforce, especially informal workers.
- * Provide cash transfers to compensate for lost income. While such actions were adopted at different points by the Lebanese government, these transfers were sporadic, unpredictable, and the basis on which they were delivered were not clear. Focus on the following characteristics: transparency, timely, and temporary, plus formulate a clear exit strategy.
- * Provide financial subsidies for small business owners. Our field work shows that a considerable number of business owners are women, whose business income used to provide a significant portion of the family income. The lost income during the crisis led to a significant burden on the families of these women. Providing support for women-owned business is crucial to compensate for any disproportionate impact on them.

- Long-term Recommendations

- * Expand investment in public institutions and increase social spending. Ensuring the readiness of institutions like public hospitals, civil defense, and other emergency services agents that are likely to be the first line of defense in an emerging crisis. Investing in public schools should also be a top priority. In the past decades we have witnessed an increasing reliance of government on the private sector in healthcare, which is not a problem as long as public insurance schemes and other social protection schemes can cover visits and hospitalization fees with contracted hospitals. The experience from the concurring crisis has shown the vulnerability of the system as it was in Lebanon, with heavy reliance on private provision of necessary service. This approach was particularly harmful for vulnerable population such as workers in the informal sector. Public guarantee of healthcare and schooling should help alleviate poverty among the vulnerable population and provide a minimal level of protection against shocks in the future.
- * Enact the National Social Protection program that was developed by the Ministry of Social Affairs. As part of the social protection program, establish an Unemployment Insurance Fund in charge of providing unemployment benefits and training programs for unemployed workers. Also, as part of the National Social Protection program, implement a universal health coverage plan.
- * Develop and implement financial sustainability plans for universal social protection and provide adequate financing through yearly government budgets rather than explicitly relying on grants and international financial support. Adoption of an economic recovery plan is a crucial first step towards any such goal.

* Implement progressive taxation and tax on wealth to secure resources for the government to redistribute. There is an urgent need to overhaul the current taxation system which is primarily focused on income tax and indirect tax rather than progressive and wealth taxation.

3. Government's weak response

Government response to crisis was inadequate and unbalanced. The field work, most notably the interviews with experts, shows that the government response to the pandemic was mostly focused on the epidemiological aspect of the pandemic ignoring the economic consequences. It was clear that state institutions did not have a pre-existing action plan to activate in time of crisis. Decision makers had to improvise. The ideas that were brought forward often did not materialize into effective policies or actions. The public response suffered from limited resources, competition over jurisdiction and insufficient number of trained personnel.

- Short Term Recommendations

* An updated and efficient national disaster management strategy should be put in place. This strategy should be revised and updated periodically and should ensure refugees and migrant workers are part of any emergency response.

* Mobilization of local agencies and authorities and provision of adequate resources by the central government to support their role. Moreover, conflicts in jurisdiction and authorities should be resolved between the varying levels of the administration. Prepare action plans for crisis management, strengthen integrated planning, and train staff and cadres at all levels of Lebanese administration, including local government, to implement them when needed.

* Review and evaluate previous disaster responses with the aim of learning from past experiences and informing the national disaster management strategy.

- Long Term Recommendations

* Adequate resources should be allocated to build the required infrastructure and capabilities to put the national disaster management plan into action when needed.

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APPENDIX A

Focus Group Discussions

Methodology

Prior to starting with data collection, the team submitted a complete dossier to the Institutional Review Board (IRB) at AUB on November 23, 2021, which included the IRB application, the consent script, and the FGDs list of questions. After several rounds of revisions, the IRB approval was granted on December 21, 2021.

A) Sampling

Participants were recruited in collaboration with local non-governmental organizations (NGOs). For the Mar Mekhael/Karantina/Port and Burj Hammoud/Nabaa areas, the non-profit *Nusaned* offered their venue to conduct the discussions and provided a contact list of their beneficiaries, who have reported to be employed in the informal sector. Recruitment in the Sabraa/Chatila/Tariq El Jdide area followed a similar method of recruitment; however, this area was more challenging especially in recruiting non-Lebanese participants. For instance, it was difficult to recruit Palestinian participants from the Sabra refugee camp as many of them did not want to leave the area. As a result, the recruitment was expanded to include residents of the Burj el Barajne Palestinian refugee camp who were willing to leave it and commute to a different area.

The sample also included a limited number of members of the LGBTQ+ community who were included in their respective groups based on their area of living and the gender by which they self-identify. Participants from the LGBTQ+ group did not feel comfortable answering some of the questions, particularly questions regarding employment and living conditions, during the main discussion session. They requested to respond to these questions directly to the discussion moderator after other participants left the session. Future studies would benefit from organizing a separate meeting session for members of the LGBTQ+ community. Social and cultural norms in many societies can discourage LGBTQ+ individuals from openly sharing experiences and observations, thereby limiting a study's ability to accurately assess impacts and risks to a significantly marginalized community.

Approximately 20 to 30 potential participants were invited to attend each session and 12 FGDs were conducted overall. Participants were contacted at least four days prior to the set date of the discussion, and those who said they would like to attend were contacted again the day before and the morning of the day of the session to confirm their attendance.

The sample was diverse in terms of age distribution, marital status, family characteristics, education levels, and sector of employment. Lebanese participants included: daily laborers in the sectors of cleaning and sanitation, private security service providers, factory workers, municipality non-formal employees and schoolteachers.¹³ The Lebanese participants also included a significant number of shop owners, taxi drivers, independent professions (plumbers, electricians, hairdressers, real estate agents, etc.) and freelancers in the tech industry. Among non-Lebanese participants, the main type of employment was daily laborer in the industrial and construction sectors. The non-Lebanese participants were mostly Syrian alongside a smaller number of Palestinians. The research team was unable to recruit other nationals to the non-Lebanese groups. Most Syrian participants in the sample were refugees who moved to Lebanon at various stages of the Syrian civil war. The overwhelming majority of Syrian women had zero or limited participation in the labor market. However, they all reported that their husbands, and/or children, and/or another household member were employed in the informal sector.

¹³ School teachers are usually part of the formal sector. In the past two decades, the public schooling system has hired teachers on a contractual basis. These teachers are paid per hour, they have minimal job protection and no social or health benefits.

B) Logistics

The discussion groups meetings for the areas of Mar Mekhael/Karantina/Port and Burj Hammoud/Nabaa were conducted at the venue of *Nusaned* in Mar Mekhael. The location was easily accessible for participants from these two areas.

For the Sabra/ Chatila/ Tariq el Jdide group, there were challenges in securing a venue and setting the start time of the session as most of the participants preferred later hours (after 6:00 p.m.) due to their work schedules. Identifying alternative venues that fit the later time preference was not possible given that most venues in the area could not provide electricity in the evening. The meeting hall of the Beirut Municipal Stadium was selected as the venue to conduct the sessions. Three of the four scheduled sessions were conducted in the originally planned week. The session for Lebanese men was postponed until another venue was found, Hamza Mosque, that could accommodate this group's preferred time.

C) Data Collection and Sample Demographic Characteristics

12 focus group discussions (FGDs) were conducted during February and March 2022, in three regions of Beirut. In total, 121 participants were interviewed. They were clustered by region, gender, and citizenship as follows:

	Lebanese Women	Lebanese Men	Non-Lebanese Women	Non-Lebanese Men
Mar Mekhael/ Karantina/ Port	12	7	10	11
Burj Hammoud/ Nabaa	10	9	11	3
Sabra/ Chatila/ Tariq el Jdide	7	17	19	5

Due to the lifting of the gasoline subsidy and rising transportation costs, each participant was offered 200,000LL¹⁴ as compensation for transportation to the meeting venue. The participants were not informed ahead of time about the compensation, and it was given at the end of the session.

There were some significant differences in family characteristics between the represented participant groups in the study. Syrian participants were more likely to be younger and have a larger family size, including very young children. They were also more likely to live in multigenerational households. Lebanese and Palestinians seemed to share more similar family characteristics.

Lebanese participants were more likely to own significant assets. Many of them owned cars that they used to attend the session. Non-Lebanese participants relied on public transportation or commuted by motorcycle or walking. A significant number of Lebanese participants are homeowners, whereas all non-Lebanese participants were renters. The main assets non-Lebanese reported were home appliances and jewelry.

¹⁴ At the time the sessions were conducted, this was equivalent to \$10.

Among Lebanese participants, we observed some differences in socioeconomic backgrounds by region. Lebanese participants from the Mar Mekhael/Karantina/Port area were mostly store owners or people with professional skills. Before the 2019 crisis, many of these participants could be considered members of the middle class, as this group indicated they had savings to draw from in response to the crisis. They were also more likely to be homeowners; a few participants indicated they owned more than one residence (for example, a second residence outside of Beirut).

D) Limitations

One of the limitations was insufficient representation of foreign nationals, especially among those that are employed in the informal sector.¹⁵ The sample did not include individuals from nationalities that constitute the main labor power in the sectors of sanitation, cleaning, and domestic housework. Most employees in these sectors are nationals of countries in East Africa (Ethiopia and Eritrea), South Asia (Bangladesh, Nepal, and Sri Lanka) and South-East Asia (Philippines) (UN 2021, Longuenesse and Tabar 2014). Moreover, the sample was not well representative of other non-Lebanese Arabs, most notably Egyptians and Sudanese (Longuenesse and Tabar 2014), who have a significant presence in the informal sector of the labor market in Lebanon.¹⁶

¹⁵ This shortcoming was taken into consideration when selecting the list of KIIs. A unionist representing a union coalition that includes non-Lebanese workers who were underrepresented in this part of the study was added to the list of KII interviewees.

¹⁶ Databases of local NGOs were used to contact potential participants. These databases were limited when it comes to accessing non-Lebanese participants. We reached out to other NGOs but on short notice due to frequent delays. We tried contacting some migrant workers who were called on an individual basis, but they were not responsive.

Main Findings

The discussion focused on three broad themes: (1) the impact of the pandemic and government restrictions in response to the pandemic on employment and earnings; (2) changes in standards of living and coping mechanisms adopted by the participants; and (3) health, infections, and vaccination.

A) Employment, Earnings and Views on Government-Imposed Restrictions

Most of the participants, Lebanese, and non-Lebanese, reported a considerable loss of income since the beginning of the pandemic. There are several reasons for this reported loss. First, the lockdowns and other policies designed to restrict mobility and enforce social distancing limited the ability of most daily laborers to attend their usual place of work or seek new employment. Missed days of work due to lockdowns or infection were rarely compensated. Few laborers, mostly those who have regular jobs at an industrial plant or a service company, received a partial salary during lockdown periods. Shop owners and freelance professionals were also unable to generate any income during lockdowns, as they had to shut down their businesses.

Second, the fear of infection was a significant concern for many participants, especially those of more senior age groups. This worry led many to self-impose restrictions on mobility, thereby limiting their employment prospects. The general fear from infection by the public reduced demand for certain services, which affected certain professions such as hairdressers and estheticians, real estate agents, traveling salespeople and taxi drivers. Third, the pandemic exacerbated the economic downturn, further reducing the economic activity that was already slow due to the general financial and economic crisis affecting the country pre-COVID-19. The slowdown in economic activity affected both shop owners who had lower demand from their clientele and laborers for whom it became harder to find jobs.

For many, income loss was extended and, in some cases, permanent. Many participants reported that they or someone in their family lost their job during the pandemic and, at the time of the discussion, they had since been unable to find a new job. This extended unemployment persisted even after most restrictions were lifted. This is mostly due to the long-term economic impact of both the pandemic and the general financial crisis affecting the country. Many businesses reduced their activity or shut down altogether. This was most noticeable among workers who were traditionally employed in the services sector and less of an issue among those who were employed in the industrial sector.¹⁷

Owners of clothing stores were unable to maintain their stocks and, consequently, lost their ability to adequately maintain their stores. Many shop owners personally traveled to nearby countries, including Turkey, to purchase goods for their store. This became more difficult with travel restrictions and rapid deterioration of the exchange rate. Consequently, some shop owners adjusted their business offerings to meet the changing demand of clients. One participant reported that she now mends and sells used clothes because this is what local clients can afford.

Two members of the LGBTQ+ community in the Burj Hammoud/Nabaa area participated in the discussion. They suffered severely from both the COVID-19 pandemic and the port explosion. Both participants lost their pre-COVID-19 jobs and as a result they resorted to clandestine sex work.

A few people reported improvement in employment and earnings during the pandemic. These were two young men who work as freelancers in the tech industry. They reported an increase in the flow of work as a result of many businesses in Lebanon and abroad adopting teleworking.

¹⁷ In many cases the industrial sector was positively affected by the crisis; Lebanese exports became more competitive due to the currency devaluation, and many households substituted more expensive imported goods by cheaper locally produced items. Thus, many manufacturers experienced an increase in demand for their products.

In general, participant views on government policies and lockdowns were negative. While some people understood the importance of the measures taken from a public health perspective, they believed policy makers did not take into consideration the impact of these policies on their economic livelihoods. Some of the daily laborers reported that they willingly, and in some cases under pressure from their employers, violated lockdown orders to go to work. In many cases, these workers personally paid costly fines for doing so.

There was a general view that the enforcement of policies was random and was unequally implemented between regions, and sometimes within the same region. Participants believed the Internal Security Forces (ISF) and other enforcing agencies adopted a discriminatory strategy in enforcing rules which, in many cases, was affected by bribes and other corrupt motives.

A prevailing view was that if the government wanted to impose restrictions like rich industrialized countries, then they should provide financial support like these countries did for their inhabitants. Some alternatives to direct financial transfers were proposed by the participants, most of them focused on providing food supplies, medicine and freezing rents or banning evictions.

B) Standards of Living and Coping Mechanisms

There was a general view among participants that the pandemic had a negative impact on their life, especially because it coincided with the financial crisis. The pandemic was, in the eyes of many, the “straw that broke the camel’s back.” The vast majority reported a deterioration in their standards of living.

Participants enumerated several essentials they could no longer easily afford. Most notably, they reported they were: (1) unable to afford adequate number of meals per day, (2) unable to afford medicine or treatment for chronic conditions and sudden illnesses, (3) unable to afford purchasing electricity from power generators or other types of public utilities, and (4) faced serious threats of eviction from their dwelling due to their inability to pay rent. The main concern for women was affording rent, whereas for men it was affording food and medicine. It seemed that women—especially non-Lebanese women—were often confronted by landlords demanding rent be settled. Multiple participants were evicted because they failed to pay rent on time. One woman, a Syrian national, reported she had an eye injury due to a physical attack by her landlord.

Several participants reported physical or emotional abuse by household or non-household members, most of whom were non-Lebanese women. One woman reported she was beaten by her husband after he was frustrated because he received a fine for violating the lockdown. A few other women reported their husbands left the family and no longer provided any form of support. As mentioned before, some members of the LGBTQ+ community became sex workers, and they became subject to abuse and exploitation usually associated with clandestine sex work.

Participants reported the pandemic had a significant impact on children, particularly young children, in two areas: (1) health and nutrition, and (2) schooling and child labor. Almost all participants who had children reported that they are no longer able to provide their children with adequate food. In many cases, their children were skipping meals and had to go to bed hungry. Similarly, providing medicine and healthcare for children became a serious hurdle for parents. Many of them would rely on traditional in-house treatment to treat fever, flu, and other common illnesses. Schooling of children also suffered as a result of the compounded impact of the financial crisis and the learn-from-home policy adopted in response to the pandemic. Many parents reported they were unable to provide electricity, internet, and laptops for their children to study from home. They also reported the quality of teaching decreased, that they felt study material was not appropriately conveyed to their children by online teaching, and they personally didn’t have the skills needed to compensate. Many women said they were unable to work or look for work since they had to care for the children at home. Many parents transferred or were considering transferring their children to public schools because they were

no longer able to afford the rising costs of private schools.¹⁸ Many women reported that their children, including some young ones, dropped out of the schooling system and are currently working to provide for the household.

The majority of participants claimed they did not receive regular support or aid from any governmental or non-governmental agencies. The general claim was that: (1) support was arbitrary and inconsistent, and (2) although many of them registered and filled multiple forms requesting support, they rarely received it. There was a general view that the distribution of aid was unfair and corrupt. When asked about specific subsidy packages that were publicly announced by the Lebanese government or UN agencies, some participants acknowledged receiving them but with delays, and in lower frequency and quantity than what was announced. Few participants reported receiving non-financial aid, including cleaning packages and other kits related to COVID-19 prevention from non-governmental agencies, and warm meals from local charities.

Many Lebanese participants felt that they were not receiving fair aid and that non-Lebanese, especially Syrians, were receiving more generous support. On the other hand, non-Lebanese, who were mostly refugee Syrian nationals, also claimed they only received aid sporadically and rarely, despite the general view that they are receiving generous aid. Many of the Syrian participants stated that there was an exaggeration of the amount of support they received and that, in many cases, this harmed them and led to further discrimination against them. Many claimed that Lebanese tenants increased their rents and asked for rent be paid in US dollars since they were believed to receive significant regular cash transfers in US dollars. A Syrian man reported that COVID-19 restrictions have been used to discriminate against Syrians by banning them from public spaces like public gardens.

Based on participant reports, it seems that a major challenge to aid distribution, by both government entities and NGOs, is a lack of systematic approach to determining who is in need, what kind of support they need, and the best approach to reach them. Participants reported that aid was distributed in their local communities and they themselves benefited from it sometimes, but they did not understand the mechanisms of eligibility and distribution. This illustrates a significant drawback of the lack of a comprehensive national social registry, tracking living conditions and needs of the residents in the territory.

Participants reported four main coping mechanisms and measures taken to survive the crisis: (1) strictness in spending and changes in consumption habits, (2) exhausting savings and selling assets, (3) debt and delays in settlement of dues, and (4) support from family and friends living outside Lebanon.

Most participants adjusted their diets, consuming almost no meat, nuts, expensive oils, or fresh fruits, and relying more on grains. They also substituted more traditional methods for utilities, like using candles instead of electricity (public utility or diesel generator-produced).

Among Lebanese participants, some reported using savings to preserve part of their living standards. However, this became more challenging as the crisis continued and the economic situation deteriorated. Many reported they depleted their savings completely. Asset selling was a common practice by many participants. The type of assets differed between nationalities and genders. Some of the most mentioned assets sold were women's jewelry. Some of the Lebanese sold larger assets such as cars, whereas among the Syrian nationals it was common to sell household items such as electric appliances and/or furniture. Borrowing from friends and neighbors and buying on credit from the local convenience stores was the most common way to obtain daily consumption needs.

¹⁸ Prior to the crisis Lebanon was a rare case in the distribution of students across public and private schools. Almost 50% of students attended a private school, with that percentage being higher in Beirut and Mount Lebanon. No clear or official figures on attrition from private to public schools have been published but this is believed to be a major phenomenon after the crisis that started in 2019.

Many participants, Lebanese, and non-Lebanese, reported that they have accumulated large amounts of debt and that they do not have a clear plan or means to repay it. Among Lebanese, receiving support from outside of Lebanon allowed some participants to afford daily needs. Historically, remittances sent from Lebanese expats to their families in Lebanon are a well-documented phenomenon.¹⁹ Such support was not available for Syrian participants since many of their relatives and friends live in economic distress in Syria or in other places as refugees.

When asked about potential assistance or policies to improve their lives, many participants, Lebanese, and non-Lebanese alike, said they would like to leave the country. Many of the Syrian refugees believe the UN and its refugee agencies have a duty to repatriate them to other countries because life in Lebanon is no longer sustainable.

C) General Health, Infections and Vaccination

General health conditions of participants and their household members was discussed, focusing on both COVID-19 related health issues and other health concerns.

Many participants reported themselves or someone in their family is suffering from a chronic disease, and that during the pandemic they were unable to obtain prescribed medications to manage the chronic conditions. Medicine shortages and price hikes were the main constraints to obtain the required treatment. Moreover, increasing hospital and doctors' fees discouraged them from attending regular checkups or performing tests to monitor their conditions. Many also reported caring or providing for a disabled household member, and in many cases these household members were children. Participants reported both physical and mental disabilities. Multiple Syrian participants, in particular, reported caring for children diagnosed with autism.

A few participants claimed to receive assistance to cover treatment costs, but this assistance only partially covered treatment. Aid sources varied across nationalities; Syrians reported receiving assistance from UN agencies and other multinational institutions, while Lebanese reported receiving assistance from local charities or individual donors.²⁰

Many participants reported their living conditions contributed to stress and affected their mental health. One participant reported she experienced suicidal thoughts multiple times.

The general view on the health aspects of the pandemic and the vaccine was mixed between participants. Many reported to have contracted COVID-19, with varying levels of symptoms. One participant reported that her husband died from COVID-19, while all others reported they did not require hospitalization. Views on the seriousness of the disease varied. Some participants believed COVID-19 posed a serious threat, while others thought it was exaggerated.

Participants expressed a reluctance to get tested for COVID-19. Many reported they were not tested for COVID-19 despite experiencing common symptoms, citing the high cost of the test as the main reason. They believed the government should have fully covered the cost of the test for any person who experienced COVID-19-like symptoms or was exposed to a COVID-19-positive person. Based on discussion responses, participants were not aware of any free testing or eligibility conditions for free tests.

Most participants reported they are aware of the preventative measures that could be taken to reduce their chances of contracting COVID-19. They reported consistently following public health recommendations on handwashing, distancing, masking and sanitization.

¹⁹ According to World Bank Data, Lebanon has placed in the top-20 countries in terms of received remittances as % of GDP for the past two decades.

²⁰ Donors were mostly local acquaintances and friends, but some participants claimed that as elections approached, there was an increase in the phenomenon of political candidates paying or offering to pay for medicine and overdue hospital bills.

Participant views on the vaccine also varied. Many participants received multiple shots of the vaccine, while others had doubts about the vaccine and reported having heard “bad things” about it. When vaccine-hesitant participants were asked if they consulted with a medical professional or if they were offered information from health authorities or organizations about the vaccine, some participants reported that some information was conveyed to them through different means, including through their children's schools or by local organizations like the Red Cross, but they still had their doubts. Some of the vaccine takers reported that their earlier doubts about the vaccine were overcome when they or someone in their family contracted COVID-19 and suffered serious symptoms.

All vaccinated participants received the vaccine through the Ministry of Public Health at various vaccination facilities. They believed that registration for vaccine and access was clear and easy, either through the online platform IMPACT or at the local “vaccination marathons” organized by the Ministry of Public Health. Most participants reported that the vaccination campaign was the only COVID-19-related response the government did well. One man thought that priority in vaccination should have been given to working-age people rather than the elderly. In his opinion, working-age people would have benefited from earlier vaccination to resume work, whereas older people could stay home until more vaccines were procured.

When asked to assess government performance in managing the pandemic, most participants believed the government performed badly. Participant views varied on what the government should have done differently. Some participants thought the airport should have closed earlier and restrictions on foreign visitors entering the country should have been more severe to mitigate the spread of COVID-19. Others thought case tracking and quarantine procedures should have been better managed, with government or local authorities monitoring the quarantine of COVID-19-infected people to ensure they remained indoors and had their needs provided for. Some participants believed all positive cases regardless of severity of symptoms should have been admitted to hospitals at the expense of the government, or the UN in the case of refugees.

D) Impact of the Compounded Crises

Participant responses to questions in the discussion sessions clearly demonstrated the impact of the economic crisis on employment and living conditions of people residing in Lebanon. Many participants conflated the impact of COVID-19 and the financial crisis. For some, the impact of the pandemic was marginal compared to the losses they had already suffered from as a result of the crisis.

As the pandemic progressed and various waves of COVID-19 affected the country, the financial, economic, and political crisis of the country continued to impact Lebanese and non-Lebanese residing in Lebanon alike. By the time COVID-19 restrictions were lifted, the ongoing financial crisis had magnified to the point that easing restrictions did not matter as some participants explicitly stated.

Additionally, the Beirut port blast significantly affected the lives of study participants in the Mar Mekhael/Karantina/Port area and the Burj Hammoud/Nabaa area. Multiple people in both areas reported significant damages to properties and/or physical and psychological injuries. At least two people reported losing a family member in the explosion.

APPENDIX B

Key Informant Interviews

Methodology

To obtain the approval of the Institutional Review Board (IRB) at AUB—a compulsory step—the team submitted an application on November 23, 2021, which included the IRB application, the consent script (see Appendix A), and the email invitation script. The KIIs were designed to be conducted in an unstructured format, whereby the facilitator explains the research questions and the goal of the project to initiate a discussion with the interviewee. The IRB approval was granted on December 21, 2021.

Our target number of KIIs for the research was 12-15 interviews with individuals involved in various capacities as decision makers and/or in the response to the COVID-19 crisis. The names (and all identifying information) for all the interviewees shall remain anonymous and undisclosed in the report for confidentiality and ethical reasons.

The AUB team developed an original list of 40 potential experts to interview. A priority ranking was made to guarantee representation of all actors, respondents to the crisis, and stakeholders, while taking gender balance into consideration. Based on this ranking, potential experts were contacted by email (with a follow-up phone call) to schedule an interview. A small number of those who were contacted did not accept the invitation, but the majority accepted. The interviews were conducted virtually or in-person²¹ during the months of March and April 2022. In total 15 individual unstructured interviews were conducted; 7 women (46.7%) and 8 men (53.3%).

All interviews were recorded and stored on a shared drive, only team members and the transcriber had access to the shared drive. Recordings were erased from individual recorders after they were transferred to the drive. The recordings were then transcribed with the help of NVIVO, if the whole interview was conducted in English, or otherwise manually transcribed. The transcripts were then reviewed and validated to ensure the quality and accuracy of the information.

The interviewees were selected to represent several actors: (1) The Lebanese government, (2) international institutions operating in Lebanon, (3) international and local NGOs, (4) labor unions, and (5) private sector employers. The questions were adjusted for each group of interviewees to fit within the field of their individual or institutional actions and responsibilities. The conversations were informed by findings and observations from the Focus Group Discussions (FGDs). In multiple interviews, the interviewees were presented with some of the major observations made during the FGDs and they were asked to address the issues raised, provide an opinion on the prevalence of certain reported challenges, and discuss programs or plans that were proposed or put in place by their agencies to address these issues.

²¹ Many interviewees, especially those who worked with the previous cabinet, now reside outside of Lebanon and it was only possible to conduct virtual interviews with them. Some other interviewees who reside in Lebanon preferred to have a virtual meeting due to scheduling difficulties or health concerns.

Interviewees representing the public sector included multiple members of the National Committee for COVID-19 representing various ministries, career public service employees heading departments that oversaw major tasks in the response to the crises, cabinet members, and local elected government representatives. Discussions with this group focused on decision making processes within the government apparatus. In particular, there was an interest in understanding how lockdown decisions and other restrictions aiming to limit mobility and enforce social distancing were made, the type of evidence and data decision makers had on hand, and whether there was any ex-ante assessment of the consequences of these decisions. There were questions about plans for social safety nets that were put in place in response to the COVID-19 crisis and the general financial crisis that was taking place in the country simultaneously. Finally, the interviewees were asked, based on their experience responding to the pandemic and the ensuing crisis, to identify the major obstacles the national response plan faced as well as the adjustment that the Lebanese government and public institutions should implement if faced with a similar crisis in the future.

From the non-governmental group, the pool of interviewees included three representatives of UN-affiliated agencies operating in Lebanon, two local NGOs and the head of the emergency department at one of the major private hospitals. The questions focused on the type of support these actors provided to the local population. They were asked about the support provided to the general population, but also about support targeted at employees in the informal sector and their families, which is our population of interest. The questions focused on both material and financial support, as well as other forms of support, including information campaigns, psychological support, skills training, etc. The relationship between non-governmental agencies and the government was also a topic of discussion. UN-affiliated agencies were asked about collaboration with and/or support they provided to the national government and its various agencies. Local non-profits were asked about collaboration with national and local government in identifying people in need and urgent programs needed to support the local population.

The leader of a major labor union federation was one of the interviewees. This federation grouped some of the major unions of employees in the informal sector, most notably, construction workers, agricultural workers and domestic houseworkers. Moreover, it is the only union federation in Lebanon that grants equal membership to workers of all nationalities, gender, sector, formality of employment, and residency status. The choice of this union was made to overcome the limited representation of the non-Lebanese group in the FGDs. The focus of the discussion was on the employment and living conditions of workers, especially those employed in the informal sector. The interviewee was also asked to discuss the specific impact of the crisis on the groups that were not well represented in our earlier research. The general organization of labor unions and their involvement in the decision-making process in the response to the pandemic was also discussed. They also provided information about aid distribution programs organized by the union and plans to create new union groups that represent informal employees in specific sectors that currently do not have any representation.

There were two interviews with representatives of private sector employers. One interviewee is a business owner, president and member of multiple commerce chambers and syndicates. The other interviewee is a ranking member of one of the major lobbying associations of industrialists. These interviewees focused on assessing the size of informal employment in various sectors of the economy as well as how the pandemic and the national response impacted the size of the informal labor force, its salaries, and working and living conditions.

Main Findings

A) The National Response Plan, Lockdowns and Social Distancing Measures

The first documented case of COVID-19 in Lebanon was reported on February 21, 2020 (MoPH 2020). Since then, multiple measures were taken in response to the pandemic. There were two major country-wide lockdowns,²² several less restrictive and geographically limited lockdowns,²³ airport and border closures on several occasions, mask mandates and other social distancing measures. The following sections summarize major findings from the interviews about how these decisions were made, the type of data that was available to decision-makers and the national priorities at the time these measures were put into place.

i. The Decision-Making Process

At the national level, there were multiple layers of decision making and consultation apparatuses. The main agencies and councils involved were the following:

1) The Council of Ministers

The Council of Ministers (CoM) is the highest executive body in the country. It is usually led by the Prime Minister or by the President of the Republic when in attendance at the meeting. The Council usually meets on a weekly basis, but the frequency of meetings could vary depending on need and availability of cabinet members. During the early phases of the pandemic, the CoM convened at a higher frequency, due in part to the pandemic but also to discuss the financial recovery plan in response to the general financial crisis that was ongoing in the country.

The CoM was the main and final decision maker on the issues of lockdowns, mandates, and other restrictive measures. Recommendations were offered to the CoM by other councils and agencies (see below). Reports on the progress of the pandemic were offered by the Minister of Public Health. Cabinet members in charge of certain portfolios, such as Labor, Education, and Social Affairs, were asked to provide an assessment of the impact of certain propositions on the issues that were under the care of their respective ministries. Decisions were taken by consensus or majority vote.

After the Beirut port explosion and the resignation of the government, there was an extended period (13 months) during which no new government was formed. As a result, the CoM did not convene, since it is not the custom for a caretaker government to convene. During that period, decisions related to the response to the pandemic were taken in consultation between the President, the Prime Minister and cabinet members who oversaw relevant ministries.

²² The first major lockdown started in March 2020 and lasted four weeks. The second major lockdown started in January 2021 and lasted four weeks.

²³ These lockdowns were based on heat maps that showed local infection rates.

2) The Higher Defense Council

The Higher Defense Council (HDC) is an advisory body that is presided over by the President of the Republic. Council members include the Prime Minister, Ministers of Defense and Interior and the commanders of the different security branches and the armed forces. Other officials or individuals are invited to attend council meetings when needed. During the pandemic, especially in the early phases, the council convened regularly, often prior to cabinet meetings, and issued various recommendations. It also issued directives to the different security and armed forces to support the government in its policies to contain the pandemic. During the extended period of governmental vacancy, the HDC played a more significant role in issuing recommendations and decisions in response to the pandemic. The HDC declared national mobilization at the start of the pandemic in Lebanon, a state which was extended several times.

3) The National Committee for COVID-19

This Committee was formed after the pandemic reached Lebanon. Members of the Committee were selected based on different fields of expertise. The Committee was presided over by the advisor of the Prime Minister on public health affairs. Ministries who were directly involved in the response to the crisis—Public Health, Labor, Economy, and Social Affairs—had representatives in the Committee. The Committee convened regularly, and its role was to assess the status and the impact of the pandemic in the country. It offered recommendations to the Cabinet and some of its members were requested to attend CoM meetings on various occasions to give technical presentations and offer their expert opinion.

4) Various Committees and Units in Different Ministries

There were several sub-units in different ministries that were involved in different aspects of the response to the crisis. The Ministry of Public Health (MoPH) had several units and advisory committees consulting and assisting the Minister in charge. The Minister formed his own advisory committee that included medical doctors, representatives of private hospitals and other epidemiological experts. Public hospitals, most notably the Rafic Hariri University Hospital, had a primary role in quarantining and treating COVID-19 patients. The epidemiological surveillance unit in the Ministry was the main body in charge of collecting infection data.

ii. National Priorities, Epidemiological and Economic Data

Multiple interviewees noted a considerable disparity between the availability and quality of epidemiological data and economic data. Since 1995, the MoPH had created an epidemiological surveillance unit in charge of tracking more than 40 communicable diseases, including variants of COVID-19. The presence of this unit allowed the MoPH to have a reasonably accurate count of infection cases and their severity. These numbers were reported publicly on a daily basis and compiled in a weekly report that was presented to the Council of Ministers.²⁴ These data had a significant role in informing the major decision makers in the country.

²⁴ The numbers were reported in the MoPH daily brief on the MoPH website <https://www.moph.gov.lb/en/Media/view/62293/4/monitoring-of-covid-19->

Economic data, however, were of lower quality and less informative. In particular, the data on employment, especially for those employed in the informal sector, were not timely and less reliable. According to a member of the National Committee for COVID-19 interviewed in the study, in assessing the potential impact of lockdowns on employment, the committee relied on employment data from the National Social Security Fund (NSSF). These data only include workers in the formal sector. To assess the potential impact on workers in the informal sector, experts from the Ministry of Labor (MoL) relied on data from the Labor Force and Household Living Conditions Survey, which was conducted by the Central Administration of Statistics (CAS) in 2018. The numbers in that survey showed that only 30% of the employed labor force was formal (CAS 2019). These numbers do not take into consideration changes in labor markets that took place since the beginning of the financial crisis in the latter part of 2019.

A career public servant at the MoPH, who is an epidemiological expert reported that as the pandemic progressed, the epidemiological surveillance unit was asked to expand their data collection activities to include more detailed geographic information, individual characteristics, and some broad employment information. These data were used to determine regional lockdown policies, but no analysis of association between employment status and infections was completed. This expert believed that employment status is irrelevant for epidemiological analysis. This reflected the stance among some decision makers and government experts who came from health policy backgrounds.

A key figure in the National Committee for COVID-19 claimed that epidemiologic and economic factors were given equal weights in decision making processes, especially when it came to lockdown decisions. Others believed the epidemiologic and health concerns should be prioritized. As one of the interviewees said, "It was obvious from the composition of the National Committee, that was overwhelmingly composed of health experts and medical doctors, that the economy was not a priority." This view was shared by private sector employers, who believed that despite being in an economic crisis at the start of the pandemic, public policy was heavily geared towards health priorities. In their opinion, this led to unnecessarily harmful policies. They believed closure of businesses for extended periods of time was unnecessary since the private sector took required precautions to limit infection in the workplace. One interviewee argued that in an internal inquiry at his business, they found that their employees who tested positive were infected in social meetings outside the workplace. Moreover, they did not transmit the virus to other employees in the institution. The same person argued that in one of the official meetings he attended, experts showed using mobility data that lockdowns and business shut down did not reduce infection rates, but rather exacerbated them as people congregated in social events.

iii. Involvement of Stakeholders in Decision Making

Interviewees from private sector and labor unions believed decision makers did not have a constructive conversation with the major stakeholders. In their opinion, government policies had severe consequences on the sides they represent, but the government did not consult with them sufficiently or take their views into consideration as decisions were being made.

The private sector did participate in discussions with the government. They had representatives in multiple national committees, and they had access to traditional media and other outlets to voice their concerns. Workers' representatives, however, rarely had a seat at the table. When consulted, it was purely for aesthetic reasons, as one of interviewees said.

The union representative interviewed said workers had no voice in the conversation, and this was especially true for workers in the informal sector, since many work in trades and occupations that are not organized in unions. What was ironic, according to the representative, is that the public sector is

the largest employer of informal workers. In the past two decades, “due to austerity measures and the ascendancy of neoliberal economic ideals” as one of the interviewees put it, there was a halt on the recruitment of formal employees into the public sector. Consecutive governments resorted to hiring informal daily employees to fill vacant positions or satisfy employment demand for supporters of major political parties. These public sector informal employees have limited representation, rights, and their views and demands concerning the COVID-19 related policies were mostly ignored. According to an ILO researcher interviewed, many of the first responders in the public healthcare system were informal workers. These workers, despite the harsh working conditions they suffered responding to the pandemic, were not compensated appropriately, or incorporated into the formal public sector employment.

B) Impact on Employment and Earnings and Expansion of the Informal Sector

i. Assessment of Workers’ Conditions

Prior to the arrival of COVID-19 to Lebanon, the country was already suffering from a severe financial crisis. By March 2020, at the start of the pandemic, poverty estimates showed that poverty rates had reached 45%, half of which were in extreme poverty (MPI 2019). By the end of 2021, estimates of multidimensional poverty rates reached a staggering 82% (ESCWA 2021). It is hard to disentangle the effects of the financial crisis and the pandemic on the living conditions of residents in general, including the workers in the informal sector. However, most of the interviewees agree that the lockdowns and the slowdown in economic activity that resulted from the pandemic, aggravated the already existing crisis and significantly contributed to the worsening living conditions and the increasing poverty rates.

As mentioned above, there was limited economic data to provide an accurate assessment of the impact of the pandemic on workers, especially those who were employed in the informal sector. Despite not being able to quantify them, most interviewees agreed that the consequences on workers were significantly negative. Those who were involved in the decision-making process concurred that these negative consequences on workers, especially those who were daily laborers, were anticipated, but they did not have any projection of the magnitude or the different dimensions of the expected losses.

Employers also agreed that there were severe negative consequences for their employees because of the pandemic and the lockdowns. They claimed that many private sector institutions, especially the large ones, tried to help their workers absorb part of the income loss through partial wages and salary advances paid to employees during the lockdowns. When asked about informal laborers in their industries, both interviewees claimed that in the coalition of businesses they are part of, most of the workers are formal. One of the two interviewees was very defensive on this issue and tried to refute the “accusations” that the industrial sector relies heavily on daily laborers, claiming that these were not the members of the association he represents. He insisted that their association required that member institutions register all their employees in the NSSF. Despite that, both agreed that at least a small portion of the workers in their sectors is informal. They believe this group suffered severely from the lockdowns because they made their income from daily wage and tips, both of which were not earned on non-working days.

Businesses were more interested in supporting their formal employees since it is not easy to replace employees with a specific skillset and experience. Daily laborers, on the other hand, mostly handled minor tasks that required a limited skillset and therefore were easily replaceable. When asked about the combined impact of the financial crisis and the pandemic on the labor force in their sectors, the two interviewees gave opposing answers. The commercial and trade sector suffered severely because of the combined crisis, and as a result business in this sector laid off many employees. In some cases, employees chose to leave their jobs in this sector due to the deterioration in the real value of their income because of currency depreciation and the employer's inability to offer higher wages. It is plausible that a number of these employees transitioned to informality. The industrial sector, however, was able to absorb the impact of the financial crisis progressively.

The devaluation of the local currency made locally produced industrial products more competitive on the export market, and as a result large industries had an increase in demand from outside the border. In many cases they expanded their production, which led to hiring more workers. Lockdown curbed their efforts, but the impact was temporary as they were able to resume their activities once safe opening guidelines were implemented.

According to multiple interviewees tourism is one of the major sectors that was negatively affected by the pandemic as well as the financial crisis. Touristic institutions, such as hotels, restaurants, and cafes, are major employers in the Lebanese economy and a significant portion of their employees were informal daily laborers (CAS 2019). This industry relied heavily on foreign tourists. For the past several years, the conditions in this industry deteriorated with the decrease in numbers of foreign tourists visiting the country. According to multiple interviewees, many institutions in this sector shut down, leading to massive layoffs of employees. This phenomenon accelerated after the start of the financial crisis in the last quarter of 2019. The arrival of COVID-19 to Lebanon worsened the situation for this sector more so as lockdowns forced them to close their businesses for extended periods while social distancing restrictions and other pandemic-related precautionary measures increased operational costs. This was further exacerbated with the closure of the borders and travel restrictions that further limited the number of foreign tourists that were considered the prime 'high spending' clientele of this industry. Multiple interviewees believe that this was the sector with the highest loss of jobs as a result of the cumulative crisis. Moreover, this sector does not show any sign of recovery, even after lifting most of the mandates and restrictions.

ii. From Informality Towards More Informality

In the last labor force survey conducted by CAS in 2018, informal workers accounted for 70% of the employed labor force (CAS 2019). There was a follow-up survey conducted in 2021, but the results have not been released yet. Despite the lack of availability of any official figures, multiple interviewees believe the size of the informal sector increased and now constitutes an even larger proportion of the labor force. They enumerate several examples and anecdotes of workers who were laid off or quit their jobs due to depreciation of the real value of their salary to start a new profession or gig.

Two of our interviewees highlighted a particular trend they believe is taking place: the transition from formal work towards less predictable and less protected informal work. They both cited the rise in delivery professions in Lebanon during the COVID-19 era. Many of the workers who were previously employed in the formal or informal sectors and lost their jobs during the lockdown phase moved to these new "Uber-style" professions. In previous jobs, they were guaranteed a monthly or a daily salary if they showed up to work. This new type of job offers no such guarantee, and their livelihood relies entirely on tips. Most of them work for two large delivery service providers that do not recognize them as employees and do not offer them any compensation for the work. Moreover, these employees must provide their own transportation vehicles and cover the costs of maintenance, insurance, and gasoline themselves. The delivery industry is but one example of this movement towards "less decent informal work," as one of our interviewees calls it.

C) Financial Incentives, Safety Nets and Other Aid

Given deteriorating living conditions—the result of currency devaluation, de facto bankruptcy of the banking sector and the consequent loss of savings, and substantial loss of jobs during the pandemic—it was necessary to put a safety net in place. This section describes the different initiatives established by government and non-state actors.

i. Government Initiatives

The Lebanese government had limited ability to create large subsidy programs or financial support packages. The deteriorating financial situation led to an eventual default on sovereign debt in March 2021. With no major external financial support or the ability to borrow, there were limited financial resources on hand to finance nationwide safety nets. Moreover, given the wide scope of the financial crisis and the eventual erasure of most of the middle class, the government also had limited capacity to distribute the burden of the added COVID-19 shock.

To face the consequences of the pandemic on household living conditions—besides the inefficient subsidies scheme—according to multiple interviewees, the government resorted to two policies: (1) offer incentives to employers to preserve and compensate their workforce, and (2) expand already existing safety nets programs.

Members of the cabinet and the National Committee for COVID-19 had multiple suggestions to incentivize employers to avoid massive layoffs of employees in response to lockdowns and the general slowdown in economic activity during the pandemic. Most of these incentives concentrated on alleviating and delaying some of the other business costs. These suggestions included: the delay of payments of certain taxes and dues such as the NSSF dues and mandated waivers for rent and utility bills. Most of the suggestions were not put into effect because of several obstacles.

First, the slow and lengthy bureaucratic process, as most of these actions needed to be passed as laws and voted on in the parliament. Second, many of these actions resulted in shifting the cost burden from businesses to other entities, which was hard to justify given the prevailing economic crisis. For instance, landlords refused the idea of rents waivers, especially that rent value had dropped due to the currency devaluation. Similarly, labor unions were opposed to waivers of NSSF dues since the institution was already facing the danger of bankruptcy. Finally, the resignation of the government following the August 4 port explosion and the ensuing 13-month vacancy in the executive branch stalled all these plans. Moreover, there were serious doubts about the effectiveness of these actions, as the interviewed business owners said. Due to currency depreciation, these costs constituted a smaller portion of the total cost of most private businesses, so waiving or postponing them was unlikely to have any significant impact. Given the government's inability to provide financial subsidies, business owners believed the optimal policy was to ease lockdowns and other mobility restrictions and only mandate health and safety protocols at the workplace.

Along with the implementation of the first lockdown, the Council of Ministers approved the provision of a LL 400,000 monthly payment to compensate for lost income. The plan was for these payments to extend over six months. The target population was those who lost employment or earning ability because of the lockdown, which mostly consisted of informal workers. Because Lebanon does not have a national registry, the government had to rely on other proxies to determine the beneficiaries. It was determined that households with children in public school and taxi drivers were the first group to receive the cash transfer. Cash distribution was entrusted to the Lebanese Army. Interviewees from the public sector refuted claims by participants in the FGDs that the cash transfer distribution was chaotic and lacked transparency.

At this point, it became clear to the government that a systematic cash transfer program was needed. Lebanon had a program in place since 2011, the National Poverty Targeting Program (NPTP).²⁵ This program started with less than 5,000 families and expanded to around 20,000 families by 2020. Most importantly, this program compiled over several years a large database with detailed information on families in need. The government decided to expand the NPTP to reach 75,000 families.²⁶ In 2020, a separate scheme was designed for an additional wide-reaching program the Emergency Crisis and COVID-19 Response Social Safety Net Project (ESSN). The loan of \$246 million was approved by the World Bank in January 2021, but due to several obstacles²⁷ from the Lebanese side, disbursement only started in March 2022. The ESSN's goal is to cover 150,000 households. The intent of this program was to provide cash transfers for three years to families that had dropped into poverty during the financial crisis and pandemic.

With the continuously rising rates of poverty, it became clear that a broader coverage program was needed. As a result, two different schemes have been designed: the Broad Coverage Cash Transfer program (BCCT) and is planned to assist 257,000 households and another one targeted at the public sector employees the Public Sector Cash Scheme (PSCS) for an additional 263,000 families. Overall, and once all programs become effective 745,000 out of a total of approximately 1 million Lebanese households will be under the social safety net. The major obstacle for the start of the latter two programs is appropriation of required funds. According to a member of the cabinet, prior to its resignation, the Diab Cabinet intended to use the Special Drawing Rights (SDRs) obtained from the IMF as initial financing of the project. This was resisted by the central bank (BDL) who was supported by multiple coalitions in the parliament. The Mikati Cabinet inherited the project and to date there are no clear plans to provide the required funding.

Municipalities and local authorities had limited means to put any significant support program in place. Beirut municipality, the largest and richest in the country, tried to put in place some support programs with limited success. According to one city council member, there are limited means but also the human cadres lack the required skills to manage or execute large social benefit programs. Moreover, according to the council member, conflicts between different local authorities and disputes over jurisdiction place significant hurdles in the way of implementing successful local support programs. Based on the interviews, it can be inferred that social programs led by local governments are hindered by two fundamental flaws. First, local authorities like municipalities have limited freedom in allocating financial resources to programs. Second, due to municipal electoral laws that associate voting to civil registry rather than place of residency, social programs of municipalities target individuals from their voting base even if they reside outside the city or the town. This was a significant issue in a large city like Beirut, where tens of thousands of families reside in the city but are not registered in the city. Meanwhile, many of the registered voters reside outside the city.

²⁵ See NPTP website for further details about the program <http://nptp.pcm.gov.lb/>

²⁶ Currently the program is providing cash transfers and other type of benefits to around 43,000 families.

²⁷ One of the interviewees who served as a cabinet member in the Diab government was explicit in saying that several parliamentarians were not in favor of social safety programs and that they tried on multiple occasions to place obstacles on the way of putting the ESSN project into action.

ii. Non-State Actors

Three major types of non-state actors were active in providing support and aid for the local population, especially those that are most needy, during the pandemic: (1) UN-affiliated and other international institutions, (2) local NGOs, and (3) major political parties and aspiring newcomers into the political scene. The interviewees list did not include any individual or organization from the last category, yet the activities of these groups were often reported in various media outlets. The support and aid of these actors was concentrated among their base of supporters and traditional voters.

UN agencies and other international institutions played a major role in the response to the COVID-19 crisis in Lebanon. In the first press conference in which the Minister of Public Health announced that the first positive case was confirmed, the director of the World Health Organization's (WHO) Lebanon office was present. According to multiple interviewees, the WHO assisted the Lebanese MoPH in various capacities. They provided equipment and other material needs, helped increase bed capacity in public hospitals, and transmitted essential knowledge to respond to the crisis. Other UN agencies were also involved in the response. The Risk Communication and Community Engagement (RCCE) task force was created to coordinate the effort of the different UN agencies.

In addition to consultation with the government, a representative of international agencies interviewed by the research team claimed to provide direct aid to the vulnerable populations they are mandated to support. Formality of employment was not one of the criteria that determine eligibility for aid. However, informality correlates with many criteria that aid was based on, such as low income and no health insurance coverage. UN institutions were also very active in the provision of aid and support among the non-Lebanese population—especially refugees. According to the interviewees from UN institutions, one major area of activity was the development of awareness campaigns. In the early phases of the pandemic, campaigns focused on the importance of social distancing and other hygiene measures. Later in the pandemic, campaigns encouraged vaccination.

Similarly, local NGOs that were interviewed did not have specific programs targeted at workers in the informal sector but changing conditions and adjustments in criteria for aid eligibility made informal sector workers primary beneficiaries of many aid programs. One of the interviewed non-profits was originally intent on developing programs to support and train farmers in rural areas. As a result of the crisis and the reverse migration from Beirut into their hometowns and villages, some of the people who were daily laborers in the city ended up working on family farms that benefited from these programs. This same organization prepared, and is currently seeking funding, for skills training program for young workers in the city. Workers in the informal sector are likely to be prime beneficiaries of such programs.

Another non-profit was primarily focused on supporting the elderly. Their main support consisted of provision of household and food supplies as well as a hot meals program. However, with deteriorating living conditions, they expanded their support base and the type of support they provided. Some of their recent programs benefitted families who rely on the work of informal laborers for their livelihood. For instance, they now help provide medicine for people who do not have health coverage. Both NGOs claimed the expansion of the programs, as well as the programs of many other non-profits they collaborate with, was a direct result of the rapid deterioration in living conditions due to the compounding crises. Given the current circumstances, there is a general awareness among service providers that even families with multiple earners have a difficult time providing their daily essentials.

Local non-profits were also active in helping the local population learn about and access some of the governmental programs. This was confirmed by interviewees from the non-profit sector as well as interviewees from government agencies managing the programs. This form of assistance was particularly important to the population of interest since many of them have lower educational attainment and high digital illiteracy. The application for the ESSN program was entirely done online, which was difficult to use for many households that fit within the criterion to be beneficiaries as many of them did not have access to internet or internet-reaching devices, while others did not know how to fill the forms. The government agency responsible for the ESSN program coordinated with some local NGOs to visit homes and help individuals complete their applications. This was particularly important in rural areas. A similar coordinated effort took place for registration for the vaccine on the MoPH electronic platform.

D) Major Obstacles in Response to the Crisis

Through the interviews, several challenges to conducting nation-wide response programs to a large-scale crisis in Lebanon were identified:

(1) Lack of timely reliable data on demographic and economic outcomes. There are several political and technical barriers to maintaining data and information on residents in the country. Lebanon does not have a census, and Labor Force and Household Surveys are rarely conducted. Some information on individuals and households are collected for specific programs, but there is no centralized data registry. However, the recent registry that was built for the cash payment programs, on which more than 500,000 families registered, could be used and expanded.

(2) Lack of trust between different actors facilitating the response as well as between the actors and the public (beneficiaries). Some interviewees from the National Committee for COVID-19 noted this was their first experience working in the public sector or government. They said the most difficult thing they had to do in designing policies was to overcome the mistrust the public has towards the state. This mistrust also extends to the relationship between the state and local non-profits. In this case, the lack of trust was evident in both directions.

(3) No pre-existing emergency or contingency plans. According to multiple interviews, “there is a lack of continuity” in running the state. Governmental agencies, including those that are mandated to intervene in crises, have no emergency or contingency plans that are readily available. As the pandemic unraveled, the government and its agencies had to improvise. The MoPH had reasonable success in its crisis response, and part of this success was attributed by one of our interviewees to the Ministry having an emergency plan to monitor and address contagious diseases that was activated when the COVID-19 pandemic started in Lebanon.