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Socio-Economic Recovery Measures in
Lebanon: Key Informant Interviews
Report of Findings**

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For Inclusive and Fair Covid-19 Socio-Economic Recovery Measures in Lebanon: Key Informant Interviews Report of Findings

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Contents

I. RESEARCH QUESTION.....	1
II. INTRODUCTION	2
III. METHODOLOGY AND SAMPLE DESCRIPTION.....	3
IV. MAIN FINDINGS	5
A. The National Response Plan, Lockdowns and Social Distancing Measures.....	5
i. The Decision-Making Process.....	5
ii. National Priorities, Epidemiological and Economic Data	6
iii. Involvement of Stakeholders in Decision Making	7
B. Impact on Employment and Earnings and Expansion of the Informal Sector.....	8
i. Assessment of Workers' Conditions	8
ii. From Informality Towards More Informality	9
C. Financial Incentives, Safety Nets and Other Aid	10
i. Government Initiatives	10
ii. Non-State Actors	12
D. Major Obstacles in Response to the Crisis.....	13
V. CONCLUSION	14
VI. APPENDIX.....	16

I. RESEARCH QUESTION

In many countries, early, large, and sustained policy responses to the pandemic were successful in protecting families. However, the Government of Lebanon's (GoL) 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. This research aims to analyze the impact of the lack of government actions and policies on the urban informal labor sector in Lebanon. The informal sector, which makes up a significant portion of the Lebanese economy (estimated to be at least 30% of GDP), is of interest to us as very few of the measures taken by GoL such as tax grace periods, were targeted at the formal sector. Led by the American University of Beirut (AUB)¹ and funded by Oxfam, the project "For Inclusive and Fair Covid-19 Socio-Economic Recovery Measures in Lebanon," aims to assess the GoL decisions related to the pandemic and to influence the orientation of government decisions such that they take into consideration the impact on the most vulnerable population groups, especially those working in the informal sector.

¹ The AUB project team comprises four members: Dr. Leila Dagher, Dr. Ali Abboud, Ola Sidani, and Oussama Abi Younes.

II. INTRODUCTION

Between the end of 2019 and the summer of 2020, Lebanon was hit with a perfect storm. On February 21, 2020 the first confirmed case of COVID-19 was reported in Lebanon (MoPH 2020). The pandemic coincided with two significant events in Lebanon: a major unprecedented financial and economic crisis, and the Beirut port explosion. Both events fueled political tensions and government changes and contributed to a growing sense of instability and uncertainty across the country (HRW 2021, 2022).

Prior to the pandemic, Lebanon was already experiencing a major financial and economic crisis. Since the summer of 2019, currency devaluation started and significant restrictions on withdrawing foreign currency from bank accounts were applied. This crisis accelerated in October 2019, which led to significant unrest and demonstrations that culminated in the resignation of the government in November 2019 (Dabouch 2020). A new cabinet was not formed until the end of January 2020, exactly one month before the first COVID-19 case was reported in Lebanon.

The economic crisis is one of the largest in the modern history of Lebanon (World Bank 2021). Rapid devaluation 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.

On August 4, 2020 a large quantity of ammonium nitrate stored in the port of Beirut exploded, leading to more than 200 deaths and thousands of injuries and massive destruction in the surrounding neighborhoods (HRW 2021). Following the blast, the cabinet resigned, and the executive branch of the government remained vacant for 13 months. This increased the political tensions in the country, froze the economic recovery plan and contributed to further economic collapse (HRW 2021, 2022). Both formal and informal aspects of the Lebanese economy were seriously affected by the situation.

Informal employment is common in both the private and public sectors in Lebanon (Fakhri 2017, CAS 2019). Workers in the informal sector are considered among the most vulnerable populations in most economies (ILO 2021). They have no job security, paid or sick leave, health insurance, social security, or retirement benefits. Most informal workers are daily laborers and wage earners and therefore have no guaranteed salary.

In general, the COVID-19 pandemic had a major negative effect on the livelihoods of most people in Lebanon. This report focuses on the impact of the COVID-19 pandemic on workers in the urban informal sector in Lebanon. The study 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 the health of workers and their families. There is a significant gap in the literature investigating the qualitative and/or quantitative impacts of global health shocks on workers in the informal sector. 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.

This report presents preliminary findings from the Key Informant Interviews (KIIs) which had three main objectives: (1) validating and complementing the findings from the Focus Group Discussions, (2) understanding the decision-making processes in the development of policies in response to the crisis, and (3) obtaining information about main social safety net programs.

III. METHODOLOGY AND SAMPLE DESCRIPTION

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-person² 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.

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

² 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.

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.

IV. 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,³ several less restrictive and geographically limited lockdowns,⁴ 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.

³ The first major lockdown started in March 2020 and lasted four weeks. The second major lockdown started in January 2021 and lasted four weeks.

⁴ 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.⁵ These data had a significant role in informing the major decision makers in the country.

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

⁵ 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->

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).⁶ 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.⁷ 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 obstacles⁸ 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.

⁶ See NPTP website for further details about the program <http://nptp.pcm.gov.lb/>

⁷ Currently the program is providing cash transfers and other type of benefits to around 43,000 families.

⁸ 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.

V. CONCLUSION

The project's Key Informant Interviews validated and complemented findings from the Focus Group Discussions. KII participants included decision makers and key personnel in institutions providing support to the public in response to the COVID-19 pandemic. The KIIs provided key insight into trends and challenges to the government, international, and local/civil society response to the pandemic. The COVID-19 pandemic was one aspect of a major crisis affecting the population. Members of the informal labor sector were, and remain, disproportionately affected. The informal sector expanded during the crisis while working conditions for informal laborers deteriorated. Due to the financial crisis, the government had limited capacity to provide effective social safety nets to the affected population. Moreover, a nation-wide response to the pandemic was impeded by lack of: (1) timely and reliable data, (2) trust between and among responders and beneficiaries, and (3) pre-existing emergency or contingency plans.

This report presents the initial findings from the 15 KII sessions. It primarily aims at understanding the effectiveness of government actions in response to COVID-19 on the population of interest. This preliminary report will be followed by a more detailed final report containing analysis of the full set of data collected through FGDs and KIIs. The final report will present a more comprehensive analysis of the government measures and their impact on workers in the informal sector and make some policy recommendations.

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VI. APPENDIX

Consent Script

Introduction and Purpose of the Study:

The American University of Beirut invites you to be part of a titled: "For Inclusive and Fair COVID-19 Socio-Economic Recovery Measures in Lebanon", aimed at better understanding the implications of the COVID-19 crisis and the related government measures in Lebanon on the lives of individuals in the informal economy sectors. Policy recommendations, based on the research findings, will be made with the aim to strengthen the government's response to future crises.

Around 10 English-speaking experts in the field will be selected. You have been randomly selected by AUB as an expert in the field.

Potential harms/benefits:

Participation should take approximately 1 to 1.5 hours to complete and is entirely on a voluntary basis. You have the right to withdraw your consent or discontinue participation at any time. Refusal or withdrawal from the study will involve no loss of benefits to which you are otherwise entitled to, nor will it affect your relationship with AUB/AUBMC. We hope that you will participate since the information you will provide is essential to understand the vulnerability and challenges faced by those residing in Lebanon.

Confidentiality:

I would like to assure you that everything we are talking about will remain strictly confidential and your name will not appear on any published document related to this study. The answers we receive will be aggregated and used strictly for analytical purposes. With your permission, I will need to record the interview in order to write a report that expresses what we said very accurately. In case you do not approve to be audio-recorded, please feel free to withdraw at this point. All data collected will be stored on the PI's password protected computer and will only be accessible to the research team members. Data will be monitored and may be audited by the AUB Social & Behavioral Sciences Institutional Review Board (SBSIRB) while assuring confidentiality.

Concerns and Further Information:

If you have any questions, you are free to ask them now. If you have questions, concerns or complaints about this research study later, you may contact the PI of the project, Dr. Leila Dagher, by phone (03308891) or e-mail (ld08@aub.edu.lb).

If you are not satisfied with how this study is being conducted, or if you have any concerns, complaints, or general questions about research or your rights as a participant, please contact the

AUB Social & Behavioral Sciences Institutional review Board (SBSIRB) at AUB: Phone number: 01/350000 ext. 5445 E-mail: irb@aub.edu.lb

Consent:

A copy of the consent will be kept with you.

I hereby give my consent to be part of a group key informant interview which will be audio recorded. I agree to the sharing of my responses with other studies at the American University of Beirut for future research purposes.