



EVENT SUMMARY

Lebanon's Critical Economic Crisis: The impact on Refugees from Syria and Host Community Members Working in the Informal Economy

The Issam Fares Institute for Public Policy and International Affairs (IFI) at the American University of Beirut (AUB) hosted **Kanj Hamade**, Assistant Professor of Agricultural Economics and Rural Development at the Lebanese University, and **Martha Chen**, Lecturer in Public Policy at the Harvard Kennedy School and Co-Founder, Emeritus International Coordinator and Senior Advisor of the global network “Women in Informal Employment: Globalizing and Organizing”, in a webinar titled “Lebanon’s Critical Economic Crisis: The Impact on Refugees from Syria and Host Community Members working in the Informal Economy” on Wednesday, September 30, 2020. **Nasser Yassin**, Director of Research at IFI and co-chair of the AUB4Refugees Initiative conversed with the speakers and moderated the discussion.

This webinar was the culmination of a two-year project funded by Ford Foundation titled “Informal adaptive mechanisms among refugees in the Middle East: Understanding adaptation, resilience, and agency in securing livelihoods in the informal economy among refugees from Syria in Lebanon and Jordan”. The project aimed to understand how refugees from Syria who work in the informal economy are adapting their livelihoods to the experience of protracted displacement. Through five case studies conducted in Lebanon and Jordan, this multidisciplinary research particularly looked at informal mechanisms as tangible manifestations of the refugees’ ability for adaptation and resilience. This webinar delved into this topic further, exploring the impact of Lebanon’s triple crisis on refugees and vulnerable host communities and their livelihoods in the informal economy.

Kanj Hamade presented the key findings of the [field study](#) he undertook in 2019 to understand the dynamics of interaction between refugee communities and their host communities in the agricultural sector, particularly in Akkar and Beqaa, Lebanon.

Hamade insisted that the Syrian crisis had a positive impact on the Lebanese agricultural sector. His research highlighted the ability of refugees and host communities to find ways to work together through local dynamics and dynamics of increased investment. He explained that the informality allows more freedom of investment for both communities. Consequently, these dynamics permitted the restructuring of the Lebanese agricultural sector (creation of greenhouses, as well as open-field vegetable and potato production) to better answer to the growing domestic demand of food that followed the refugee crisis. Nevertheless, he pointed out that while this informality generated higher employment, more competitiveness for the sector, entrepreneurship opportunities, and more income for

both refugee communities and their host communities, it also led to important exploitation of Syrian refugee workers.

On the role of women refugees in the Lebanese agricultural sector, Hamade stressed that negative dynamics exist (protection issues, lower wages). However, women engagement in agriculture offered refugee women positive opportunities such as employment opportunities; a more secure working environment; an occasion to create a sense of community among women; and the capacity to learn forgotten agricultural skills.

Regarding the impact of the current crises, Hamade explained that the agricultural sector and the above-mentioned positive dynamics “are at great risk today”. In particular, the devaluation of the Lebanese Lira is jeopardizing the crucial dynamics of investments that are now “at risk of collapse”. There are high chances that this will lead to more exploitation of Syrian refugees working in the sector; damaging the positive interaction between the two communities and possibly generating tensions. Consequently, Hamade stressed that whereas the compounded crises offer an opportunity for new models of cooperative entrepreneurship, it is now imperative to support investments in the agricultural sector if we do not want it to collapse.

Martha Chen presented an overview of her current research on informal workers, as well as the lessons learned she gained on this topic through her valuable experience as a development practitioner and scholar.

After explaining the different ties and livelihood strategies the Syrian refugees have in Lebanon based on a conceptual framework that she developed for the project, she described the impact of the COVID-19 crisis on informal livelihoods. According to her research with WIEGO, the decline of jobs available coupled with lockdown policies severely undermined the livelihoods of informal workers. In Lebanon, this implies that informal workers and refugees will not be able to invest in economic opportunities nor adapt their livelihood to the current situation. Instead, they will be left with only the baseline “coping strategy”, a precarious strategy – based on the drawing down of savings, borrowing, relying on community – that does not offer them “a cushion to fall back on”.

Chen then presented the three possible scenarios for informal workers and refugees in Lebanon. The “Old Bad Deal” implying a return to normal, which will not be viable and could lead to “a worsening of the informal workers’ situation”. The second scenario the “Worse new Deal” implies a “reversal of gains made for informal workers and refugees”. She argued that none of those two scenarios will allow for a recovery from the current crises.

While acknowledging Hamade’s point on the urgent need for investments, she advocated for the “Better New Deal”. This scenario involves “reforms to protect informal workers and refugees and promote informal livelihoods”. This scenario necessitates a “Do No Harm Approach”, and a recognition of the essential contribution of informal workers in the productions of goods and services, particularly in times of crises, leading to their inclusion in future social packages. But so far, only the formal economy has benefitted from such

reforms and packages. Nevertheless, she maintained that there are reasons to believe that the current global pandemic could create a fertile ground for a mindset shift, finally recognizing the key role of informal workers in society. She concluded that without it, no long-term positive changes are possible.

In a concluding remark, **Nasser Yassin** mentioned that questions of adapting mechanism, resilience, and coping are becoming increasingly relevant in Lebanon, especially in times of crises. Civil society organizations are increasingly aware that the term resilience does not suffice on its own and needs to be qualified. It is by maintaining such a holistic view that encompasses principles of accountability, fairness, transparency and justice, that we will be able to account for the failure of the state and build a “new deal” for Lebanon.