

RESEARCH REPORT

POVERTY, INEQUALITY AND SOCIAL PROTECTION IN LEBANON

Nupur Kukrety & Sarah Al Jamal



OXFAM



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Oxfam Research Reports

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feedback on development and humanitarian policy and practice. It does not necessarily reflect Oxfam or AUB
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For more information, or to comment on this document, email Rachel Eichholz at reichholz@oxfam.org.uk,
or Sarah Al Jamal at se74@aub.edu.lb.

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Research Team

Primary information collection

Nupur Kukrety
Rachel Eichholz
Mohamad Younis
Mohamad Saleh
Yasser Haydarie
Bilal Hawsey
Rana Makki
Mohammad Hodeib
Naji Salim Abdulrazek

Secondary information analysis

Sara Al-Jamal
Leila Kabalan
Rami Khouri
Fawwaz Traboulsi

ABOUT THE PROGRAM

Social Justice and Development Policy in the Arab World Program

In collaboration with the Bobst Center for Peace and Justice at Princeton University, the Social Justice and Development Policy in the Arab World Program tries to further understand through research the many different meanings of the phrase “Social Justice” and its social and economic policy implications. The program looks at social justice in the realm of urbanism, labor unions, social policies, and protest movements. Each component has a dedicated project that aims at establishing a partnership, through research, between scholars, policy-makers, and activists in Lebanon (and beyond).

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The AUB Policy Institute (Issam Fares Institute for Public Policy and International Affairs) is an independent, research-based, policy-oriented institute. Inaugurated in 2006, the Institute aims to harness, develop, and initiate policy-relevant research in the Arab region.

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- ▶ *Better understanding the Arab world within shifting international and global contexts*
- ▶ *Providing a space to enrich the quality of interaction among scholars, officials and civil society actors in and about the Arab world*
- ▶ *Disseminating knowledge that is accessible to policy-makers, media, research communities and the general public*

📍 AUB Policy Institute (Issam Fares Institute for Public Policy and International Affairs)
American University of Beirut
Issam Fares Institute Building (Green Oval)

✉ P.O.Box 11-0236 Riad El-Solh I Beirut, Lebanon

☎ 961-1-350000 ext. 4150

📠 +961-1-737627

@ ifi@aub.edu.lb

🌐 www.aub.edu.lb/ifi

📘 aub.ifi

🐦 @ifi_aub

LIST OF ABBREVIATIONS

AUB	American University of Beirut
CDR	Council for Development and Reconstruction
CSO	Civil Society Organization
E-card	Electronic card
ENPTP	Emergency National Poverty Targeting Programme
ESFD	Economic and Social Fund for Development
ESI	End of Service Indemnity
ESPISP	Second Emergency Social Protection Implementation Support Project
EU	European Union
GoL	Government of Lebanon
HEA	Household Economy Approach
IFI	Issam Fares Institute for Public Policy and International Affairs
IMC	Inter-Ministerial Committee
IRFED	Institut de recherche et de formation en vue du développement harmonisé
LCRP	Lebanon Crisis Response Plan
LHCSP	Lebanon Host Community Support Program
MEHE	Ministry of Education and Higher Education
MENA	Middle East and North Africa
MoA	Ministry of Agriculture
MoET	Ministry of Economy and Trade
MoEW	Ministry of Energy and Water
MoF	Ministry of Finance
MoIM	Ministry of Interior and Municipalities
MoL	Ministry of Labour
MoPH	Ministry of Public Health
MoSA	Ministry of Social Affairs
NGO	Non-Governmental Organization
NPTP	National Poverty Targeting Programme
NSDSL	National Social Development Strategy of Lebanon
NSSF	National Social Security Fund
NSSS	National Social Security System
OMR	Optical Marking Recognition
PMT	Proxy Means Testing
PHC	Primary Health Centre
PRL	Palestine Refugees in Lebanon
PRS	Palestine Refugees from Syria
PWD	Person with Disability
SAP	Social Action Plan
SDC	Social Development Centre
SI	Social Inspector
SGBV	Sexual and Gender Based Violence
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
VASyR	Vulnerability Assessment of Syrian Refugees in Lebanon
WASH	Water, Sanitation and Hygiene
WB	World Bank
WFP	World Food Programme
WHO	World Health Organization

RESEARCH REPORT

POVERTY, INEQUALITY AND SOCIAL PROTECTION IN LEBANON

Nupur Kukrety

Independent Consultant, Oxfam GB

Sarah Al Jamal

*Research Assistant, Social Justice & Development Policy in the Arab World,
Issam Fares Institute for Public Policy and International Affairs*

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Key informants⁹ were identified and contacted in all the locations mentioned in Annex 2 to support in identification of households for focus group discussions and in-depth household interviews. During the course of the field information collection, it was felt necessary to interview shop owners to understand the informal credit system; therefore 12 additional interviews were conducted with shop owners in all the locations of the study. In addition, the research teams spoke to five employers to understand the perceptions about Lebanese labour force in agriculture, construction and trading (e.g. supermarkets). A total of 145 people were interviewed as a part of this process.

In order to seek inputs from a wide range of stakeholders, preliminary findings of the research were shared with the local civil society and government representatives at a round table discussion organised by AUB on 13 August 2015. Suggestions and recommendations from this round table discussion have been included in finalising this report.

Despite our best efforts, the research faced a few challenges and limitations which influenced the scope and outcomes of the research. These are presented in Annex 3.

1.4 Audience for this research

This research was designed primarily for programme and policy advocacy staff in Oxfam to support them in understanding the nature of poverty in Lebanon and to help them with identifying and designing programme and advocacy interventions. We also plan to use this study to inform the general public about the social protection landscape and debate in Lebanon and to help policy makers involved in social protection programme design and execution.

For the Issam Fares Institute for Public Policy and International Affairs at the American University of Beirut, the research fits into its aim in bridging the gap between research and policy making through enhancing the quality of knowledge production in the region. We hope the research can be useful for sector group discussions, national policy makers, the Ministry of Social Affairs (MoSA) and those working with Social Development Centres (SDCs) and the National Poverty Targeting Programme (NPTP) and wider civil society in Lebanon to strengthen existing systems and to design new systems to address poverty and inequality in Lebanon.

9 In most instances these key informants were local charities working on poverty reduction or provision of humanitarian assistance in the selected governorates. These included Mada in Akkar, Amel Association in Beirut, Intersos in Nabatieh, Children of Al Jalil Centre in Beka'a and local staff of Oxfam in Tripoli.

2. POVERTY AND INEQUALITY IN LEBANON: INDICATORS AND PERCEPTIONS

2.1 What is poverty and inequality?

Literature on poverty offers many definitions, each highlighting the standpoint of its user¹⁰. An International Poverty Centre paper in 2006 groups the various definitions into four categories, namely, those based on ‘income or its proxy’, ‘material lack or want’, ‘capability deprivation’ and ‘multi-dimensional view of deprivation’ (Annex 4). It is however generally accepted that poverty is a denial of human rights that causes multi-dimensional deprivation for individuals and households.

Inequality is entwined with poverty in such a way that it not only determines peoples’ access and their ability to exercise their rights, but it is also a result of poverty. In this respect, inequality is an important element of poverty that must be understood and tackled to address poverty. While inequality itself is a broad term, for Oxfam inequality is when people are not treated as equals, with the same privileges, status and rights due to their common humanity. To address inequality it is important that the disadvantaged are supported with appropriate resources to level the playing field alongside provision of equal opportunities¹¹.

2.2 Poverty and inequality in Lebanon

The debate on poverty and inequality is not novel in Lebanon. In this section, we provide a track record of milestone studies on poverty and its measurement in Lebanon. This information is vital to understand the pre-existing structural inequalities in Lebanese society that predate the Syrian crisis. This is helpful in framing sound, well-informed social protection policies.

Since the Institut International de recherche et de formation en vue du développement harmonisé (IRFED) mission¹² in 1960, which was the first comprehensive study of social and developmental issues in Lebanon, there have been sporadic attempts to measure poverty, inequality, and living conditions in Lebanon. These studies differ greatly in how they define poverty, how they measure it, and the sample size used, so it is misleading to compare the estimates over time. Annex 5 summarizes the findings of the available studies on poverty in Lebanon. However from a policy formulation perspective, findings of the following two studies are interesting.

¹⁰ International Poverty Centre, UNDP, 2006, *What is Poverty? Concepts and Measures, Poverty in Focus*.

¹¹ Oxfam, 2012, *No Accident: Resilience and Inequality of Risk*.

¹² Lebret LJ, 1960, *Needs and possibilities for Lebanon’s Development*.

In 2006, the *Comparative Mapping of Living Conditions*¹³ between 1995 and 2004 was conducted using a Living Conditions Index (LCI), comprised of a Housing Index, Water and Sewage Index, Education Index, and an Income-related Index. The LCI showed that 24.6% of households were deprived as of 2004. Isolating the income-related indicator showed that 51.6% of households were income-deprived.

The most recent poverty study of Lebanese in Lebanon, and the most commonly used one for a poverty profile of Lebanon, is the 2007 national report, ‘Poverty, Growth and Income Distribution in Lebanon’¹⁴ by the UNDP and MoSA. Relying on the expenditure data from the 2004/05 National Survey, the study uses a money-metric poverty measure and determines a national poverty line based on household expenditures. This study established a lower poverty line of \$2.40/person/day and an upper poverty line of \$4.00/person/day for Lebanon. Using these poverty lines, 28.6% of Lebanese households were found to be poor and of these, 8% were considered extremely poor or below the lower poverty line. The discrepancy between this rate (28.6%) and the income-related component of the Living Conditions Index (LCI) (51.6%) is noteworthy and indicative of the significance of the methodology used to measure poverty.

Both studies however, concluded that disparities between the governorates are glaring with Nabatieh, Beka’a, South Lebanon and North Lebanon as the most deprived and Mount Lebanon and Beirut the least deprived governorates in the country. The 2007 UNDP study also measured inequality, using the Gini coefficient at 0.37 for nominal consumption and 0.36 for real consumption. This is comparable to the average of MENA countries, which is 0.37 and that of Latin American countries, which is 0.55.

While all previous efforts to identify the poor have either used the LCI or the Money-Metric Index, the current study relies on key informants’ perceptions of poverty and of the poor. The following section presents the characteristics of poor households as defined by the key informants in different governorates.

¹³ MoSA and UNDP, 2007, *Development of Mapping of Living Conditions in Lebanon 1995-2004: A Comparison with the Results of Living Conditions in Lebanon*.

¹⁴ MoSA and UNDP, 2008, *Poverty, Growth, and Income Distribution in Lebanon*.

People's perceptions of the characteristics of poor Lebanese

As mentioned earlier, key informants at the governorate level used general perceptions of poverty to identify poor households in their area for interviews and focus group discussions. Even though this process was conducted separately in different parts of the country, some common features emerged from the profile of respondents that can be presented as general characteristics of poor households in Lebanon. These are:

- i. Poor households are typically characterised by low incomes, are dependent on others on a regular basis for survival, live in poor neighbourhoods with poor infrastructure and weak services and are perceived as poor by the community;
- ii. The formal education attained by the main income earner in poor households is likely to be up to intermediate level. Poor households consider their low level of education and lack of market relevant skills as the biggest impediment to their ability to access well-paid and secure employment;
- iii. The household size typically ranges between five and eight members, with mostly one key income earner (typically the male head of household). In some households, however, other members also contribute on an irregular/ad hoc basis;
- iv. Poor households typically depend on daily wage labour in agriculture, construction and services such as cleaning, driving and work in shops. They are a part of the informal labour market with no fixed/regular contracts, which makes their livelihood system very precarious;
- v. Typical annual household income ranges between \$4,000 and \$8,400/year. This means that the poor households in Lebanon continue to survive on an income that is lower than the poverty lines defined in 2008 by UNDP¹⁵, much before the Syria crisis escalated and began impacting the Lebanese economy. While the annual income mentioned above appears to be a broad range, among other factors it highlights that some poor households are able to earn a relatively higher income either because they have more income earners and less dependents or they face lesser barriers to earning an income compared with the poorest households. Figure 1 illustrates the upper and lower poverty lines in relation to household size and the annual income required by households of varying sizes to live above these poverty lines. For example, a typical household with five members needs an

income of \$7,300/year to lead a dignified life that is above the upper poverty line, and at least \$4,380/year to protect them from extreme poverty.

Figure 1

Minimum annual household income (USD) needed to live above the poverty line in Lebanon

Poverty Lines in Lebanon	USD/ Person/ Day	Household Size					
		3	4	5	6	7	8
Upper Poverty Line	4	4380	5840	7300	8760	10220	11680
Lower Poverty Line	2.4	2628	3504	4380	5256	6132	7008

- vii. Food is the main expense for all poor households comprising approx. 35–50%¹⁶ of the total expenditure; expenditure on health and education are in the range of 15–20% each; with debt repayment and housing costs (including rent, electricity and water) forming the other major expense for most households;
- viii. Households with no earning adult male members, or women-headed households, have lower incomes; meaning they occupy the lower end of the income range mentioned above and survive with support of informal social support. This is similar to the finding in the 2008 study by UNDP¹⁷ that indicated that households with children and headed by widows were over-represented among the poor. Clearly the situation of women-headed households has not changed in the past few years;
- ix. In general, the awareness about their rights and information about government-implemented social protection programmes is low among poor households; in particular among women from poor households.

¹⁶ The range denotes the proportion of resources spent by households for purchasing food. The proportion of income spent on food appears lower for households with slightly higher income because their overall income is higher than that of extremely poor households.

¹⁷ UNDP, 2008, Poverty, Growth and Income Distribution in Lebanon.

2.3 Vulnerability and poverty among Syrian and Palestine refugees

As of April 2015, there are 1,175,062 Syrian refugees in Lebanon, which has the highest refugees to host population ratio of 27 to 100¹⁸. Several studies have been conducted at different points to assess the vulnerability of refugees from Syria, with the latest one being the 2015 Vulnerability Assessment for 11,680 Syrian Refugees (VASyR). This assessment uses a Food Consumption Score (FCS) to measure poverty among Syrian refugees in Lebanon and identified Zgharta, Chouf, Akkar, El Koura and Jbeil-Keserwen as the most food-insecure areas. The assessment defined \$3.84/person/day as the poverty line for refugee households in Lebanon. This poverty line matches closely with the upper poverty line for the Lebanese citizens (\$4.00/person/day). The VASyR found that 70% of Syrian refugee households live below the poverty line for refugees, of these, 50% of households live below the Survival Minimum Expenditure basket¹⁹ and only 7% of households are food-secure.

Findings from the current research confirm the vulnerabilities and poverty faced by Syrian refugees in Lebanon. The study estimates current income for Syrian refugee households as below \$5,000 per year in most cases. A few households, however, are able to earn up to \$8,000/year owing mainly to (i) larger household size (usually 2–3 households living together but registered as separate households) thus attracting more humanitarian assistance; and (ii) more economically active members in the household.

Humanitarian agencies use a standard household size of 5–6 members for determining humanitarian assistance for refugee households. Using this benchmark and the poverty line established for Syrian refugees, a 5-member Syrian refugee household requires \$7,800/year to live above the poverty line. The current typical annual household income of \$5,000/year is 30% lower than the poverty line for a typical (i.e. a 5-member) Syrian refugee household. In fact, the annual household earning of Syrian refugee households is lower than the official minimum wage for individuals (\$5,400/year) in Lebanon. The figure below depicts the income difference between poor Lebanese households and Syrian refugee households.

¹⁸ World Food Program, 2015, *Vulnerability Assessment of Syrian Refugees*.

¹⁹ In Lebanon, the Survival Minimum Expenditure Basket (SMEB) is \$435 and includes expenditure on basic items such as the food basket; hygiene items; cooking fuel; basic clothes; transport and communication costs; rent; water; debt repayment. The Minimum Expenditure Basket (MEB) is \$571 and includes food, rent, communication, transport, health, education, water and clothing.

Figure 2

Income difference between Syrian refugees and poor Lebanese households

Lebanese households	\$4,000-8,400/year
Syrian refugee households	Below \$5,000/year

Lebanon is also home to approximately 503,070 Palestine refugees, including 53,070 Palestine refugees from Syria (PRS) and 450,000 Palestine refugees in Lebanon (PRL). The Government of Lebanon estimates that there are up to 300,000 unregistered de facto refugees in Lebanon²⁰. All PRS are assumed to be poor, while the latest available poverty measurement for PRL in 2010 estimates 66%²¹ of them to be poor. All PRS households met during the course of this study were found to be extremely poor with no regular source of income, low wages, living in small flats in ill-serviced neighbourhoods and a near total dependency on United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for their survival.

²⁰ Government of Lebanon and the United Nations, 2015, *Lebanon Crisis Response Plan 2015-16*.

²¹ AUB and UNRWA, 2010, *Socio-economic Survey of Palestinian Refugees in Lebanon*.

3. POOR HOUSEHOLDS' EXPERIENCE OF POVERTY IN LEBANON: HOW DO THE POOR SURVIVE?

This section of the report presents the household economy of poor households in Lebanon; their survival strategies and changes in their livelihood systems since the reference year (i.e. 2010) as the last 'normal' year before the beginning of the war in Syria. It also focuses on the role of gender and legal status in enhancing vulnerabilities and poverty. The information presented in this section is based on focus group discussions and in-depth household interviews with poor households in different governorates of the country.

3.1 Household economy of the poor

As mentioned in chapter 2, poor households in Lebanon depend on the informal labour market for their living, working mainly in the agriculture, construction and services sectors. They usually do not have regular jobs with fixed contracts, which results in an irregular flow of income to the household. In most cases the income is lower than the estimated national (upper) poverty line. In-depth interviews with poor households suggest that their current socio-economic status is a continuation of the downward spiral that was triggered by shocks suffered by households prior to 2010.

Discussions²² with poor households in Lebanon suggest that their livelihood systems have been stretched since the reference year. Most households reported that their annual household income has remained unchanged in the past five years. However, some households pointed out that their annual incomes have reduced by 25–30% since 2010. In discussions, respondents stressed that life was a struggle in the reference year too, as they did not have regular and well-paid jobs. This meant that they had to constantly look for work to ensure a steady flow of income to meet their regular expenses. In most cases, poor households were engaged in short-term and seasonal work.

The influx of Syrian refugees since 2011/12 exacerbated the stress on the livelihood systems of poor households by way of increased competition for jobs. Being in informal and semi-skilled jobs, it is not surprising that the poor Lebanese households face competition from the refugee population who are themselves in an extremely vulnerable situation. During the discussions, all respondents stressed that

the wage rates have not increased in line with the cost of essential commodities since the reference year. While a few studies²³ point towards reduction in daily wages for Lebanese workers, not all respondents²⁴ of this study reported reduction in their daily wages. However, all respondents stressed that higher competition in the labour market means that work opportunities have shrunk in the past few years, which has meant that they are less able to negotiate wages and work conditions. This corresponds with the findings of a review²⁵ conducted in 2014 that suggests that the refugee influx has had a significant impact on Lebanese livelihoods, especially for those households that are engaged in semi-skilled and unskilled jobs. It may be noted that few households reported losing their jobs²⁶ to Syrian workers who were willing to do the same work for a lower wage. However, a review conducted by UNOCHA predicts that 220,000 to 324,000 more Lebanese could lose their jobs in the near future due to the increase in supply of labour. While losing jobs to Syrian workers emerged as a general perception during the course of this study, only few households were able to give concrete examples wherein either they themselves or someone known to them had lost their job to Syrian workers. Deeper probing highlighted that this negative perception against Syrian workers existed even before the refugee influx into Lebanon; however, it is more pronounced now with more Syrian workers available in the labour market. As mentioned in the World Bank report²⁷, this negative perception could be a result of the enhanced competition in the labour market that at times fuels social discontent and tensions between the refugee and host communities.

Discussion with a cross-section of employers indicates a clear bias towards employing Syrian workers. Different employers were unanimous in stating that Syrian workers (includes refugees in the current

²³ ILO, 2013, *Assessment of the impact of Syrian refugees in Lebanon and their employment profile*. AND IRC, Save the Children, Danish Refugee Council, Oxfam and UK Aid, 2013, *Emergency Market Mapping and Analysis (EMMA) of the agricultural labour market system in North and Beka'a, Lebanon*.

²⁴ About half of the respondents did not report a reduction in daily wages.

²⁵ UNOCHA and REACH, 2014, *Informing host community target programming in Lebanon*.

²⁶ Although these were not formal and fixed jobs, the respondents had been working with the same employer on an informal contract basis.

²⁷ World Bank, 2014, *Lebanon Economic Monitor – Downside Risks Materialise*.

²² Unless specified, the term 'discussion' refers to focus group discussions as well as in-depth interview.

context) are more flexible with their work hours, wages and the type of work compared with their Lebanese counterparts. In addition, the employer is not bound to contribute towards any social security benefits for Syrian workers²⁸. It should be noted that Syrians were employed by Lebanese employers prior to the reference year as well, and the perceptions about them were the same. The response by employers clearly highlights the exploitative nature of the labour market that has traditionally benefited from the vulnerability of Syrian migrant workers and is now flourishing on the vulnerability of refugees. In the current context however, the number of Syrian citizens available to work has increased, i.e. those who traditionally worked in Lebanon as migrant workers and those who are new to work in Lebanon owing to their circumstance. The lack of strict enforcement of labour laws in the country has meant that the poor (Lebanese or Syrian) continue to be locked in exploitative work arrangements and are unable to free themselves from poverty.

Interestingly, some households also reported a marginal increase in incomes in the past five years. However, this is a result of more members contributing to the household economy compared with before, either because they are now old enough to work or because their deteriorating circumstances require them to contribute to the household income now.

Figure 3

Seasonal Calendar (Group discussion in Beka'a)

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Expenditure												
Loan repayment			high							low		
Food	high			low								
School						low			high			
Clothing				low						high		
Fuel	high											
Medical												
Income												
Work availability		low		high								
Price trends												
Veg. and fruits	high				low							
Fuel	high											
Difficult period												
Borrowing				low					High			

²⁸ The Lebanese law provides for Social Security contribution for Syrian migrant workers, but this is rarely followed and many Syrian refugees are unable to claim it anyways owing to their legal status in the country.

Unlike the poor Lebanese households for whom a daily wage is the only form of income, refugee households' income comprises a daily wage and humanitarian assistance. Only one respondent mentioned receiving support from extended family in Syria. Humanitarian assistance comprises about 40% of the annual income for most refugee households²⁹ thus making the actual income earned through labour market participation as low as \$3,000/year. The incomes earned resonate with an ILO assessment from 2013³⁰ that found the average earnings of Syrian refugees to be \$277/month (\$3,324/year). With the inclusion of humanitarian assistance in the annual household income, the average earnings of a refugee household are close to the lower end of the income range for poor Lebanese households, as presented earlier in chapter 2.

Being largely concentrated in the informal jobs market, poor households (Lebanese and refugees) in Lebanon are affected by seasonality; hence the flow of income is not consistent through the year and between years. Incomes are usually low in the winter months (illustrated with a lighter shade in Fig. 3) as not only is the availability of work low (especially in agriculture and construction sectors, where Syrian refugees are mainly employed) but the ability of people to work is also lower (reduced by 40% as stated by poor Lebanese households) because of the cold weather conditions. Seasonal variation in work availability is more pronounced in Beka'a, Akkar and Nabatieh, most likely due to the high reliance on the agricultural and construction sectors.

²⁹ There are exceptions such as women/elderly headed refugee households or PRS households wherein humanitarian assistance comprises a larger share of the household income.

³⁰ ILO, 2013, Assessment of the impact of Syrian refugees in Lebanon and their employment profile.

Ironically, winter months are also the time when household expenses are the highest (illustrated with a darker shade in Fig. 3) for Lebanese and refugee households. According to the seasonal calendar, the winter months starting from September onwards are the most difficult, when expenses are higher because of school fees, the need for warm clothing, heating, fuel, and the prices of essential commodities (fruit, vegetables, eggs, etc.) tend to increase seasonally.

Figure 4

Reported increase in prices since 2010

COMMODITIES	PERCENTAGE INCREASE (APPROX.)
Rice	25–40%
Sugar	30–40%
Beans	40–50%
Milk	33%

Poor Lebanese households have struggled with managing their expenses in light of the stagnation of their incomes and the increase in prices of essential commodities. Food was reported as the main expense by poor Lebanese households and it comprises about 35–50% of their annual expenditure. It is the second most important expense for the refugee population, who mentioned rent for accommodation as their biggest and priority expenditure. The prices of basic food items (such as sugar, rice, oil, etc.) in the study areas appear to have increased by more than 20% since the reference year (Fig.4). Needless to say, that this increase in prices of the main expense for the poor can have serious implications for their household economies.

Figure 5

Reported price variations within and across governorates

GOVERNORATE	PRICE OF RICE PER KILOGRAM (LEBANESE POUND)	
	2010	2015
Akkar	1,500	2,000
Beka'a	1,000	1,750
Tripoli	1,000-1,250	1,750-2,000

There appears to be a price variation across and within regions for some commodities and this variation continues over the years despite prices increasing for each commodity (Fig. 5). While the variation across regions could be attributed to location, the variation within regions is perhaps due to the scale of businesses, wherein bigger businesses gain from economies of scale. The percentage increase in prices is higher in cases where the price for commodities was low in 2010. As the price data was derived from traders using a recall method, there is a likelihood of bias in the 2010 prices. The findings of a recent review³¹ suggests that the higher food prices could be a result of population increase, greater demand and the inability of populations any longer to cross over to Syria to buy cheaper products in the border towns. It further highlights that the national-level inflation figures do not reflect the same trends.

Compared with the poor Lebanese households and PRS, Syrian refugee households are protected to some extent from food price fluctuations because of WFP food vouchers. This assures them the supply of a specified quantity of food at pre-agreed rates. PRS receive food assistance in cash and hence purchase food at prevailing market rates. However, while food vouchers cover a significant portion of their food needs, Syrian refugee households reported spending about 20–25% of their income on buying food from the market to cover the deficit in food needs. This means that they are not fully isolated from the impacts of food price rises.

Bread is the most essential food commodity for Lebanese and refugee households. Over the years, the cost of bread has remained static; however in discussions people indicated that the size/ number of loaves or the weight of a bag of bread has progressively reduced. With low incomes and the higher cost of essential commodities, poor Lebanese households are effectively faced with a situation in which their purchasing power has progressively declined, thus making an already difficult situation worse for them. With some protection via food vouchers, Syrian refugee households may appear to be marginally better off in this respect; however, with lower incomes compared with poor Lebanese households, Syrian household economies are equally fragile. PRS are even more vulnerable as their source of income is extremely limited due to legal restrictions and limited work opportunities.

Rental expense was unanimously reported by refugee households as their top priority and their biggest

³¹ UNOCHA and REACH, 2014, *Informing host community target programming in Lebanon*.

expense, comprising approximately 50–60% of their monthly expenses. The rental market has also been extremely competitive and exploitative, with constant increases in rent and evictions. Several refugee households reported changing accommodation five or six times since they arrived from Syria in 2012. Those who can afford it live in garages and apartments, while others live in informal tented settlements. A respondent interviewed during this study pointed out that he rented a garage for \$70/month when he arrived in Akkar in 2012, but the household had to move to a bigger garage in 2013 to accommodate his extended family. He paid \$100/month for this bigger accommodation. In 2014 the rent for the same garage was increased by 100% to \$200/month by the landlord, thus forcing the household to borrow from a friend in Dubai. The constant increase in rent notwithstanding, rent continues to be the first priority expense for all refugees whether Syrians or Palestine refugees from Syria.

Discussions highlighted that health expenditure plays a crucial role in weakening the household economy and currently forms 20% of the household expenditure for the poor Lebanese. Interestingly, there has been little change over the years in the percentage spent on health by poor Lebanese households. Medical expenses comprised 15–20% of household expenditure in the reference year, which points to the fact that medical needs were high even in the reference year, and the public health system was perhaps inadequate to meet the needs. During discussions, respondents reported a further increase in the cost of health services, reduced availability of medicines and a general deterioration in the quality of services provided by public hospitals/health centres in the past five years. UNOCHA attributes this to increased demand for health services as a result of refugees seeking health services, compounded by the pre-existing problems of inadequate cash flow and staff shortages in health centres, particularly in Beka'a, Beirut and the North governorates³². Long waits and weak services at public hospitals/health centres push Lebanese households to seek private medical care, which is more expensive.

For refugee households, health expenses are the third largest expense. Although Syrian refugees can access health services (maternal healthcare, immunization and deliveries) provided by Primary Healthcare Centres (PHCs) at the local SDCs at nominal charges, the waiting time is often long and for Syrians who are used to free health services in Syria, health services in Lebanon appear costly. UNHCR provides up to 75% of medical costs for cases that meet various socio-economic vulnerability selection criteria. This leaves

families with the burden of raising the remaining 25%³³. Some humanitarian agencies such as Médecins Sans Frontières (MSF) and International Organisation for Migration (IOM) provide health support to Syrian refugees in their areas of operation.

PRS can access health services from UNRWA centres, however discussions revealed that these centres are extremely overstretched resulting in the dependence of PRS households on the markets. As elaborated later in this section, legal status plays a big role in determining access of PRS to the markets and services outside Palestinian camps.

While ill-health can affect any member of the household and can significantly drain limited household resources, when health of the main income earner is affected, it causes extreme strain on an already stretched household economy. Job-linked health issues such as back ache/problems, injury at work, etc. were mentioned by Lebanese respondents as the main reasons for a change in profession or reduced incomes. This is not surprising given that the respondents for this study engage in physically labour-intensive jobs. Sudden illness or medical emergencies for household members also appeared to play an important role in destabilising the household economy of poor Lebanese households. These are sudden expenses that require borrowing large sums that take longer to repay. It is estimated that more than 50% of Lebanese are not formally covered by any health insurance³⁴ and ILO sources confirm that the out-of-pocket payments are especially hard on the poor households who for financial reasons usually do not seek medical care until it is too late for outpatient treatment.

3.2 Coping strategies

In-depth discussions indicate that poor households (Lebanese as well as refugees) adopt a range of coping mechanisms to withstand the stresses and shocks to their household economy. This section presents the strategies commonly used by poor households for their survival.

Multiple source credit

Borrowing is one of the most commonly used strategies to cope with ongoing economic stresses and sudden economic shocks in Lebanon. While borrowing is common even among the better off, poor households tend to use multiple channels of credit and repay just enough to keep the credit channel functioning. Information on informal borrowing was extremely difficult to access because borrowing is such a common part of life that it is normalized in

³² *Ibid.*

³³ Caritas, 2015, *Syrian Refugees Struggle to Access Healthcare in Lebanon*.

³⁴ Ammar W., WHO, MPH, 2009, *Health Beyond Politics*.

most cases and unless specifically asked, it is not mentioned. When it is mentioned, households are unable to give very clear answers on the total value of debt from multiple channels, especially in a focus group setting. In-depth household interviews indicate that these accumulated debts taken from informal sources for meeting basic needs could be as high as \$1,000. This does not include borrowing for emergencies and livelihood promotion. Borrowing is often in-kind from stores for food, groceries, medicines etc., but cash is also borrowed for unexpected and large expenses. Such credit is either taken from informal sources such as friends and relatives or from a formal lending institution like the banks at a high interest rate. Informal sources of credit appear to be interest-free³⁵. Usually debt keeps accumulating and forms a significant but hidden³⁶ part of the household expense. It can reach up to 25% of household expenditure in some cases as is illustrated in the case presented in Annex 6.

Borrowing is a common strategy for refugee households too and similarly to the poor Lebanese households, they too borrow from multiple channels. Borrowing is mostly in-kind for food items and sometimes for fuel during winter. However, owing to their legal status and tendency to change accommodation frequently, the creditworthiness of refugees is much lower compared with the poor Lebanese households. Interviews with local traders indicated that the amount offered in credit to refugees is generally three times lower compared with poor Lebanese households. The main reasons are that refugees are perceived as less likely to repay on time and more likely to default on loans; there is a lack of social pressure from elders or a local guarantor; and it is difficult for traders to follow up with them as they change their accommodation very often.

Reducing expenditure

As reported in a recent study³⁷, controlling expenditure is another coping strategy employed by poor households to withstand the stress to their household economy. Reduction in the number of meals and the quantity consumed, buying cheaper and lower quality food (damaged and close to expiry), and

35 Discussions with respondents and local traders who give food items/medicines on credit categorically mentioned that no interest is charged on the borrowings. It is possible that there are some hidden costs that the research team was not able to identify.

36 'Hidden,' because it is usually not mentioned by households unless specifically probed. The reason for this being that often loans are not paid on a regular basis with households repaying part sums when they need to borrow some more and have exhausted the other channels of borrowing. If the amount is large and from a single lender then there are higher chances of being mentioned clearly.

37 UNOCHA and REACH, 2014, Informing host community target programming in Lebanon.

reducing intake of meat products were among the most common coping strategies mentioned by all the respondents. It was often mentioned that while adults in households prioritise the needs of children when it comes to reducing food expenditure, there are times when the entire household reduces food consumption, surviving on bread and tea, particularly during the difficult months. This is a potentially dangerous coping strategy as it can have serious implications for nutritional status and the growth of children. It is well established that well-nourished children are able to attain better educational results, and they are 33% more likely to escape poverty as adults. There is a higher chance of well-nourished girls becoming empowered adults, and they are 10% more likely to run their own business.³⁸ Though this study did not find enough evidence to suggest a regional difference in this coping strategy, other studies in Lebanon indicate a regional difference. A quote from the Fall 2014 issue of *Lebanon Economic Monitor*³⁹ mentions, *'Beka'a residents, for instance, reported mostly having to purchase food on credit (59 percent), borrow food (42 percent), and are spending from their own savings (37 percent). North residents buy "only afford to" food items (43 percent), reduce quality of meals (40 percent) and spend from savings (40 percent).'*

The other way Lebanese households control their expenditure is through reducing or ceasing expenditure on education and health as illustrated in the case study presented in Annex 7. While education appeared to be given a high priority by all households during the discussions, the team found many instances in which children had to drop out of school to contribute to the household economy. This is usually the case with secondary-level education. Changing schools (from private to public schools) is practised by some households to control the expenditure on education. The quality of education in public schools leaves a lot to be desired and indeed is linked with perpetuating social inequality⁴⁰. This has repercussions on the future ability of these children to move out of poverty. The team was unable to find any difference between boys' and girls' access to primary education; however, the team observed that girls are more likely to drop out of school at the secondary level in the case of financial stress.

As mentioned earlier in this chapter, health concerns

38 IDS and CIFF, 2013, Child Growth = Sustainable Economic Growth: Why we should invest in Nutrition.

39 World Bank, 2014, Lebanon Economic Monitor – Downside Risks Materialise.

40 UNOCHA and REACH, 2014, Informing host community target programming in Lebanon.

put a heavy burden on the household economy of the poor Lebanese households. Medical expenses in Lebanon are high, and not all governorates have the desired quality of services. When faced with difficult situations, households tend to defer the expense on health, especially that for chronic illnesses. This too can have potentially dangerous implications as the household may be forced to adopt extreme steps to meet high medical costs.

Other strategies used mainly by refugee households

The survival strategies of the refugee population vary slightly owing to their specific context. They use a range of coping strategies and these depend on their wealth status before arriving in Lebanon, their social network and on the length of their stay in Lebanon. While the first and most commonly used strategy is to utilise their savings, most refugees, reported having exhausted this option over the years. Similar to the poor Lebanese households, reducing expenditure that is not considered as immediate and productive is a commonly employed coping strategy. This includes reducing the quantity of food consumed and the quality of food eaten. Refugee households living close to agricultural fields reported picking damaged and destroyed vegetables from agricultural farms after the harvest. Food gathered through this process is used for consumption by households. Like poor Lebanese households, refugees also mentioned reducing the intake of meat products and fresh fruit and vegetables. Refugee households also reported deferring non-immediate health and education expenses in lieu of meeting immediate needs, due to economic constraints.

Discussions revealed that while education is considered important, not all households are able to send their children to school in Lebanon. The main reasons reported were (i) financial burden (cost of transport, stationary); (ii) mismatch with the syllabus and medium of teaching (in Lebanon teaching is in French or English languages, whereas Syrian children are used to being taught in Arabic); and (iii) discrimination faced by children in school.

Similar to the findings of the recently concluded study by Oxfam on self-protection⁴¹, financial contribution by children to the household economy was mentioned in some group discussions with refugee households. In a particular case, the child was not more than eight years old, but was pulled out of school to work in a shop sweeping and cleaning.

When the need for cash is high and all other sources of cash income are exhausted, refugees resort to selling food vouchers, typically at 80% of their value. It was mentioned that the sale of vouchers was very common in the early years of the refugee influx in Lebanon as there were many charities providing good quality food in kind, which assured households of availability of food at the household level. Refugees therefore could afford to sell the vouchers for cash. In the current context of much reduced humanitarian assistance, this is an extreme step that households take to tide over extremely pressing circumstances. This being their main or only source of food, selling of vouchers is only done when the need for cash is high either to pay rent or for critical health expenses.

3.3 Social inequalities

Equality plays an important role in ensuring a dignified existence in society. While there are multiple factors that render some members of society less equal than the others, this study specifically focuses on two social factors in the context of Lebanon: gender and legal status.

Gender

Gender concerns in the current context of Lebanon are complex and layered. Similar to many other societies in the Middle East, men are seen as the main income earners in the household in Lebanon, with women shouldering caring and household responsibilities. This division of labour within households restricts women's opportunities for economic participation. Where they do earn an income, they are seen as supplementing the income of the main income earner. This is reflected in the responses from discussions, during which the head of the household was referred to as the male unless it was a household with no adult male member. The team did not observe any difference between the responses of men and women on this issue.

Women in poor households are faced with the paradox that their gender-defined role requires them to care for members of the households, while at the same time the stretched household economy demands their financial contribution. During discussions the team met several women who mentioned that they were supporting the household economy with their incomes. The work that suits them the most is home-based, but it is often low paid, with no access to social security or benefits such as maternity leave.

Discussions highlighted that women are particularly disadvantaged in the labour market because they either have little prior experience of work (especially when they embark on economic activities after starting a family), are perceived as not having the physical capacity (most wage labour is physically

⁴¹ *Ibid.*

intensive), or have to look for work that fits their responsibilities at home. Women tend to move in and out of the labour force more often than men due to their childbearing and rearing responsibilities and the lack of provision for maternity leave or benefits that would allow women to retain their jobs during childbearing periods. Most women interviewed during this study reported working as cleaners or seamstresses, and very few reported having fixed employment, with none receiving social security benefits. Those living in Greater Beirut reported being in fixed or regular employment, perhaps owing to their proximity to Beirut, which is an economically better-off governorate.

The lower educational status of women also plays a big role in restricting their income earning potential. Although men in poor households also tend to have low levels of formal education, it is a combination of educational status, lack of experience/exposure and gendered roles that restrict women to low status and low-paid jobs.

Discussions indicated that younger women with lesser responsibilities on the home front are able to harness relatively better work opportunities that require them to work longer hours outside the house e.g. in boutique stores and supermarkets. The younger and unmarried women are also relatively better educated compared with women who grew up during the years of the civil war.

Women-headed households are among the most vulnerable in society and face serious constraints to leading a dignified life. Annex 8 presents the struggles of a woman-headed household. Female heads of household have the onerous task of single-handedly balancing two opposing forces: earning an income and juggling caring responsibilities. Information collected through field work suggests that woman-headed households survive on extremely low incomes and often depend on the generosity of others or informal support networks for survival.

Discussions with formal employers highlighted that women are employed mostly for desk-based jobs or for work that in their opinion matches their skill sets, such as sorting, grading activities in agriculture, and working in grocery stores. It was mentioned that there is a difference in wages between women and men because of the difference in the nature of work done by each group. In cases of the same job, there seems to be no difference in the wages between genders. The study was unable to confirm this with the primary respondents of this study. There is a likelihood of wage differentials in the agriculture sector, as the

Emergency Market Mapping and Analysis (EMMA) conducted in 2013⁴² highlighted a difference in wages given to women and men migrant workers.

In a few group discussions in Greater Beirut, women mentioned the increased threats of sexual attacks which restrict their ability to access paid employment. This was mentioned in two contexts (i) in the context of having unknown people living (refugees) in their neighbourhoods or close to their work place, and (ii) in the context of the sectarian divide that exists in Beirut between two religious communities. While no specific incident was cited by the groups, this fear appeared to restrict their mobility to some extent.

3.3.2 Legal status in Lebanon

A quarter of Lebanon's current population comprises refugees. In this context legal status in the country becomes an important factor in determining access to opportunities and services.

Legal barriers are the biggest challenge for the refugee population in earning an income in Lebanon. Discussions with Syrian refugee groups indicated that Syrians are required to pay \$200/adult/six month for a renewal of their residency permit (different from a work permit) which gave them a right to remain legally in the country. They also mentioned that for seeking a residency permit, they have to take a pledge to not engage in economic activities in Lebanon or be deported back to Syria. While the costs associated with renewing residency permits are high, there is no guarantee that the applicant will be granted a permit even after spending the money. During the course of this study, the team met several households who either had their residency permits rejected or did not have enough cash to even apply for a residency permit.

Not having a residency permit has implications for the mobility of household members⁴³, especially for men who are expected to earn an income and provide for the household. Their legal status in the country forces most refugees to enter the labour market illegally, which in turn makes earning an income an extremely risky proposition. The combination of need and the challenges associated with accessing a work permit in Lebanon puts refugee households in an extremely vulnerable situation, and means that they are willing to take any job and at significantly lower wages compared with their Lebanese counterparts. As mentioned earlier, discussion with some employers in

⁴² IRC, Save the Children, DRC, Oxfam and UKAid, 2013, *Emergency Market Mapping and Analysis for the agriculture labour market system in North Beka'a*.

⁴³ Oxfam, 2015, *Research into self-protection and coping strategies of refugees from Syria and host communities in Lebanon*.

the agriculture and construction sectors indicates that Syrian workers are paid about 50% less than Lebanese workers for the same job.

Disparity in incomes, mobility restrictions and shrinking humanitarian assistance play out in a labour market that the refugees enter with a very weak bargaining position. In discussions, all refugee households reported that the daily wage was their main source of income with its contribution to the household economy being as high as 60% of the total income earned in Lebanon. Most refugees reported that they work in informal, short-term and ad hoc jobs, usually for 3–4 days at a stretch before they have to look for other work. Many take whatever work is available to them regardless of their qualifications and skills. In the words of a Syrian refugee *'I will do any work to keep my children safe and well fed'*. The surplus labour situation in the job market poses a challenge to finding work. However, the much bigger challenge for all refugees remains the legal hoops that they have to negotiate to stay and work in Lebanon. There is a strong gender dimension to earning an income, and this places immense pressure on men who are expected to provide for their families, and in some cases extended families with elderly parents.

It is even harder for Palestine refugees from Syria. They are required to obtain an entry visa in Damascus or hold a pre-existing residency permit before arriving in Lebanon. Those who are already in Lebanon have been informed by GoL that their residency permits will not be renewed⁴⁴. PRS not only face legal challenges for their residency, but also live in extremely poor neighbourhoods within Palestinian camps where work opportunities are generally very low (See Annex 9 for a case study on a PRS household). Owing to their legal status in the country, PRS are bound within the camps and find it extremely challenging to access basic services such as healthcare outside the camps. Despite being refugees, they do not enjoy the same legal rights to work as Syrians⁴⁵, which forces them to compete with Palestine refugees from Lebanon (PRL) for work. Owing to their long association in the camps, PRL have a slight advantage over the PRS in finding work by utilising their social networks within the camps. It is estimated that 90% of the PRS are unemployed, as they are banned from working in the public sector and many professional fields.⁴⁶ Unlike Syrian refugees, PRS cannot access public services

offered by MoSA, and UNRWA is expected to support them. However, UNRWA services within the camps are already stretched, and sharing already stretched services is resented by PRL. Discussions revealed the frustrations faced by PRS who feel let down by the PRL and the humanitarian community. Instances of how PRS are viewed by the PRL as taking away their jobs and crowding the service centres were narrated by several PRS households. Similarly, the lack of work opportunities in camps emerged in all discussions with PRS.

Female refugees face serious cultural constraints related to perceptions about women who work outside the home. Discussions with Syrian refugee women's groups highlighted that women who work outside the home are perceived as providing sexual favours to earn an income. Refugee women therefore in most cases prefer to work from their homes or not work at all. An assessment conducted by ILO⁴⁷ in 2013 reported high unemployment levels at 68% among female refugees from Syria. With extended families living in the same accommodation, the care burden on women is immense, which further restricts their ability to earn an income. Women refugees are also less likely to forge the social contacts that help with exploring work opportunities.

Instances of humiliation at the workplace, schools and in public life is common for the refugee population and was reported as such in many discussions. This is similar to the findings from a focus group discussion conducted by Mercy Corps which states that *'focus group participants were quick to express feelings of humiliation and report incidents of discrimination and sexual harassment during their time in Lebanon'*⁴⁸. The same has also been reported in the recently concluded study on self-protection by Oxfam⁴⁹. PRS reported facing subtle discrimination and humiliation while dealing with the renewal of their residency permits (when they were being issued). Several instances were narrated of people (including elderly) being asked to wait for long hours and later sent back without any explanation, or their papers not accepted on small and flimsy grounds. While PRS feel safer within Palestinian camps, discussions pointed towards subtle undercurrents between PRL and PRS, especially with regard to finding work. Though this did not emerge in all discussions, some women PRS reported being suspected of sex work by PRL men and women.

⁴⁴ UNOCHA and REACH, 2014, *Informing host community target programming in Lebanon*.

⁴⁵ Oxfam, 2015, *Research into self-protection and coping strategies of refugees from Syria and host communities in Lebanon*.

⁴⁶ UNOCHA and REACH, 2014, *Informing host community target programming in Lebanon*.

⁴⁷ ILO, 2013, *Assessment of the impact of Syrian refugees in Lebanon and their employment profile*.

⁴⁸ UNOCHA and REACH, 2014, *Informing host community target programming in Lebanon*.

⁴⁹ Oxfam, 2015, *Research into self-protection and coping strategies of refugees from Syria and host communities in Lebanon*.

4. FORMAL AND INFORMAL SUPPORT MECHANISMS FOR THE POOR IN LEBANON

National governments in many countries implement a range of policy and programme measures that directly or indirectly address poverty. When normal individual-level survival strategies are under pressure, entitlements from the state help households to deal with shocks and stresses.

In the past decade, social protection has emerged as an important policy and programme area that aims to protect people from poverty and to prevent them from falling deeper into poverty, while at the same time supporting them to promote their livelihoods and contribute to their social and economic transformation.

‘Social protection can be broadly defined as public or publicly mandated actions – carried out by the state or privately – that enable people to deal more effectively with risk and vulnerability and help tackle extreme and chronic poverty’⁵⁰. It is a human right enshrined in article 22 and 25 of the Universal Declaration of Human Rights, 1948. Social Protection measures typically include the following components:

- ▶ Social assistance or safety nets: Predictable and non-contributory support in-kind or in cash over a period of time determined by lifecycle or other forms of risks.
- ▶ Social insurance: Contributory support to deal with the impact of shocks.
- ▶ Social services: Mostly health and education services but can be expanded to include other essential services like housing, care services, water etc.
- ▶ Labour market policies: Policies that govern the labour market protect the rights of workers in the formal and informal economies.

In Lebanon, policy formulation and programming on social protection is at a nascent stage and has evolved in response to events at different points in time. Despite the recent development of promising social protection policies and strategies building on the Social Action Plan in 2007, Lebanon is yet to see the full implementation of these plans. What exists so far is a set of interventions and safety nets which usually come in response to crises, wars, and emergency situations, such as the 2006 Israeli War on Lebanon

and most recently, the Syrian crisis that started in 2011. There is no clear national policy or strategy on social protection in Lebanon yet, to bind various interventions together and ensure coordination to achieve a common goal.

While recognizing that social protection is a human right, and the responsibility of the state towards its citizens, the current political context in Lebanon necessitates a significant role for international organizations to further social protection in the country. In addition to government owned and implemented social protection measures, a wide range of programmes are implemented by the UN and NGOs in Lebanon to protect the basic rights and welfare of different groups of people.

This chapter provides an overview of key programmes provided by public institutions and international organizations to people defined by them as ‘vulnerable’, ‘poor’, or otherwise eligible for social protection among Lebanese, Syrian refugees, and Palestine refugees. More details on social protection provisions in Lebanon are presented in Annex 5.

4.1 Formal support mechanisms for Lebanese, and poor households’ access to them

This section of the report presents key social protection programmes in Lebanon and the awareness and access of poor households to these benefits.

The Emergency National Poverty Targeting Programme

The ENPTP is a combination of social assistance and social service provision to ‘extremely poor’ Lebanese households in the form of partial medical bill payments⁵¹, school fee waivers, free books, and food assistance. This programme was initially launched as the National Poverty Targeting Programme (NPTP) with a \$28.2 million budgetary allocation by the Council of Ministers for 2012–14, and was referred to as such until 2014. In 2014, the NPTP was refunded by the World Bank, GoL, and UNHCR and re-launched as the Emergency NPTP (ENPTP) in response to the Syrian crisis. The benefits were expanded to include a separate food e-card issued for only the poorest among the extreme poor 5,076 Lebanese households, due to the shortage of funding.

⁵⁰ Oxfam International, 2009, *OI policy compendium note on Social Protection*.

⁵¹ Access to clinics is free of charge for beneficiaries of the NPTP (holders of the Halla card). Lebanese non-beneficiaries have to pay LL 7,000 per visit.

According to MoSA, as of June 2015:

- ▶ A total of 160,985 Lebanese households had applied to benefit from the programme;
- ▶ A total of 127,552 field visits were made by social inspectors;
- ▶ 71,000 students were provided an education subsidy;
- ▶ During 2013–2014, 19,088 patients received a health subsidy;

The poorest 12% of Lebanese were registered as beneficiaries for the ENPTP.

The process for inclusion in the programme involves various steps. On its launch in 2011, the NPTP unit carried out a two-month media campaign to inform citizens of the programme and encourage self-identified ‘needy’ families to apply for NPTP benefits. The campaign consisted of publicity during national TV shows, a pop song, and informative posters.

On learning about this programme, Lebanese households interested in joining the programme are required to call or approach the nearest Social Development Centre (SDC) and ask to be registered. In doing so, they are expected to produce necessary documents and give consent to be visited by a Social Inspector (SI). The SI then visits the household to gather information and enters it into an Optical Marking Recognition (OMR) form, which is then scanned and inserted into a live database. The form is then given a proxy score in order to assess the ‘poverty level’ of the applicant household, based on a Proxy Means Test (PMT) formula. The test includes questions to assess the applicant’s standard of living, such as the employment status, level of education, marital status, physical ability, housing condition, assets owned and their geographic location. If the score is under a certain determined threshold that corresponds to the Lower Poverty Line, the household is registered as a beneficiary. The head of the household, or the applicant, is then provided with a ‘Halla’ card, which can be used to access the education and health benefits at any of the 220 SDCs, local clinics and the MEHE.

The Ministry of Social Affairs is responsible for coordinating social protection in Lebanon and is in charge of the implementation of ENPTP. Its functions include setting social policies, providing social assistance to under-privileged groups directly and through contracted CSOs and NGOs, and promoting social development through its SDCs. MoSA reaches

around 350,000⁵² beneficiaries yearly either through SDCs or contracting several NGOs and welfare institutions.

The SDCs are local centres distributed around the regions of Lebanon and designed to implement MoSA’s social development policies. Similar to municipalities, they are permanent government institutions at the grassroots level. The SDCs are mandated⁵³ to:

- ▶ Establish a comprehensive development strategy (education, health, social, development) based on the identification of available resources/ needs within local community;
- ▶ Gather and keep updated demographical/ economic data on the targeted area;
- ▶ Promote community-based development;
- ▶ Implement capacity building programs for the community;
- ▶ Coordinate with civil society and local authorities.

The SDCs are supervised by administrative committees. These comprise civil servants from MoSA who are appointed for one year and receive an allowance for this additional work. SDC staff members are not civil servants, and this adds some discontent in the relationship between MoSA and SDCs. According to a review, the general perception among SDCs is that MoSA staff members are removed from field realities⁵⁴, and their short-term appointment inhibits their understanding of ground realities. The same review⁵⁵ concluded that SDCs are expected to function with the financial support of MoSA; however the assistance provided is barely enough to cover cost of salaries and rent for the office. SDCs where the Director is active and is able to garner resources for the functioning of the SDCs are able to function better than the rest. MoSA exercises control over SDCs’ functioning through its decision making structure wherein the Director of a SDC has to apply for financial support and this approval is given by the Minister. The bureaucratic process to seek approval for new projects often causes delays in implementation. This challenge has compelled some SDCs to work with local partners for funding (though they are not mandated to raise funds) and complementary activities.

52 World Bank, 2013, Lebanon - Economic and Social Impact Assessment of the Syrian Conflict. World Bank, Poverty Reduction and Economic Management Department – Middle East and North Africa Region.

53 Routier M, 2008, State Social Services at Community level in Lebanon: An Institutional Analysis of Social Development Centres.

54 Ibid.

55 Ibid.

The National Social Security Fund (NSSF)

The NSSF was established in 1963 with decree No. 139⁵⁵ under the presidency of Fouad Chehab. It is the largest independent public social insurance institution in Lebanon and falls under the mandate of the Ministry of Labour (MoL) and the Council of Ministers. The NSSF is a contributory fund that gathers the contributions of employers, employees, and the government. The contribution to the fund is 23.5% of the wage, with 21.5% borne by the employer and 2% by the employee⁵⁶. However, more than 40% of employees in the private sector have not registered with the NSSF and 30% of the workforce is self-employed.⁵⁷

Technically, all formal employers are mandated to register their employees in the NSSF. This includes employees of private sector enterprises and employees of public administration who are contractual wage earners. The NSSF benefits are extended to the dependents (spouse (if unemployed), children, and parents over 60) of the employee. This support however, ceases for the employee and his/her dependents at the time of their retirement.

The following three benefits can be accessed through the NSSF:

1. **End of Service Indemnity (ESI):** The ESI is an investment fund that employers contribute to at a rate of 8.5% of the wage, out of which only 0.5% is administrative costs.⁵⁸ The ESI provides a lump-sum payable at the end of service, starting at the age of 60 with contribution forbidden after the age of 64. The amount is calculated as a one-month salary for up to twenty years of service. Years additional to twenty are accounted as 1.5 month's salary for every year of service.

Benefits from ESI can be drawn on completion of at least twenty years of service, or in case of work-related disability, or by family members in the case of the death of the employee. In the case of death, a lump-sum amount is provided to the legal spouse or children. The ESI is criticized because it is a one-off payment and does not provide regular support to the employees at a stage in their lifecycle (old age) when the need for support is highest.

2. **Health and Maternity Insurance (HMI):** The

⁵⁶ Arab NGO Network for Development, Abi Yaghi M, 2014, *The Social Protection System in Lebanon in Social Protection in the Arab World: the Crisis of the State Exposed*.

⁵⁷ World Bank, 2013, *Lebanon, Good Jobs Needed: The Role of Macro, Investment, Education, Labor, and Social Protection Policies*.

⁵⁸ Lebanese Economic Association, Rachid, M., 2012, *Social Security and Pension Plan in Lebanon: A Non-Contributory Proposal*.

HMI is a contributory fund that is redistributed according to need. It covers medical care expenses including medication, medical consultations, hospitalization, radiology and maternity care. This fund also provides health indemnity in the form of monthly salaries for employees on extended sick leave, maternity indemnity in the cases where employers do not provide maternity leave, and funeral expenses indemnity for the insured and his/her dependents. The HMI does not cover informal workers, who are often the most vulnerable and in need of it, the retired, and those with long-term illnesses and disabilities. For women to access maternity cover, they must have been registered for the previous ten months.

3. **Family and Education Allowances (FEA):** The FEA is more of an emergency fund for families faced with hardship due to medical emergencies/shocks. The allowances are in the form of schooling funds to ensure that children remain in the educational system. There is a cap of five children per family, after which the allowance decreases.

The NSSF is criticised for excluding the self-employed and the unemployed from benefits. Moreover, it fails to provide medical support to people at the stage of life when they most need it. Ironically, private insurance is not only costly, but it does not insure those requesting plans after the age of seventy⁵⁹. Another criticism of this social insurance programme is the fact that the NSSF does not have any redistribution mechanism, but merely serves as a fund that is at many times ill-managed and prone to political manipulation. It also lacks strong enforcement mechanisms to ensure that employers do not hire workers without registering them with the NSSF. Several articles in the NSSF are discriminatory towards women, offering them less remuneration despite paying the same amount of money in to the fund as their male counterparts. For example, article 14 of the NSSF guarantees insurance cover for a non-employed wife of a husband who contributes. However, a wife contributing can only provide insurance cover for her husband if he is over 60 or disabled.

Social services linked to social protection

In addition to the ENPT and the NSSF, social insurance and social services (primarily linked to health and education services) are provided through some line ministries.

In order to ensure access to public education to children from an economically weaker background, the

⁵⁹ Hospers AP, Chahine LM, Chemali Z, 2007, *Social Science & Medicine, Health care delivery systems for older adults: How do the Netherlands and Lebanon Compare?*

MEHE provides the following:

- ▶ Enrolment fee waivers;
- ▶ Scholarships;
- ▶ Upcoming school food programmes (as part of the Social Action Plan).

The Ministry of Public Health (MoPH) provides health insurance to about 1.6 million beneficiaries⁶⁰. Most of these beneficiaries are not covered by the NSSF or private insurance. The services provided include:

- ▶ Fee waivers for hospitalization, covering 85% of hospital care costs;
- ▶ Primary healthcare provided through a network of 182 Primary Healthcare Centres mainly affiliated through NGOs, but also through local municipalities, MoPH and MoSA;
- ▶ 100% coverage of medication for chronic and high-risk diseases;
- ▶ Preventive healthcare is directed by MoPH in concert with NGOs.

In 1996, The National Strategy for Primary Healthcare was launched by the MoPH in coordination with the World Bank. The National Committee for Primary Healthcare was formed to execute this strategy. Today, it includes 186 health centres providing primary healthcare across Lebanon with priority given to remote areas with little access to healthcare. Seventy percent of these centres are run by CSOs and 30% by local municipalities. A third of Lebanese citizens, including 45% of pregnant Lebanese women, benefit from these services. The programme caters for the following conditions: common illnesses, surgical procedures, communicable diseases, essential medicines, vaccination, maternal and child health, good nutrition, clean water and sanitation, and health awareness. All services under this are offered either free of cost or at nominal charges. This is based on the 1978 Alma Ata Declaration for achieving the goal of 'Health for All' put forward by the World Health Organization (WHO) at the International Conference on Primary Health Care.

- ▶ In addition, a Universal immunisation programme is implemented free of cost by MoPH since 1987 to control the spread of five diseases: tuberculosis, measles, diphtheria, whooping cough, and tetanus. UNICEF is an important partner in this programme.

Poor households' access to social assistance, social insurance and social services

Some policies and programmes designed to redistribute wealth and protect poor households in difficult times exist in Lebanon; however they are not necessarily coordinated for better impact and optimum utilisation of resources. As NSSF and ENPTP are the two important social protection provisions relevant to poor households, this study made specific efforts to understand poor households' knowledge, suitability and access to these programmes.

Ironically, as mentioned earlier, only 40% of the employers are registered with the NSSF, thus making its outreach rather limited. Discussions highlighted that most poor households face serious barriers in accessing NSSF. Most households met during this study engage in the informal economy and have irregular jobs (they are not regularized even in cases where they have worked for the same employer for more than 3–4 years). This automatically excludes them from accessing NSSF. Inclusion in the NSSF could help households by meeting the necessary health costs, as NSSF pays 90% of the costs of hospital care directly to the hospital and reimburses 85% of the outpatient care including medicines (95% in case of cancer medicines) to the user.

Most households interviewed in the study had heard about NSSF and seemed to be aware of the entitlements, but only a negligible few mentioned being registered with NSSF. The current labour market situation wherein competition for jobs is high was cited as a key reason for not requesting the employer to regularize and include them in NSSF. In the words of an elderly woman whose only source of income is her daughter's salary: *'My daughter has worked in the same store for more than three years but she is afraid to ask the owner to regularize her. She does not want to upset the owner because he can replace her with cheaper labour. For us it is important to keep the job'*.

For those who seek work as daily wage or seasonal labour, registering with NSSF is difficult, although they tend to work with the same employer for most periods, they are unsure whether they qualify to be registered under NSSF and more importantly, whether the employer would be willing to contribute towards their social security. Given that the direct contribution is high for the employer (21.5%), there is little incentive for the employer to register with NSSF.

Although Syrian migrant workers have the same rights as Lebanese workers with regard to accessing social security, this has traditionally not been demanded by Syrian workers. In the current context, accessing such provisions is near impossible, owing to their

⁶⁰ *Ibid.*

legal status and the surplus labour in Lebanon. In 2010, Palestine refugees from Lebanon were granted the right to benefit from the end-of-service provisions under NSSF. They still do not have the right to illness, maternity and family indemnities, however⁶¹. It is not clear whether this provision extends to PRS or not. As the residency permits for PRS are not being renewed now, it is very likely that they are excluded from the social security provisions that are enjoyed by other refugee groups (Syrians and PRL).

ENPTP is a significant effort by the GoL to support households living in extreme poverty who are a part of the informal economy and unable to benefit from NSSF. Discussions with poor households revealed that the awareness of ENPTP, the process of enrolment in it and its benefits is extremely low. Only two households interviewed in this research had heard about the programme. Of them, one was a beneficiary of ENPTP but was unsure of the benefits and the process to access them. The other household was extremely cynical about the selection process and termed it as flawed and prone to exclusion errors. It is worth mentioning that this household had applied for ENPTP but were not successful in the selection process. The fact that the selection process is not very transparent does not help in dispelling negative perceptions about the programme.

Key informant interviews highlighted the following challenges with ENPTP:

- ▶ Its reliance on relatively outdated data for scoring: In 2007 the data collected in 2004–05 was used to define the lower poverty line to denote extreme poverty. Despite the changes in the country, it continues to be used for the selection of beneficiaries for ENPTP;
- ▶ The lack of citizens' knowledge about the programme due to limited media coverage and campaigns;
- ▶ The hesitance of many citizens to apply because of social stigma, because it is projected as a programme for the very poor;
- ▶ Its reliance on the lower poverty line to qualify beneficiaries, excluding a significant portion of the Lebanese population who are 'poor' by different standards;
- ▶ The lack of a follow-up strategy or case management system to keep track of its impact on beneficiaries.

Interestingly, local charities in all study locations also had very little knowledge about the programme.

⁶¹ [Lebanese-Palestinian Dialogue Committee Website, 2015, Right to Work for Palestine Refugees.](#)

While some mentioned having heard the name, they seemed generally unaware of the benefits, selection process and system to deliver support to the poor. As a proactive measure to share information and empower the poor, the research teams made efforts to share information on the benefits of ENPTP and directed households to local SDCs to seek more information on the programme.

SDCs are expected to provide a range of services from medical support to vocational training. However, most SDCs appear to have limited resources to meet the demand for these services⁶². This at times causes a mismatch between the expectations of people and the support provided by the SDCs. With the high influx of refugees in some areas, SDCs are expected to extend medical and education support to the Syrian refugees in some governorates. This means that the pre-existing challenges of outreach and quality of support are exacerbated, making it extremely challenging for the SDCs to meet the expectations of the people they serve.

This context influences the implementation of ENPTP in areas serviced by the SDCs. There appears to be a less evolved mechanism to inform people about the ENPTP (after the initial information sharing by MoSA) at the village level and to proactively seek poor households for enrolment in the programme. The accountability mechanism to support people once they are within the programme is a challenge too as the hotline numbers are unable to provide the support needed, requiring people to make personal visits to the SDC in case of problems/challenges faced by them in accessing benefits under the Halla card⁶³. Also, there appears to be no strategy to extend the benefits of ENPTP by linking it with training on marketable skills. The current vocational trainings are standard run-of-the-mill programmes (such as tailoring for women and mechanics for men) that do little to help in earning a sustainable income. A proactive approach for outreach to the community to identify the poor and to provide them with holistic support would be helpful in strengthening the role of SDCs and addressing poverty in Lebanon.

The biggest and most under-acknowledged support mechanism provided by the government is the bread subsidy which controls the price of bread and reduces seasonal variations in the prices. When the going gets tough, poor households survive on affordable food i.e. bread and tea. This is, however, a controversial

⁶² [Routier M, 2008, State Social Services at Community level in Lebanon: An Institutional Analysis of Social Development Centres.](#)

⁶³ *As mentioned earlier, all beneficiaries of ENPTP are provided with a card, called 'Halla' that they can use to access the medical, education and food support under the programme.*

support from a nutrition perspective and some studies suggest a link between bread subsidies and increasing obesity in the Middle East and North Africa region.

4.2 Formal support mechanism for refugees in Lebanon

Lebanon is not a signatory to the 1951 Convention relating to the status of refugees neither to its 1967 Protocol. The GoL reaffirms⁶⁴ that it is not a country of asylum or a final destination for refugees. For this reason, the social protection programmes of the GoL do not automatically extend to non-nationals in Lebanon. Instead the basic rights of refugees are protected and their needs met by relevant UN agencies. Refugees in Lebanon are not merely a transient population. Palestine refugees have lived in Lebanon for decades and many Syrian refugees moved to Lebanon 3–4 years ago. While humanitarian assistance is the tool used to support refugee households, its long term and predictable nature makes it comparable to social assistance and social services provided by GoL to Lebanese citizens.

UNRWA has historically provided assistance and social protection programmes for Lebanon's registered Palestine refugees living in twelve officially recognized camps. UNHCR registers and supports refugees from Syria. Below is an overview of social protection programmes administered by UN agencies for the refugee population.

Food Assistance Programme

Highly vulnerable Syrian refugees are eligible for food assistance from WFP. Households are identified for inclusion in food assistance based on food security assessment conducted by WFP and partners. This assessment looks at food consumption scores, coping strategies, income sources, and other factors relevant for food security. Registered households are provided an electronic voucher (also referred to as an e-card) that allows beneficiaries to buy food items of their choice from designated 420 shops up to the value of the voucher. The value of vouchers is determined based on the proportion of unmet needs, the number of household members and the cost of basic food items in the local market. The value of these vouchers has changed from the time of its inception. In the early years of the Syria crisis, the value of the food basket was \$27/person/month, which was later revised in 2015 to \$19/person/month up to a maximum of six persons per household, and then revised downwards to \$13.5/person/month to a maximum of five persons per household. As of October 2015, WFP raised the amount to \$21.60/person/month for a maximum of five persons per household.

⁶⁴ Government of Lebanon and the United Nations, 2015, *Lebanon Crisis Response Plan 2015-16*.

In May 2015, the GoL instructed UNHCR to halt any further registration⁶⁵ and to deregister refugees who entered the country since January 2015. This means that refugees not already registered with UNHCR would not be eligible to receive food or assistance through UN mechanisms.

PRS are eligible for a cash-for-food assistance funded in part by WFP and UNRWA but implemented through UNRWA. Originally, the assistance was \$30/person/month, however, the amount was adjusted downwards to \$13.50 due to funding constraints⁶⁶ but has also been raised to \$21.60 until December.

Shelter Assistance Programmes

Shelter assistance programmes remain one of the most politically sensitive programmes in Lebanon. The Lebanese government does not authorize any shelter assistance that can be perceived as permanent⁶⁷. According to the Inter-agency Shelter Sector Working Group, since the onset of the 2011 crisis and as of February 2014, shelter assistance was delivered to 344,000 persons, comprising 264,000 Syrian refugees and 57,000 PRS, and 23,000 persons of vulnerable host families. Shelter support in the form of cash-for-rent has ceased for most Syrian refugees now (though Syrian refugee households living below the Survival Minimum Expenditure Basket are eligible for receiving \$175 in multi-purpose cash) and while the PRS received shelter (\$100/household) support until June, an official communication from UNRWA announced the withdrawal of this support from August 2015 onwards due to funding constraints. Shelter assistance for Syrian refugees and PRS came in the form of 'cash-for-rent, weather proofing in informal settlements and unfinished houses, and rehabilitation of collective centres, unfinished buildings and temporary shelter settlements'⁶⁸.

Social Safety Net Programme for Palestine refugees in Lebanon

UNRWA remains the sole provider of assistance to Palestinian refugees in Lebanon since its inception. Taking a poverty-based approach which uses PMT formula analysis to better target food-insecure families, the UNRWA runs a Social Safety Net Programme that caters to the needs of PRL through the regular delivery of food aid and cash subsidies (UNRWA, 2010). It targets those who cannot meet their basic needs, and provides them with basic food commodities and cash subsidies from a number of

⁶⁵ UNHCR, 2015, *Syria Regional Refugee Response, Interagency sharing portal, Lebanon*.

⁶⁶ UNRWA, 2015, *Response and Services to PRS in Lebanon Bimonthly Briefing Issue 34*.

⁶⁷ UNHABITAT, 2014, *Housing, Land, and Property Issues in Lebanon, Implications of the Syrian Crisis on Lebanon*.

⁶⁸ Inter-Agency Shelter Sector Working Group - Lebanon, 2014, *Shelter Strategy 2014*.

distribution points on a quarterly basis. The program's main interventions are:

- ▶ Providing basic food supplies and cash subsidies to the extremely poor;
- ▶ Helping poor families make connections to service providers;
- ▶ Providing selective cash assistance such as one-off cash grants for basic HH items or other needs, in the event of fire, flood, loss of the family breadwinner or other family emergency;
- ▶ UNRWA operates 28 free primary healthcare facilities for Palestine refugees. These include generalists and specialists and dentistry, laboratories, and X-ray facilities. For hospitalization, an arrangement with Palestine Red Crescent Society hospitals is the mechanism through which Palestine refugees access secondary healthcare. In all other fields, a reimbursement scheme is in place for secondary and tertiary care.⁶⁹

Social services for refugees

UNRWA works with community-based organizations (CBOs) to strengthen Palestinian refugees' capacity to formulate and implement sustainable social services for vulnerable members of their communities, such as women and people with disabilities. UNRWA partners with over 50 CBOs, which provide services including skills training, rehabilitation, and recreational activities. Education and health services are provided by UNRWA to PRL and PRS in Lebanon.

Syrian refugees can access health and education services through the local SDCs in their areas. As per the agreement between UNHCR and MoSA, Syrian refugees can utilise health services on payment of a nominal fee of 3,000LL (\$2).

Access of refugee households to the formal support system in Lebanon

The common form of formal support received by all refugees is from the UN agencies (UNHCR and UNRWA) that play the role of social protection provider by supporting refugee households with cash and food assistance, education, health services and rent support⁷⁰. In all group discussions, refugee populations appreciated the support they have received from the UN agencies. However, in all discussions, the concern about humanitarian assistance becoming increasingly unpredictable

⁶⁹ UNRWA Website, 2015, *Health in Lebanon*.

⁷⁰ While rent support for Syrian refugees had ceased a while ago, group discussions indicated that some Syrian refugees living in the border are receiving rent support from UNHCR. This could not be confirmed with UNHCR. For PRS however, there has been clear communication from UNRWA about the discontinuation of rent support.

was raised by respondents. In a few discussions, households indicated that at times, limited information is shared at a late stage with refugees on the reasons for withdrawing or reducing some entitlements.

Refugee households reported that humanitarian assistance (cash and food assistance) comprised about 40% of their overall income⁷¹. While the prices of essential commodities and services have steadily increased in the study areas of Lebanon, humanitarian assistance has progressively decreased due to donor funding constraints. For example, UNRWA was providing rent support to PRS households until recently, but has decided to withdraw the support to PRS households at a time when rents have gone up in the areas where PRS live. Similarly, the value of food vouchers provided by WFP has consistently decreased. Clearly, the current level of humanitarian assistance is inadequate to meet the needs of refugees. In this context, refugees do not have an option but to seek work to cover their unmet needs. This obviously has implications for the labour market and poor Lebanese households. The case study of a Syrian refugee household in Annex 11 highlights the difficult choices refugees have to make for their survival.

4.3 Informal support system for poor Lebanese and refugee households

When going gets tough and the state systems are unable to support adequately, poor Lebanese households seek help from sheikhs, anonymous supporters and local charities. This is different from borrowing from neighbours, relatives and local shops. In the case of borrowing, there is an unwritten pledge of repayment, whereas in case of the informal support network, support is provided without any expectation of repayment. In Muslim society, this is a way of redistributing wealth, and it peaks during Ramadan in the form of *zakat*. Similar arrangements exist in other religious communities. Most poor households met as a part of the study mentioned having received support from informal support networks. Discussions also revealed that most of such support is one-off and unpredictable based on the resources at hand with the 'giver'.

Local charities play a crucial role in times of need and are often accessed by poor households. Such support is typically accessed for meeting chronic expenses related to education and health. Sometimes local charities are engaged by the government and international organisations to deliver short-term/one-

⁷¹ This does not include education and health support provided by UNHCR and UNRWA because it is difficult to quantify it at household level.

off assistance like the distribution of fuel vouchers during the extended winter season of 2014–15, or for the distribution of food parcels during Ramadan. Depending on the resources at hand, local charities are able to offer a range of support to the people they serve. Some international organisations also have chapters in Lebanon and they play an important role in providing essential services: the Armenian Red Cross, for example, provides education, health and social service support to anyone who needs it.

During discussions, some mention was made of the support provided by charities having political affiliations. This being a sensitive issue, the team was unable to gather enough detail of the extent of support provided and the terms and conditions for accessing such support. However, other studies⁷² indicate the role of non-state actors in providing support to further their political interests. Such support is often provided based on sectarian alignment and age group.

As Lebanon is known for its remittance economy, the team proactively sought information on the extent poor households depended on such support. Interestingly, remittances sent by family members from abroad were not reported as a source of income or as a coping mechanism by the poor in any of the discussions. In one discussion it was mentioned as a support that was available to households with slightly better social connections/capital. It is possible that households with some regular support have a higher creditworthiness as well as a stronger fall-back position, and for that reason key informants identified only those households for discussions who lacked a strong social capital with those abroad.

The refugee population receives a lot more support from charities and NGOs compared with poor Lebanese households. This is a sensitive issue in some areas, where poor Lebanese households feel that the support that they could have otherwise received from local charities is now captured by the refugees. Most of such support from local charities is in-kind; however sometimes it could be in the form of direct payment for services accessed by the refugees (e.g., hospital costs) or for education. International NGOs also provide varying levels of support according to their mandates but most of their programmes are designed to meet the immediate needs of food, shelter, water and hygiene, and in some cases livelihoods promotion.

⁷² UNOCHA and REACH, 2014, *Informing host community target programming in Lebanon*.

5. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Poverty is not a new phenomenon in Lebanon. This study highlights that poverty existed in Lebanon before 2010. Years of unrest, political stalemate and slowing down of economic growth has meant that households have lived in poverty for a long time.

Few efforts have been made at the national level to assess poverty in the country, and these have produced significantly different results owing to the difference in the methodologies used. The most recent poverty survey is the Living Conditions and Household Budget Survey (LCHBS) that was conducted a decade ago, in 2004. It uses money metric indicators to define poverty. The LCHBS highlighted that 28.6% of the population lived below the poverty line, of which 8% were extreme poor in the year of the survey. Although the context in Lebanon has changed significantly over the years, in the absence of updated data, the findings of the 2004 survey continue to be used for policy and programme design by policy makers in the country. Based on this 2004 survey, an upper poverty line of \$4/person/day and a lower (extreme) poverty line of \$2.40/person/day were defined for Lebanon. This requires an immediate review in the changed context of Lebanon.

This study found that poor Lebanese households are typically characterised by low incomes; work in the informal labour market in agriculture, construction and service sectors; depend on markets for meeting their basic needs and are therefore highly exposed to the fluctuations in market systems; have low levels of formal education; are dependent on others on a regular basis for survival, live in poor neighbourhoods with poor infrastructure and weak services, and are perceived as poor by the community.

Social marginalisation is closely linked to income poverty, where the access to resources needed for dignified living are systematically denied, based on social and legal status. Woman-headed households across nationalities i.e., Lebanese, Syrian and Palestinian are most vulnerable to a downward spiral of poverty. In the current context women find themselves in a Catch-22 situation as their traditional roles as carers require them to stay at home, whereas the economic stress on the household pushes them to seek work outside the house. Needless to say, low educational levels, lack of experience and discrimination in the labour market automatically put

women in a weak bargaining position when they seek employment. In the case of refugees, there are serious perception issues about women who work outside the house to earn an income. Lack of resources required for investment in human development paves the way for an intergenerational transfer of poverty and marginalisation.

The refugee population faces several hurdles in participating in the labour market, owing to legal challenges associated with their residency and employment. Most refugees find it extremely hard to renew their residency and it is almost impossible for the PRS. Household income for some refugees is lower than \$5,000/year. This amount includes humanitarian assistance received by households in cash or e-card.

Poor households in Lebanon are primarily concentrated in the informal sector, working in precarious and seasonal jobs that earn wages below or dangerously close to the lower poverty threshold of \$2.40/person/day. Idiosyncratic shocks⁷³ (especially those linked to medical emergencies) prior to 2010 appear to have played a bigger role in pushing most households into poverty. The conflict in Syria has exacerbated the problem by increasing competition for unskilled jobs, thus negatively affecting annual household incomes of poor Lebanese households.

Food is the most important expenditure for poor Lebanese households, comprising 35–50% of their household budget, and the second highest expense for refugee households. Being net consumers of food and services, the dependency of poor households on markets is extremely high, which exposes them to market fluctuations and shocks. While food vouchers and e-cards provide some protection from market price fluctuations to refugee households, it does not completely isolate them from market risks. Refugees spend about 20–25% of their income to bridge the gap between their needs and the food assistance provided to them.

Essential services, though provided by public institutions, require out-of-pocket payments. The health and education services have always been weak in Lebanon and with the added pressure on them, these services are extremely stretched now.

⁷³ Idiosyncratic shocks are those *shocks that principally affect only individual households, not the entire community such as illness or death in the family, job loss or theft or personal property.* <http://www.fao.org/docrep/008/a0273e04.htm> (accessed on 5th Oct'15)

This forces the poor Lebanese households to seek the service (especially healthcare) from private service providers. These add to the expenses of the household. Health shocks are the most potent for the household economy, especially when the main income earner is affected, which sets the household on a downward spiral of poverty. While Syrian refugees are able to access health services on a nominal charge through MoSA-run SDCs, the waiting time and lack of resources means that out-of-pocket expenses for refugees are no lower.

Borrowing from multiple channels and repaying just enough to maintain the flow of credit is the most common coping strategy for the poor, with some households having accumulated huge debts (up to \$1,000) for meeting basic needs. Loan repayment is often hidden within multiple transactions and difficult to capture without deep probing. This masks the depth of poverty of most poor Lebanese households. The creditworthiness of refugee households is three times lower than for Lebanese households. Reducing expenditure is the other commonly used coping strategy by poor Lebanese households as well as by refugees. The current context makes the use of this strategy extremely dangerous, especially when households are forced to defer medical expenditure until an emergency situation forces them to seek immediate hospitalisation.

Social protection is at a nascent stage in Lebanon. The Lebanese social protection system is characterized by a multiplicity of social assistance and insurance programmes that are mostly ad hoc and initiated in response to events, instead of being universal, and based on risks faced in different stages of the life cycle. The informal sector is excluded from any kind of social insurance.

The NSSF and the Emergency National Poverty Targeting Programme ENPTP are the two important social protection measures that can support poor households in Lebanon. The current labour market situation does not favour Lebanese workers as a result they are forced to forego their rights and entitlements under the contributory insurance scheme (i.e., NSSF). The provision under NSSF is also not adequate and it is not designed to protect members at the stage of their lifecycle when the need is great. Moreover, weak implementation of labour laws means that NSSF contribution by employers is not consistent.

Awareness of other social protection entitlements, particularly the ENPTP that is designed for the extremely poor is very low among the households that need it the most. While the coverage of ENPTP is poor, it is the design of ENPTP that requires the

most serious consideration if the programme is to address poverty and inequality and support people to move out of poverty. The current design revolves around provision of services on payment of nominal fees and of food vouchers to a small percentage of the extremely poor households. There is no provision of social assistance that supports people to cope with risks associated with stages of the lifecycle or that link to skill enhancement that can help with better jobs (in relation to incomes and working conditions).

SDCs are the field-level implementation arm for the ENPTP; however they are poorly resourced and struggle with outreach. Where SDC leadership is dynamic, external resources are better harnessed. In general, the social protection systems and institutions in Lebanon are biased in favour of the better-off, who have better access to information, the capacity to contribute and are in jobs that are covered by these services. This is a symptom of deeply rooted inequality in society.

The refugee population is not covered under the social protection system in Lebanon. However, owing to the context wherein long-term and potentially predictable support is needed by refugee households, UN agencies serve as social protection providers through the provision of humanitarian assistance. However, humanitarian assistance has not been adequate, and of late has progressively declined, thus forcing the refugee population to take unnecessary risks to survive. Refugee households have no option but to work. The net result is a surplus labour force in the Lebanese labour market that is willing to do any job for a wage 2–3 times lower than that of Lebanese workers. While employers may be comfortable with this situation, poor households in Lebanon end up shouldering the economic burden of hosting refugees. It is therefore imperative to address the problem of poverty and inequality in Lebanon in a holistic manner. In the current context, this would mean understanding the connectedness of poverty and inequality faced by the refugee population and its impact on poor Lebanese households.

Poor households work extremely hard, take extreme risks and use all possible support systems to meet the most basic needs for survival. This is the strongest indicator of their agency and the fact that they have not given up – they continue to make sincere efforts to move out of the desperate situations that they are in. It is the responsibility of the state and humanitarian actors to fulfil their obligations in upholding the rights of citizens and of those who are forced to flee their countries and seek refuge in other countries.

5.2 Recommendations

To match people's own determination and efforts to move out of poverty, it is important that the poor, regardless of their social and legal status, are protected from risks at different stages of their life cycle. This will not only support poor households to cope with the impacts of poverty, but it will also stem the intergenerational transfer of poverty by providing all residents with an equal start in life. A social protection floor can help with this objective.

In June 2013, the International Labour Conference adopted recommendation 202 that calls for the creation of a Social Protection Floor by national governments that are incrementally enhanced to achieve universal coverage and to increase the depth of coverage. In the same year, the UN Committee on World Food Security (CFS) suggested the integration of food security and nutrition in social protection floors for better impact on hunger and malnutrition.

A social protection floor is an outcome-oriented approach that takes into account national conditions, priorities and institutions. It comprises four nationally defined guarantees:

All residents must have access to a nationally defined set of essential healthcare services;

All children should enjoy minimum income security through transfers in cash or kind aiming at facilitating access to essential goods and services, such as nutrition, education and care;

Those in the active age groups unable to earn sufficient income in the labour market should enjoy minimum income security through transfers in cash or kind aiming at facilitating access to essential goods and services, such as nutrition, education and care;

All residents in old age and with disabilities should enjoy minimum income security through pensions/transfers in-kind that guarantee access to essential goods and services.

The purpose of the social protection floor is to provide a basic set of transfers in kind or in cash to ensure that people are able to deal with shocks and stresses without having to compromise on their rights. Annex 11 explains the importance of a social protection floor in the life of poor households.

Recommendations for the Government of Lebanon

1. Although the Lebanese government has not officially committed to setting up a social protection floor, elements of a social protection floor already exist in the country with the NSSF, ENPTP and other health service-related programmes. A well thought out strategy and action plan to incrementally build a social protection floor must be initiated. This can be through:
 - ▶ Consolidation of all policies and programmes under a social protection strategy to ensure better coordination and complementarity of efforts by different ministries;
 - ▶ Strengthening existing programmes (especially ENPTP and NSSF) to ensure adequacy and appropriateness of benefits, so that the poor are not forced to adopt dangerous coping strategies to tide over shocks and stresses in different stages of their lifecycle. Such efforts must consider ways to empower and not discriminate against the marginalised sections of society, especially women-headed households;
 - ▶ Increasing outreach of social protection initiatives through universal coverage where possible. In case of targeted initiatives, use of transparent and a more inclusive selection process;
 - ▶ Where relevant, designing new policies/ programmes to support poor households, especially those that are headed by women, to lead a life with dignity and exercise their rights;
 - ▶ Empowering SDCs with adequate resources (including financial) and capacities to proactively identify poor and marginalised households for inclusion in programmes implemented by them. Experience from Brazil's Bolsa Familia can help in this regard.
2. The GoL must invest in the immediate updating of poverty data and creating a centralised database for policy and programme formulation.
3. Lebanon is in need of living conditions assessment methodologies that are localized and tailored to the country's specific needs and idiosyncrasies. Several local researchers have developed a Living Conditions Index (LCI) and Urban Deprivation Index (UDI) that should be used to develop a more comprehensive poverty line, rather than use one that is based on outdated data.

4. Poor households in Lebanon are forced to compensate for the failure of humanitarian agencies and GoL in meeting the needs of the refugee population. Stricter enforcement of the minimum wage and contribution by employers towards the NSSF for all of their employees is required. However, this must go hand in hand with adequate and appropriate support to refugees so that they are not forced to enter the labour market on exploitative terms.

Recommendations for the civil society organisations, including Oxfam

1. Create awareness among general public, policy makers, donors and the local civil society actors on the importance of a comprehensive social protection strategy and action plan in Lebanon;
2. Work together to propose a framework and elements or components of a social protection floor/basic minimum support package for Lebanon. Such discussions must factor in the specific challenges faced by woman-headed households and work on ways to empower women and other marginalised sections of society. In addition, given the high share of health expenditure in household economies, serious efforts must be made to include provision of health services free or at nominal costs for the poor, complemented with cash-based social assistance to the poor;
3. Adopt a pragmatic approach by working with MoSA to strengthen the delivery, information management, M&E system and outreach of the current social protection provisions for those in the informal sector. Where possible, work with MoSA and other relevant ministries to pilot programmes that link the social protection system with resilience building. Such efforts could entail livelihoods promotion programmes that include a safety net component to enable poor households to take risks and graduate out of poverty;
4. Work with other humanitarian agencies to exert pressure on the UN agencies and donors to ensure that the rights of the refugee population are protected and their needs fully met.

Recommendations for the Donors and UN agencies

1. In many countries, international organisations and donors are already working with national governments to strengthen existing and designing new social protection programmes and policies.
 - ▶ UN and international agencies must take leadership in initiating a dialogue with the GoL to create a social protection floor that protects the poor in times of crisis but also provides an equal start in life to the future generation in Lebanon.
 - ▶ International organisations, UN agencies and donors must work with GoL and support in designing a social protection strategy that consolidates all existing efforts and initiates new ones to address poverty and inequality in Lebanon.
 - ▶ It is important that existing social protection programmes are strengthened in design and the outreach of social protection initiatives is improved by supporting a proactive approach to include the poor in the programmes. For these to happen, adequate resources must be allocated by the GoL and donor agencies to strengthen the social protection system in Lebanon.
2. Donors and UN agencies must take responsibility for the labour market distortions in Lebanon. Serious efforts are needed to review the policies that create challenges for the refugee population to lead a dignified existence. At the same time, influence must be exerted on GoL to implement the labour laws adequately.
3. It is unacceptable that humanitarian assistance is inadequate and has been decreasing, despite the legal restrictions faced by refugees in Lebanon and the upward trend in market prices for rent, food and other essential commodities. Donors must commit more resources to address this situation.

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ANNEX 1: RESEARCH DESIGN – POVERTY, INEQUALITY AND SOCIAL PROTECTION IN LEBANON

Introduction

Lebanon is a small but diverse country in the Middle East region which shares its borders with Syria in the north and east and with Palestine in the south. This geographical location of Lebanon poses numerous challenges ranging from a volatile security environment, high number of Syrian and Palestinian refugees, to a weak economy.

The impact of the Syria crisis on Lebanon is immense and multidimensional. The sheer presence of such a massive population influx has increased the supply of (cheap) labour, while also driving up prices for consumables and rent in particular. The Lebanese economy is buckling under the strain: UN and World Bank studies reveal that Lebanon's real GDP growth may decrease by 2.9% each conflict year. The number of people co-existing under the poverty line in Lebanon has risen by 66% since 2011 and the World Bank estimates that an extra 170,000 Lebanese became poor between 2011 and 2014. Approximately 350,000 Syrian refugees are estimated to be unable to meet their minimum survival requirements and another 350,000 Lebanese live on less than \$1 per day. These extreme poor are more vulnerable to homelessness, illness, malnutrition, and negative coping strategies such as early marriage and child labour.

The broader aid response to the Syria conflict has, to date, focused primarily on support to refugees. In some urban areas – particularly historical flashpoints such as Tripoli and Saida, both of which are near to considerable Palestinian populations and themselves host Palestinian gatherings outside the formal camps – this has led to serious challenges in targeting aid and to heightened tensions with host communities. Indeed, in some parts of Tripoli, such as Bab al-Tabbaneh, where Oxfam currently works and which has seen recurrent local conflict, living conditions are indistinguishable between poor Lebanese, poor Palestinian, Syrians fleeing the conflict and newly arrived Palestinians from Syria. At risk of violence, targeting of Syrians alone for aid such as cash assistance is effectively impossible and would certainly breach do-no-harm principles.

In addition to posing challenges in delivery for aid agencies, the overall aid focus on support to Syrians and, to a lesser extent Palestinians, has also resulted in greater popular pressure on the Government of Lebanon to address the growing poverty among

Lebanon's population. Recent declarations by key politicians, in addition to steps taken by the GoL to engage more closely in the UN-led Lebanon Crisis Response Plan, indicate some shift in national policies with a view to directing greater attention – and funding – towards Lebanese development plans.

Such a reorientation, to be successful, must look not only at addressing immediate gaps amongst poor Lebanese but should also contribute to a wider move towards addressing inequalities in Lebanon and the underlying structural issues that have to date prevented this. Given the growing pressures on Lebanese authorities – alongside growing debt servicing and reducing fiscal space – it is important that international support be available going forward, not only to address Lebanese chronic poverty and inequality but also to protect the quality of asylum for Syrians and Palestinian populations within Lebanon.

Oxfam considers social protection a key component of any attempt to reduce inequality by redistributing wealth, as well as a safety net to prevent people falling below a certain poverty and livelihood threshold during shocks. It is also an important component in building resilience, due to its focus on the very poorest as well as the transitory poor – i.e., those who have seen their purchasing power reduce or are facing unemployment as a direct consequence of the current Syrian crisis and resultant economic impacts within Lebanon. It ensures that predictable support for the very poorest is available over the long term and can scale up during shocks to support vulnerability as well as the chronically poor. Depending on the modalities, it also focuses on government-owned systems which are accountable to citizens.

Given the distinct characteristics of the target population – i.e., the poorest of the poor – it reflects a crucial complementary layer to wider development programming to ensure that all people are included in any economic development, guaranteeing as it does the provision of basic income for those without economic capabilities.

Purpose of the research

In recognition of the growing scale of poverty in Lebanon, in addition to the increasing importance of responding to the concerns of vulnerable Lebanese populations alongside those of Syrian and Palestinian populations, Oxfam is seeking to develop programmatic and policy initiatives to promote greater social protection and other relevant steps to addressing chronic poverty and inequality in Lebanon. The research was designed with the following specific research questions:

1. How is poverty defined by key stakeholders in Lebanon? Who are considered poor by key stakeholders?
 - ▶ Indicators of poverty used by different stakeholders
 - ▶ Manifestations of inequality
 - ▶ Who are the poor, i.e., characteristics of a typical poor household in Lebanon
2. How do the poor survive?
 - ▶ Their sources of food and income
 - ▶ Their expenditure patterns
 - ▶ Any seasonality in income and expenditure patterns
 - ▶ What coping mechanisms do they adopt to survive in difficult times?
 - ▶ What is different after 2011?
3. What are the vulnerabilities faced by the poor in rural and urban areas?
 - ▶ Seasonality of income (including availability of work) and expenditure (including prices)
 - ▶ Conflict-related (location and status)
 - ▶ Social and cultural (gender, religion)
4. What formal policies and programmes address poverty and inequality in Lebanon?
 - ▶ Social protection (including basic services such as health and education) for people in formal and informal employment
 - ▶ Relief guidelines/measures for refugees – right to work, access health and education services (including changes in policies since 2011)
 - ▶ Any other redistributive policies
 - ▶ What structure exists to deliver these programmes to people?

5. What are the informal support mechanisms that support the needy and their role in addressing inequality?
 - ▶ Zakat and other large-scale religious charities
 - ▶ NGOs
 - ▶ Remittances
6. Do the poor women and men have access to the formal and informal support mechanisms? What are the challenges faced?

Methodology

This research followed a mixed-method approach for information collection and involved detailed interviews, focus group discussions, understanding of household economy (based on HEA methodology) of selected households and scanning secondary information.

The research was carried out in three distinct phases:

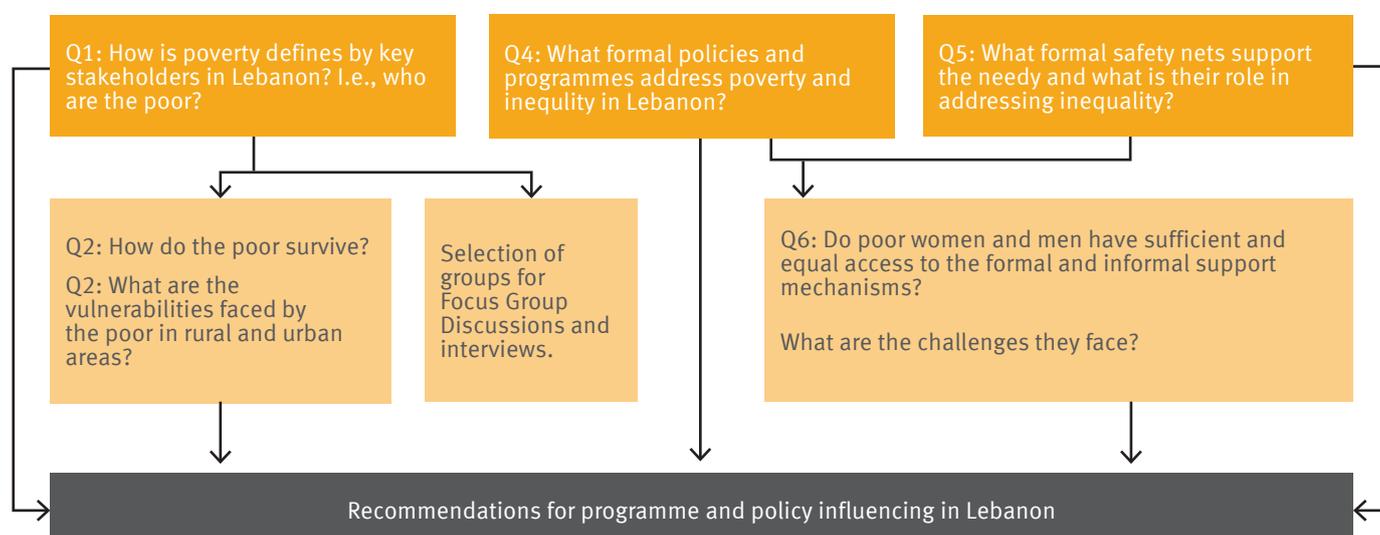
1. Secondary information analysis: This involved scanning and analysis of information on policies, programmes and their delivery structures on (i) social protection and safety nets and (ii) livelihoods promotion and resilience building in Lebanon. This information was complemented with in-depth interviews with key stakeholders (MoSA, World Bank, WFP, ILO, UNICEF, UNHCR, academicians/think tanks, Oxfam and other INGOs) in Lebanon.
2. Primary data collection and analysis: This phase entailed detailed information collection in selected geographical locations (urban and rural with a mix of refugee and host population). Information gathered in this phase focused on people's (women and men's) perceptions of existing policies and programmes; drivers of inequality (refugee/citizenship status, gender, religion, rural/urban, geographical location etc.). Using this information, 3–4 detailed case studies on individual households/communities were prepared as a part of this phase.
3. Policy and programme recommendations: Information collected in phase 1 and 2 was analysed in this phase to make concrete and pragmatic recommendations for programme design and influencing policies in Lebanon.

Research team: The research team included a lead researcher (Nupur Kukrety), who was supported closely by experts from the American University of Beirut (specifically with regard to research questions 1, 4 & 5). Research assistants (4–6) were hired to support primary information collection at the field level.

The following table presents the details on how different information was collected and by whom:

<i>RESEARCH QUESTIONS</i>	<i>METHOD OF ENQUIRY</i>	<i>WHO WILL DO IT</i>
How is poverty defined by key stakeholders in Lebanon? I.e. who are considered poor by key stakeholders?	Review of existing documents/ reports.	AUB
<ul style="list-style-type: none"> ▶ Indicators of poverty used by different stakeholders ▶ Manifestations of inequality ▶ Who are the poor, i.e., characteristics of a typical poor households in Lebanon 	<p>Interviews with key informants (except community members).</p> <p>Focus group discussions with women and men.</p>	<p>AUB</p> <p>Nupur</p>
How do the poor survive?		
<ul style="list-style-type: none"> ▶ Their sources of food and income ▶ Their expenditure patterns ▶ Any seasonality in income and expenditure patterns ▶ What coping mechanisms do they adopt to survive in difficult times ▶ What is different after 2011 	<p>Focus group discussions (separately with women and men) with mostly poor groups. Some discussions will be conducted with middle and better-off groups as well, if found necessary.</p> <p>In-depth household interviews with selected households.</p>	<p>Nupur</p> <p>Nupur</p>
What are the vulnerabilities faced by the poor in rural and urban areas?		
<ul style="list-style-type: none"> ▶ Seasonality of income (including availability of work) and expenditure (including prices) ▶ Conflict related (location and status) ▶ Social and cultural (gender, religion) 	Focus group discussions (separately with women and men) with poor groups in rural and urban locations.	Nupur
What formal policies and programmes address poverty and inequality in Lebanon?		
<ul style="list-style-type: none"> ▶ Social protection (including basic services such as health and education) for people in formal and informal employment ▶ Relief guidelines/measures for refugees – right to work, access health and education services (including changes in policies since 2011) ▶ Any other redistributive policies ▶ What structure exists to deliver these programmes to people 	<p>Review and analysis of government policies, studies/ research on the topic by other agencies, etc.</p> <p>Interviews with non-governmental stakeholders i.e., bilateral and multi-lateral institutions, donors, NGOs, academics, etc.</p>	<p>AUB</p> <p>AUB</p>
What are the informal support mechanisms that support the needy and their role in addressing inequality?		
<ul style="list-style-type: none"> ▶ Zakat and other large-scale religious charities ▶ NGOs ▶ Remittances 	<p>Review and analysis of government policies, studies/ researches on the topic by other agencies, etc.</p> <p>Interviews with non-governmental stakeholders, i.e., bilateral and multi-lateral institutions, donors, NGOs, academics, etc.</p>	<p>AUB</p> <p>AUB</p>
Do poor women and men have access to formal and informal support mechanisms? What are the challenges faced?	Focus group discussions with poor women and men in rural and urban locations.	Nupur

The following is the proposed process flow chart for the research.



The research was initiated on the 1st of June 2015 after agreement on the research design. Secondary information collection and key stakeholder interviews were planned to start immediately. Primary information collection through focus group discussions and individual household interviews were conducted from the 22nd of June to the 11th of July 2015.

The following table guided the selection of respondents for primary data collection.

GOVERNORATES	INTERVIEWS		FOCUS GROUP DISCUSSIONS		TOTAL
	FEMALE	MALE	FEMALE	MALE	
Akkar	2	2	1	2	7
Greater Beirut (Tariq el-Jadideh, Southern Suburb, Eastern Suburb)	3	1	2	1	7
Beka'a & Talabaya	2	0	2	2	6
Nabatieh	1	3	2	0	6
Tripoli	3	1	1	1	6
Saida	0	1	0	0	1
Total Interviews and FGDs					33
Number of poor households interviews through FDG and interviews					128
Interviews with employers and traders					17
Total number of interviews for the study					145

ANNEX 2: CHALLENGES AND LIMITATIONS

The following challenges shaped the research:

- a. As mentioned earlier, selection of households for focus group discussions and in-depth interviews was done through key informants. In some areas, key informants were unable to arrange meetings as per the research schedule. This affected the number of meetings in different locations. In general, the number of interviews/FGDs in rural areas was inadequate to draw a general conclusion on the role of location in deepening poverty and inequality. This geographical aspect of inequality was therefore dropped in the research.
- b. Field work was conducted by Arabic-speaking field assistants who were trained for a day on the methodology and on the use of tools. The selection of these field assistants was done through an open recruitment process. Unfortunately, not many women applied for the job; as a result the team of field assistants had more men than women, and this affected information collection with female respondents in some areas. Oxfam however took immediate steps to rectify this by freeing up some female staff to support with information collection and this helped.
- c. A large number of interviews were conducted with women to understand the difference between the responses given by men and women. In many cases, while women were able to give an idea of overall incomes in LL/USD, they were unable to provide detailed breakdown on sources of income and exact expenditure in monetary value⁷⁴. They were, however, able to give clear answers in percentages. For this reason, the distribution of income and expenditure has been analysed in percentages.
- d. The field work was conducted in June and July, which coincided with Ramadan. Care was taken to arrange meetings with households in the first half of the day to allow respondents and field assistants enough rest. However, this reduced the effective working hours for the team. Despite this constraint, the team met 145 respondents in face-to-face and focus group discussions.

74 This is primarily due to the role of men as income providers. In many group discussions, women mentioned that they prepare a list of items that are needed in the house and hand it to their husbands, who then buys it for the household.

ANNEX 3: DIFFERENT DEFINITIONS OF POVERTY

The first is ‘income poverty’, or its common proxy (because less unreliable to measure) ‘consumption poverty’. This needs no elaboration. When many, especially economists, use the word ‘poverty’, they are referring to these measures. Poverty is what can be and has been measured, and measurement and comparisons provide endless scope for debate.

The second cluster of meanings is ‘material lack’ or ‘want’. Besides income, this includes lack of or little wealth and lack of or low quality of other assets such as shelter, clothing, furniture, personal means of transport, radio or television, and so on. This also tends to include no or poor access to services.

A third cluster of meanings derives from Amartya Sen, and is expressed as capability deprivation, referring to what we can or cannot do, can or cannot be. This includes but goes beyond material lack or want to include human capabilities, for example skills and physical abilities, and also self-respect in society.

A fourth cluster takes a yet more broadly multi-dimensional view of deprivation, with material lack or want as only one of several mutually reinforcing dimensions.

<http://www.ipc-undp.org/pub/IPCPovertyInFocus9.pdf>

ANNEX 4: POVERTY AND INEQUALITY MEASUREMENT IN LEBANON, 1961–2014

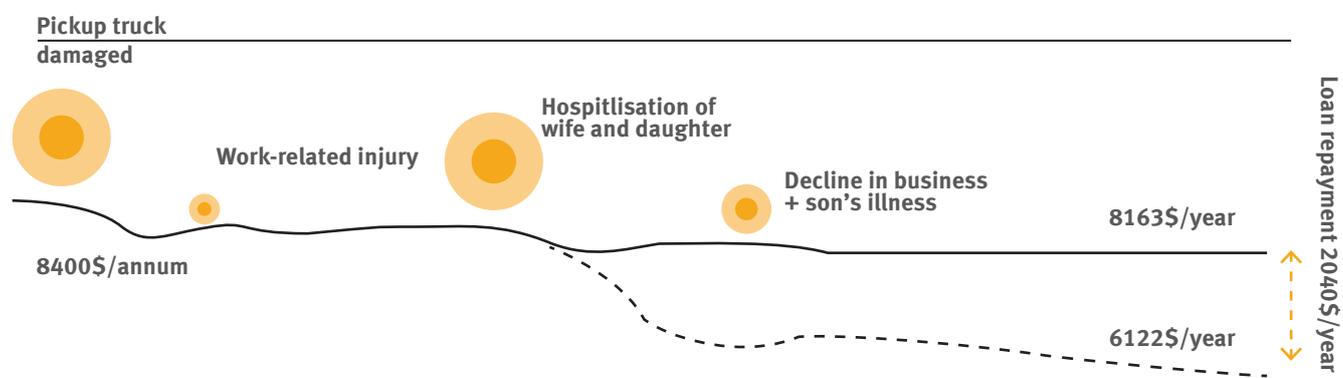
AUTHOR	SURVEY YEAR	INDICATORS OF POVERTY USED	MAIN FINDINGS
Mission IFRED (1961)	1960	Income-based indicators	Fifty percent of population below poverty line.
Schemeil (1976)	1973-75	Income based indicators	Twenty-two percent of population below poverty line.
UN-ESCWA (1995)	1993	Income-based criteria used for defining poverty	Twenty-eight percent of poverty and 7.5% of extreme poverty. Poverty was concentrated in Beka'a and North Lebanon regions. Higher poverty rates among agricultural workers.
MoSA and UNDP (1998)	1996	Living Conditions Index based on Unsatisfied Basic Needs	214,000 households, or 32.1% of households live below the satisfaction threshold.
UNDP (2004)	Summary		Share of low income population declined from 50% in 1959–1960 to 22% in 1973–1974 and increased again to 52% in 1994–1995.
Gaspard (2004)	Summary	Income-based indicators and the use of Gini for inequality	Income-based Gini declined from 0.5 in 1960 to 0.44 in 1997. Gini based on expenditure declined from 0.51 in 1951 to 0.47 in 1997.
UNDP (2008)	2004–05	Income-based indicators of poverty	28.5% of poverty and 8% of extreme poverty in 2004/2005. The Gini coefficient was about 0.361. Large regional disparities in headcount poverty rates with the North, South and Beka'a being the poorest. Poverty was highest, deepest and most severe for illiterate and unemployed individuals. Agricultural, self-employed and non-salaried workers were more likely to be poor. Using backward and forward simulations, extreme poverty was shown to decline from 10% in 1997 to eight percent in 2004/2005, but increasing afterwards to 8.4% in 2007.
CAS	2011–12	Household consumption-based indicators	Data to be analyzed once the large non-response bias has been addressed.
World Values Survey, the Arab Barometer and the Survey on Financial Capability	2010–13	Well-being indicators and Income-based indicators	About 30–32% of population estimated to be poor using subjective well-being questions and income information (measured in different ways in different surveys).
World Bank (2013e)	2012–14	Consumption-based indicators	Syrian crisis is estimated to increase poverty among the Lebanese population by 170,000 people by 2014 with existing poor being pushed deeper into poverty.

Source: Modified from *The World Bank Group MENA Region, Lebanon: Promoting Poverty Reduction and Shared Prosperity: A Systematic Country Diagnostic (2015)*.

ANNEX 5: LIFE OF A 7-MEMBER HOUSEHOLD IN NABATIEH SINCE 2010

Below is an example of a 7-member Lebanese household in Nabatieh that has struggled since 2010 to cope with the various stresses and shocks to their household economy. Over the years, the household has survived with formal and informal borrowing. In the words of the woman in the household: *'We have never had enough to buy a single item for our house since we got married. All these items you see here were purchased at least 20 years ago'*. On using the measure of extreme poverty in Lebanon of \$2.40/person/day, the household would appear well above the poverty line. However, when debt levels are also considered, it becomes clear that the household economy is propped up by huge amount of debt and at the cost of education of the children.

Upper poverty line for a seven-member household at 4\$/person/day (10,220\$/year)



Lower poverty line for a seven-member household at 2.4\$/person/day (6132\$/year)

Bought a pickup truck, but the engine developed a snag, and the truck was destroyed. Shook the confidence of the head of the household who could not work for some months after the incident.

He worked in the construction sector for one month but was injured, so he reverted to scrap collection. His father wrote off 1000 \$ of debt for the household. The older son started working as a butcher to support the household.

Wife was diagnosed with a kidney problem and hospitalized for treatment. The youngest daughter also developed a medical condition for which he had to be hospitalised. Took out a loan of 1500\$ from banks to meet medical expenses.

Competition from Syrians increase as they have better reputation in scrap dealing. Took a pickup truck on loan again from the scrap yard. Son needed medical care.

Second son started working as a mechanic to supplement the income. Two daughters dropped out of school.

Total debt of 9167\$ accumulated in addition to rolling credit with grocery store and other shops. Youngest son in school.

2010

2011

2012

2013

2014

2015

Their effective income (after deducting the regular loan repayment) on which the household survives is lower than the extreme poverty line of \$2.40/person/day⁷⁵. Any small shock at this stage, including if a borrow source can no longer provide money, could destabilise the household economy and easily push them further below the extreme poverty line.

Several households met during the study narrated similar cases, wherein they or people known to them have accumulated huge debts over a period of time.

75 It may be noted that this poverty threshold is based on 2004-05 data and may not be relevant in the current context.

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This paper was written by Nupur Kukrety, Oxfam GB and the Issam Fares Institute for Public Policy and International Affairs at the American University of Beirut. It is part of a series of reports written to inform public debate on development and humanitarian policy issues.

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For further information on the issues raised in this paper please email Sarah Al-Jamal at se74@aub.edu.lb, or Rachel Eichholz at REichholz@oxfam.org.uk or go to www.oxfam.org

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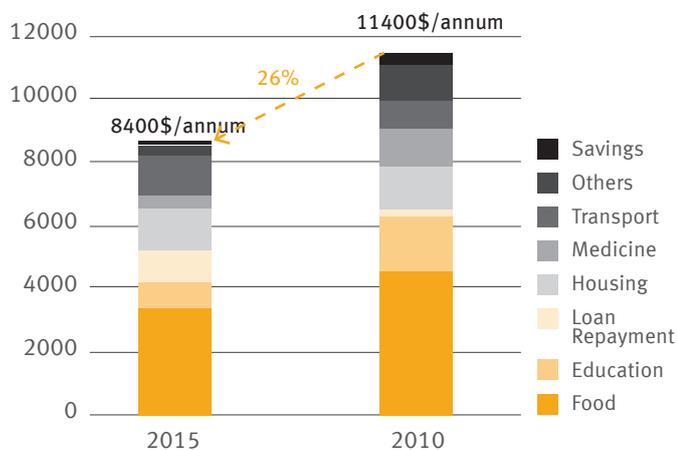
This report has been developed with the assistance of Oxfam in order to share research results and to contribute to debate on development and humanitarian policy and practice. The content and views expressed in this report are the responsibility of the author and do not necessarily represent the views of Oxfam.

ANNEX 6: CASE STUDY ON CHANGE IN INCOME AND EXPENDITURE OF A POOR LEBANESE HOUSEHOLD IN BEKA'A

Figure 1

Change in income for a household in Beka'a since 2010

CHANGE IN INCOME AND EXPENDITURE BETWEEN 2010 AND 2015

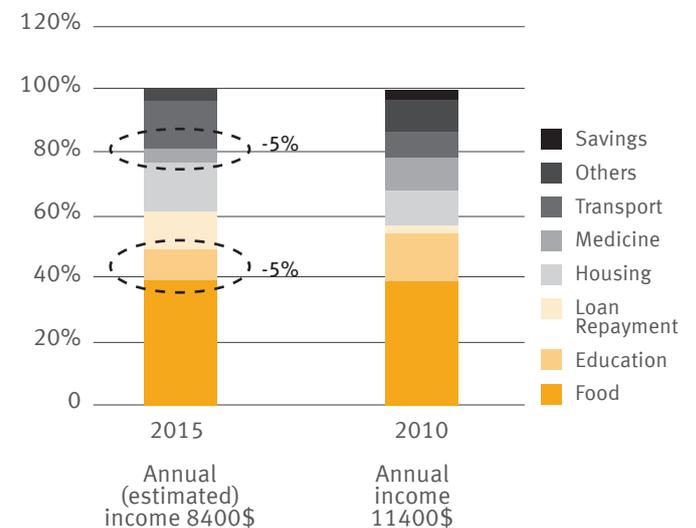


Over the past five years, the Issa* household has experienced a 26% decline in their annual income, which now stands close to the lower poverty line in Lebanon of \$2.40/person/day. The main reason for this decline in income is the injury of the main income earner in the household, who worked as a truck driver. Figure 1 is an illustration of this eight member Lebanese household in Beka'a that lived below the upper poverty line of \$4/person/day (i.e., \$11,680) in 2010 and now has faced significant decline since then due to the injury of the main breadwinner and no access to a social safety net or disability payment.

Figure 2

Percentage changes in expenditure

ANNUAL EXPENDITURE OF A POOR HOUSEHOLD (REFERENCE YEAR AND NOW)

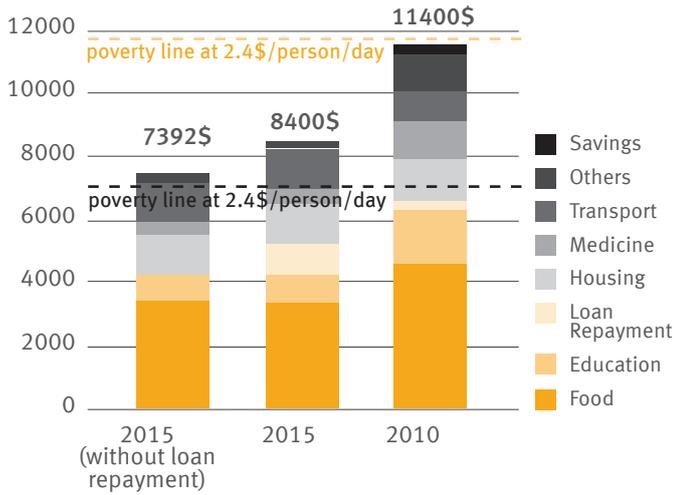


In the current year the household's expenditures remained more or less the same as the reference year of 2010, however as illustrated in Figure 2 below, the percentage share of expenses has changed to adjust to the reduced income. Prices have risen and income has decreased. The way this household has coped, which has been found to be typical throughout the country, is to cut expenses and take out loans to compensate where needed. As shown in the bar diagram below, the share of education and health expenses have reduced by 5% in an already shrunken household budget. While loan repayment formed a small portion of the household economy in the reference year, it appears as a much larger portion of the household expenses in 2015. There is no scope for saving in the current situation and while expenses on food have remained at 40%, in real terms the amount being spent on food by the household has decreased.

Figure 3

Scenario after deducting loan repayment from the household economy

HOUSEHOLD INCOME AND EXPENDITURE
(AFTER DEDUCING LOAN REPAYMENT)



Therefore, if debt repayment were to be removed from the household income to understand the real income that can be used for meeting their basic needs, the overall household income would come dangerously close to the lower poverty line of \$2.40/person/day (Fig. 3). The implications of reducing expenses on health in such a context can be potentially disastrous. This case study underlines the challenges faced by households which face shocks with the loss of a breadwinner and how they may compensate, and underlines the need for improved support services for households facing shocks to prevent them from moving into a downward spiral.

*Name changed to protect privacy

ANNEX 7: CASE OF A LEBANESE WOMAN HEAD OF HOUSEHOLD IN NABATIEH

Leila* is 40 years old and has studied up to elementary level. Her first marriage ended with her husband's death and left her with three daughters. Her second marriage to an Egyptian migrant worker expanded her family with three additional children. Another unfortunate incident resulted in her husband serving a 10-year jail sentence, leaving her responsible for her six children, who range between 3 and 17 years old. She provides house cleaning services as asked, not as a fixed job, and earns \$33 per job. Her estimated current monthly income is \$266 from around two jobs per week.

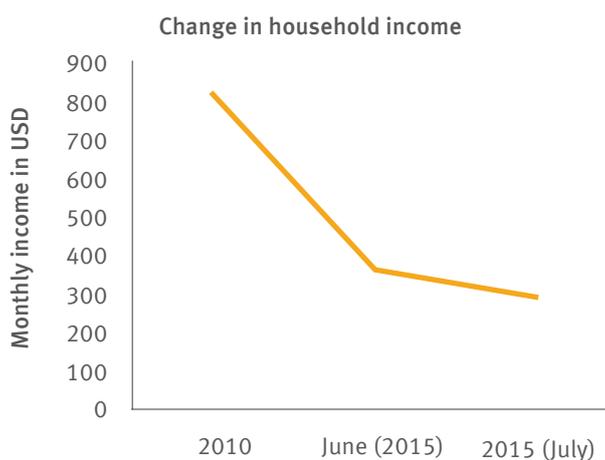
The obligation to maintain her household has had brutal repercussions on her health. Before her husband went to jail, she was able to perform better and work for longer hours, gaining an average \$133–166 per week earning approximately \$300/month. Her husband also contributed \$520/month. However, with sole responsibility on her shoulders for the past three years, she has become weak from heart and blood circulation problems, rendering her unable to work on a regular basis. High competition in the house cleaning services market (by both Lebanese and Syrians) has further reduced her income earning potential. To make matters worse, she is advised immediate heart surgery by doctors.

Her current annual income is not enough to sustain the household; therefore, she relies mostly on the benevolence of her social support network, including both formal and informal actors. Informally, like many others with similar economic conditions, she has open credit lines with nearby grocery stores and a pharmacy, to be repaid partially every month. Her eldest three children receive aid for their 'orphan' status from Sayyid Mohammad Hussein Fadlallah social support office (\$33 per child per month). The children's cost of education is supported by 'undisclosed charity providers' and it is not clear how long this support will last. She also receives ad hoc financial assistance from those economically better off in the area. The cost of treatment for her health condition (including an operation) is likely to be covered by 'undisclosed charity providers'.

At the time of the interview she was unable to work and was admitted to the hospital, waiting for her heart surgery. As the income flow into the household had ceased, the eldest daughter had dropped out of school and started work at a glass store earning \$200/month.

(This information was shared by the woman's sister who had temporarily moved in to take care of the children while their mother was in hospital)

**Name changed to protect privacy*



ANNEX 8: CASE OF AN ALL-WOMAN PRS HOUSEHOLD IN TRIPOLI

Rana* is about 60 years old and lives in Al Bedawi camp in Tripoli with her three adult daughters. Her husband was a teacher in a public school in Syria who died in 2009. After the crisis started in 2011, the instability and insecure conditions led the family to consider leaving Syria, hoping to return soon. They relocated several times inside Syria before eventually crossing the border to Lebanon and settling in Al Bedawi refugee camp in March 2013. Though they have no direct social links inside the camp (relatives, friends, etc.) they moved to the camp because the living expenses were lower than the rest of the country and because the camp was relatively more secure and stable. Their co-travellers had relatives in the camp and this also influenced their decision to stay in Tripoli.

In the camp, they live in a warehouse for a monthly rent of \$150. Their economic situation has progressively worsened. For the initial three months, her daughters volunteered or found semi-paid work opportunities with the international humanitarian organizations in the camp. They jointly earned an average income of \$600 per month to support the household. After that initial period, and given the Lebanese strict work regulations for Syrians and Palestinians, the girls have not been able to find any fixed or secure job. Since then the household has survived on the aid that they receive from UNRWA and Islamic organizations.

The household receives monthly food assistance of \$120 (@\$30/person) and rent assistance worth \$100 from UNRWA along with ad hoc seasonal food vouchers or in-kind aid boxes (mainly food baskets) from NGOs. Some seasonal work in clothing shops brings in extra income averaging \$50 per month. Their average total household income is \$270/month, with fixed expenses of \$150/month for rent and \$70 for monthly bills for the house. This leaves them with \$50 to survive the month. In addition, they have medical expenses totalling up to \$90/month which is luckily covered by a humanitarian charity.

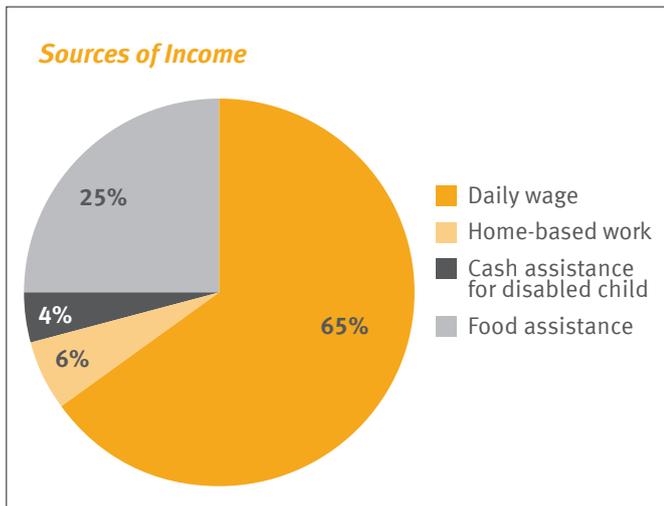
To survive within their limited income, they have been buying low-quality fruit and vegetables and have rarely been eating meat. They borrow from local grocery and fuel shops on a regular basis. Additionally, they also receive occasional food packets by neighbours and unknown people from the community, especially during Ramadan.

The social life in the camp is challenging as it is overpopulated, impoverished and restrictive, and this has created economic and social tensions, especially between Palestinian refugees from Lebanon who have occupied the camp for generations and the PRS who have arrived more recently. In her words, 'People here think that we are coming to steal their jobs, and their husbands. Even when seeking jobs outside the camp, it is very hard; the Lebanese law and regulations make it almost impossible for Palestinians from Syria to get secure jobs. I am very afraid to send my daughters to work outside the camp, because the general security situation is shaky. People advise me that I should marry off my daughters, but my daughters are my responsibility and I don't want to take any ill-calculated decision.'

At the time of the interview, UNRWA had informed PRS that their monthly assistance would be reduced, the food basket proportions will be decreased to \$21.60 and the rental assistance will be withdrawn completely. For this household, this would mean a 58% reduction in the already low income of the household.

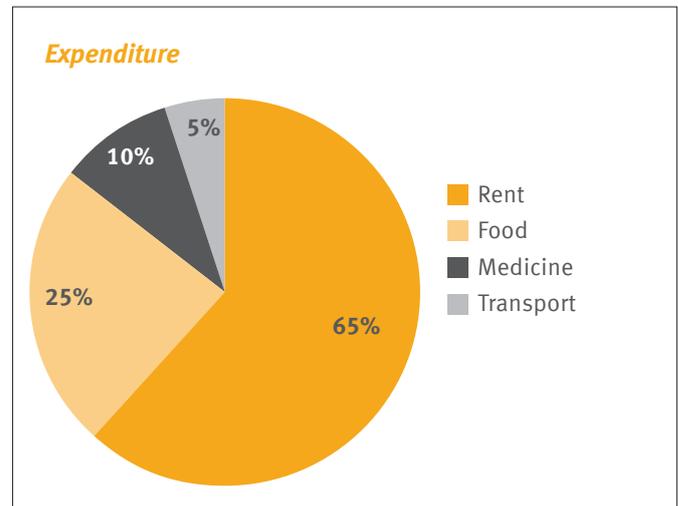
**Name changed to protect privacy*

ANNEX 9: CASE OF A SYRIAN REFUGEE HOUSEHOLD IN AKKAR



Ahmed* was a teacher in Syria and moved to the north of Lebanon to Akkar with his family in 2012. At that time they were seven in the household including himself, his wife, their four daughters and his wife's 16-year-old physically challenged brother. His household expanded one year later when his brother, his wife and his mother joined them. Ahmad has the sole responsibility to provide for his household of ten members, as his brother suffers from deep depression and is undergoing treatment. The wife's brother is partially sighted and cannot find work; he also requires regular medication. Ahmed's wife earns some money though mending clothing for neighbours and friends from the house and is able to earn approximately \$30/month. The total annual income of the household is \$5,556 of which 65% comes from the daily wage work that Ahmad does, about 29% from humanitarian assistance and about 6% from the home-based work done by his wife.

At the time of the interview, this ten-member household was already surviving much below the national poverty line of \$2.40/person/day in Lebanon. Their overstretched household economy included regular borrowing and meal reduction. He could not afford to send his children to school because of transportation costs, but being a teacher himself in Syria, he was able to impart some education at home.



With the recent decision by WFP to reduce food assistance for Syrian refugees, the household will have a gap of about 10% in their household income. Given the limited income earning options, the low expandability of his wife's source of income and their low creditworthiness, the household indicated that they had the following options to choose from: (i) look for more work for longer hours. However, there is a further risk of being detained by local authorities (as he does not have legal residency) and if he is detained and deported, the household will be left with no income earner; (ii) reduce food consumption further. This is potentially dangerous, given that the household has four small children, one elderly and two members who need regular medication; (iii) reduce expenses on medicines. This is also a potentially dangerous strategy as it can have very serious implications if medical conditions get complicated.

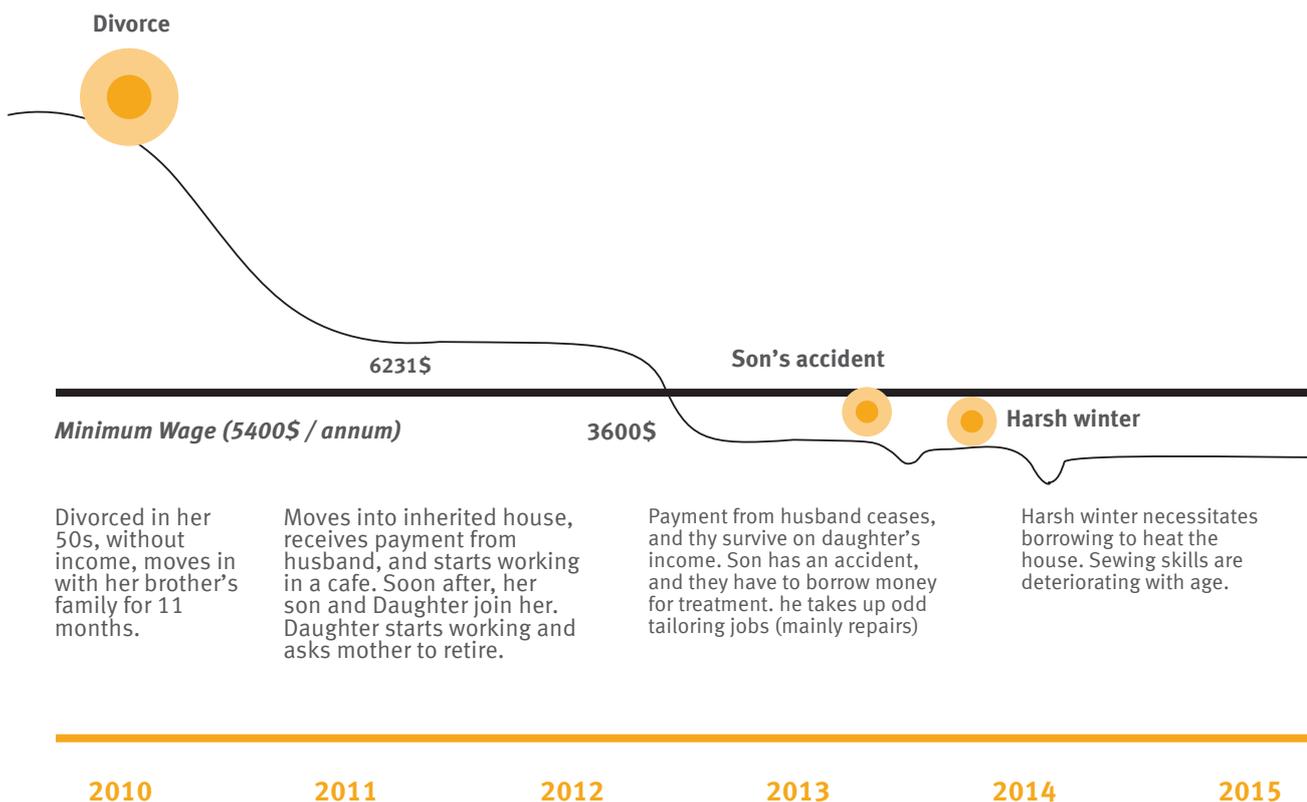
This case study represents the experience of one Syrian refugee household in Lebanon. There are many households in similar situations that are forced to seek desperate measures to survive in light of this reduction in food assistance.

**Name changed to protect privacy*

ANNEX 10: THE POTENTIAL SUPPORT A SOCIAL PROTECTION FLOOR CAN OFFER TO A POOR HOUSEHOLD IN LEBANON

Lama is approximately 55 years old and lives in Beka'a with her daughter and son. Life was good for her before her husband divorced her in 2010 and left for Beirut with her four children. She temporarily moved in with her brother, who supported her for a few months until she moved into a one bedroom accommodation that she inherited. By 2011, she was living on her own and started looking for jobs. She had trained as a hairdresser before getting married, but her caring role within the household did not allow her to use her training after marriage. Ironically, when she decided to use it after divorce, she found herself out of the job market for lack of experience and for being out of touch with current trends.

Surviving below the minimum wage threshold A case of a woman-headed household in Bekaa, Lebanon



Divorced in her 50s, without income, moves in with her brother's family for 11 months.

Moves into inherited house, receives payment from husband, and starts working in a cafe. Soon after, her son and Daughter join her. Daughter starts working and asks mother to retire.

Payment from husband ceases, and they survive on daughter's income. Son has an accident, and they have to borrow money for treatment. he takes up odd tailoring jobs (mainly repairs)

Harsh winter necessitates borrowing to heat the house. Sewing skills are deteriorating with age.

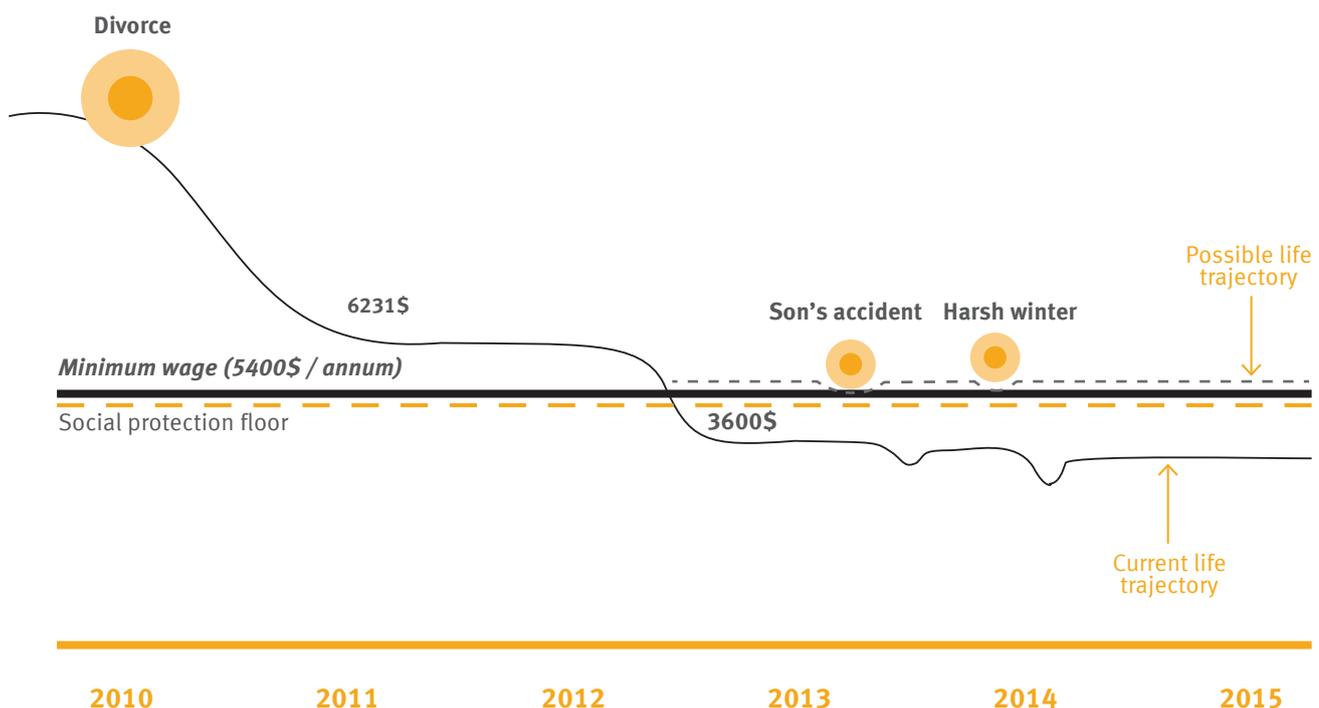
Lama was lucky to find a job at a cafe that paid her \$250/month. At this point 2 of her children decided to join her. Both were studying in Beirut, but the daughter had to drop out of university to take up a job at a clothes store in the Beka'a to support her mother. The job earned her \$300/month and although she could not get a regular contract that would provide her with benefits such as NSSF, at this point she asked the mother to retire. The alimony payment from the husband supported the household for 1.5 years. By 2013, the only source of income for the household was the earnings from the daughter and some irregular sums of money that Lama earned by mending clothes for neighbours. The total household income is already below the legal minimum wage for an individual in the country and much below the lower poverty line of \$2.40/person/day. The household was surviving on multiple credit tabs and ad hoc support from relatives and friends when the son had a minor accident in 2013 and they had to borrow \$150 (50% of the household's monthly income). Just when their household economy was recovering, the harsh winter of 2014–15 forced them again to borrow more to cope with the cold. Currently, the household survives on a wage that is lower than the minimum wage for 1 person, has multiple debts and has a member who had to sacrifice her future by dropping out of college

due to financial constraints.

A social protection floor comprising health services and income support could have stalled the downward progression of the household economy in the following way:

- ▶ Ensured that labour rights of the daughter are protected i.e., she is paid the minimum wage and should be registered with NSSF. This would have covered the medical costs of her dependents;
- ▶ Free or subsidised health services would ensure that health expenses do not drain the household economy;
- ▶ Income support to the mother could have ensured that the borrowing to cover essential household expenses is reduced and the household is not totally dependent on the daughter's wages.
- ▶ Most importantly, a social protection floor would have provided a life with dignity to all members of this household. The illustration below explains the impact of a social protection floor in the life of this household. As depicted, a floor would have ensured that the household does not fall below the minimum threshold for a dignified life.

Potential impact of a social protection floor on the life of the household



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This paper was written by Nupur Kukrety, Oxfam GB and the Issam Fares Institute for Public Policy and International Affairs at the American University of Beirut. It is part of a series of reports written to inform public debate on development and humanitarian policy issues.

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For further information on the issues raised in this paper please e-mail Rachel Eichholz at reichholz@oxfam.org.uk, or Sarah Al Jamal at se74@aub.edu.lb. Check Oxfam's website (www.oxfam.org) or AUB's Issam Fares Institute's website (www.aub.edu.lb/ifi) for more information.

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