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## Abstract

*The article analyzes the Lebanese labour market in light of the unprecedented influx of Syrian refugees since 2011, highlighting the recent competition of Syrian refugee-workforce on the Lebanese services sector. Throughout, the report contrasts key features of the Lebanese Labour Market pre-Syrian crisis and post-2011, to conclude that the ideal solution advocates the return of Syrians to their home country, while the Lebanese government must also reform and regulate the labour market to protect nationals.*

**The countries neighbouring the Syrian Arab Republic are the largest refugee host-states.** In March 2011, the Syrian Crisis erupted and the major spillover was a 5.6M influx of displaced Syrians to the Middle East and Africa (MENA) region. Given the juxtaposition of these neighboring nations to the inflicted country, they absorbed large numbers of refugees. UNHCR figures by May 2018 show 982,012 Syrian refugees registered in Lebanon, 3.4M in Turkey, almost 653,000 in Jordan, 247,000 in Iraq, and approximately 127,000 in Egypt.

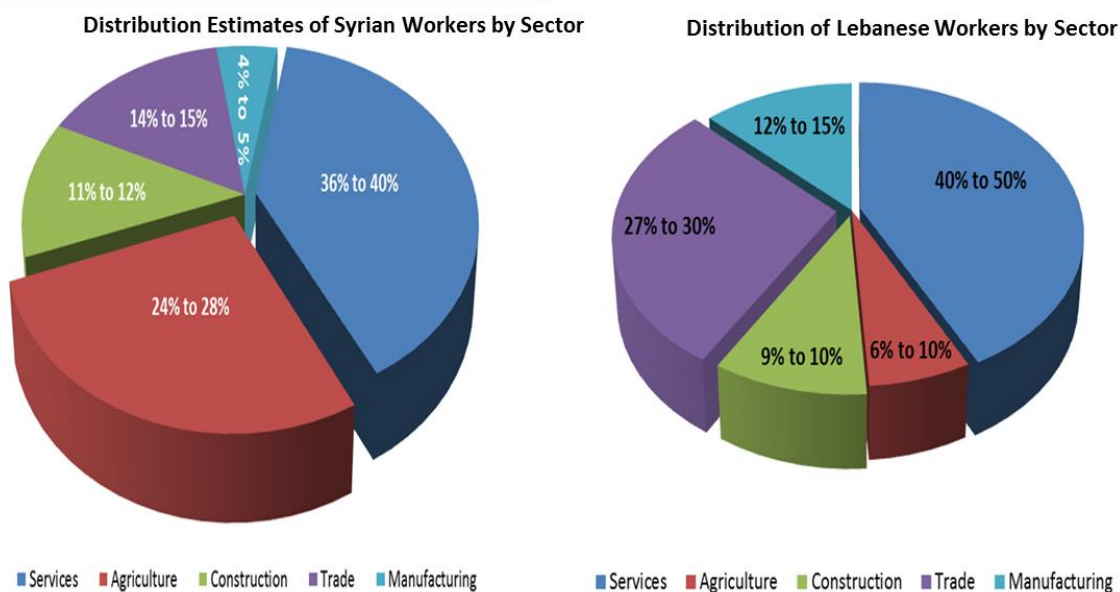
**Lebanon currently hosts the highest per capita population of refugees in the world.** Lebanon emerged as one of the two key transit hubs for refugee-flows, after Turkey, owing to the closeness of culture, Lebanon's geographic proximity, as well as the humanitarian "open border" policy adopted by the national government from 2011-2014. By 2015, 1 in every 4 individuals in Lebanon was a Syrian refugee as per the ILO (2015) and the UNHCR (2015). The World Bank and national officials estimate the total refugee population hit at least 1.5M by 2017, including non-registered Syrians and more than 40,000 Palestinians from Syria. Today, "1 person out of 3 in Lebanon is a displaced Syrian" and this reality profoundly impacts the Lebanese labour market.

**To analyze the shift in the dynamics of the national labour market, the study contrasts key features of Lebanon's labour market before and after the Syrian Crisis.** Between 2007 and 2010,

the Lebanese economy was booming and the regions’ economies were also in prosperity. Lebanon’s unemployment was at its lowest and the workforce enjoyed a labour mobility that enabled them to find job opportunities in neighboring Gulf States. Nevertheless, since the 2011 Syrian refugee crisis, the unemployment rate in Lebanon soared and this was largely fueled by an oversized influx of Syrian refugees who began to compete on jobs available for nationals in the market.

**Lebanon’s unemployment rate almost doubled post-2011 to reach 20%.** According to the ILO’s latest estimates, unemployment in Lebanon stood at an average rate of 9% in the period from 1990-2010. The Lebanese labour force totaled approximately 1.5M individuals out of a population of 4.3M. Thus, around 138,000 persons were “unemployed” in all of Lebanon. The ILO in collaboration with the United Nation’s Dept. of Economic and Social Affairs documented the Lebanese population (i.e. excluding non-nationals) to have reached 4.8M persons, and in tandem, Lebanon’s unemployment rate doubled to approximately 18-20% post-2011, with the increase particularly afflicting young Lebanese workers aged 15-24 years, according to the World Bank (2013) and European Commission (2016).

**The Syrian workforce totals 384,000 persons and may have dis-employed 270,000 Lebanese.** Retrieving precise data on the Syrians’ employment in Lebanon is challenging because their activity is concentrated in low-skill jobs of the informal market. In fact, the work informality rate in Lebanon rose by 10 percentage points from the 44% recorded pre-crisis. More importantly, extrapolations from collaborative works between the government of Lebanon and UN bodies (like the Lebanon Crisis response Plan or LCRP 2017-2020) reveal that the active displaced Syrian labour force in Lebanon stands roughly at 384,000 persons, of which 30% to 35% are estimated to be “unemployed” (mainly women and children). Furthermore, the World Bank corroborates that on average 270,000 Lebanese workers were pushed out of work. Under a conservative approach, an estimated 150,000 of these jobs are in the services sector. Accordingly, the findings justify the doubled unemployment rate in Lebanon.



Source: BLOMInvest Bank

*Data Sources: Syria (ILO, 2015; European Commission, 2016; Government of Lebanon & United Nations Office for the Coordination of Humanitarian Affairs). Lebanon: (Central Administration of Statistics, 2010).*

**Today, Syrian-refugee and Lebanese workers are not on the same level playing field. More than 1 out of 3 employed Syrian refugees is competing in the services sector.** 50% of the employed Lebanese earn their livelihood from the services industry, but the competition on those key jobs intensified given the unprecedented influx of refugees to the country. Despite the new Decree 197 rolled out by the Lebanese Ministry of Labour in end-2014 restricting the employment of Syrian nationals to third-sector jobs in: *“agriculture, construction and cleaning services”*, Syrian workers today are still working in sectors other than these mentioned (see pie charts).

Moreover, the average monthly wage of an employed Syrian refugee is at LBP 418,000 (\$278) while that of a Lebanese worker stands at LBP 900,000 (\$600). Furthermore, the cost of work permits for Syrians averages \$200, lower than fees imposed on other foreign workers. For all those factors, the competition today remains tough and “unfair”.

**Youth unemployment jumped to 34% while Syrian workers compete on the low-skill jobs in the services and other sectors.** The participation of Lebanese youth in the national labour market pre-2011 was feeble, partly due to the existing mismatch between workers’ qualifications and the market’s needs and capacity. However, unemployment stood at the lower 10%-11% range as a portion of the skilled and low-skilled Lebanese youth grabbed opportunities in the Gulf States. However, the number of unemployed youngsters registered a 50% increase since 2011 as a result of the Arab Spring and climaxing Syrian Crisis in 2011, in addition to the 2014 plunge in oil prices which weakened the oil-exporting economies. With a regional slowdown, more conservative employment strategies were adopted and as Haneen Sayed, Human Development Coordinator for Lebanon, Jordan & Syria, co-author of the 2013 World Bank report explains, unemployment among youth in Lebanon, *“reach[ed] 34%, 1 out of 3 is unemployed”*. Ultimately, Lebanon’s unemployment rate reached highs of 20% post-crisis.

**The advent of an unprecedented number of Syrian refugees into Lebanon since 2011 carried economic, social, and humanitarian spillovers on the Lebanese economy as well as on the refugees’ living conditions.** A structured and gradual action plan consisting of short, medium- and long-term priorities can limit the ongoing repercussions crippling Lebanon. Ideally, the most advocated solution to-date is encouraging the return of displaced Syrians to safe zones in their home country. This would be a win-win to Lebanon and Syria, as it would relieve the strain from the overstretched Lebanese labour market and economy at large, while it simultaneously safeguards the familiarity of Syrian refugees with the dynamics of working and residing in their original hometown.

In tandem, the Lebanese Ministry of Labour in collaboration with other relevant government entities have a pivotal role to play in terms of regulating the labour market in legislation but also in monitoring the implementation of drafted policies addressing current challenges. In this context, it

is important to enforce the laws and decrees already in place that limit the sectors open to foreign workers in general and to Syrian workers in particular.

**There are also other challenges tied to the impact of Syrian refugees that are indirectly related to the Lebanese labour market.** Some Syrians are informally opening small shops and they are thus competing with formal Lebanese businesses and pushing them out of business, which is further straining the market.

**Most importantly, the Lebanese government should ensure that Syrians and any other foreign workers in the country are on the same level playing field as Lebanese at all times and across all economic sectors.** Therefore, it would primarily set a floor to the minimum wages of nationals and foreigners, and impose fair charges and fees on foreign workers' paperwork and work permits vis-à-vis Lebanese workers. Last but not least, on the long-term, it is crucial that the government introduces substantial reform of labour market institutions that can help Lebanon's market generate jobs to attract the national skilled workforce and youth. It is also paramount that the authorities nurture Lebanon's micro, small, and medium enterprises which employ the majority of the workforce.

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