



## THE IMPACTS OF THE ONGOING SOCIO-ECONOMIC AND HEALTH CRISIS ON SYRIAN REFUGEES IN LEBANON

Beirut, Lebanon, July 15 – 16, 2020

### Policy Brief

[Refugees = Partners](#) organized a two-day Webinar on the impacts of the ongoing socio-economic and health crisis on Syrian refugees within the context of recent developments in Lebanon; the economic crisis, the October 2019 uprising, and the COVID-19 pandemic. In addition to the economic effects of Coronavirus on both Lebanon and Syria, highlighting the interconnection between the Syrian and Lebanese economic systems.

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The first session of the Webinar focused on “**The Socio-economic Impact of the Recent Developments in Lebanon on the Livelihood of the Syrian Refugees.**” The participants discussed the following topics which concluded with several recommendations.

**The impact of inhumane, discriminatory measures against Syrian refugees:** The measures taken to limit the spread of the Coronavirus were more harmful to Syrian refugees than the virus itself. Under the nation-wide general mobilization to confront the increase of the COVID-19 cases, the Lebanese government adopted a set of preventive measures, including curfews, which have resulted in discriminatory restrictions on Syrian refugees by some municipalities. As a result, the living and economic conditions, alongside legal and social conditions, of Syrian refugees have deteriorated. This is all in addition to the increase in populist discourse against refugees, instigated by certain politicians, which claims that refugees themselves are the source of the pandemic in Lebanon.

All of the above mentioned has increased the isolation of Syrian refugees and negatively affected the situation inside the camps, leading to an increase in domestic violence. Refugee communities have turned into completely isolated places, making people apathetic toward issues of personal protection and safety. In some cases, people have made unsafe choices (such as returning to Syria without thinking about the possibility of arrest). All of this was a result of the pressures that Syrian refugees are constantly exposed to in Lebanon.

**The lack of adequate health conditions in refugee camps to limit the spread of diseases:** Sanitary conditions in refugee camps are insufficient to prevent the spread of the coronavirus, either because of the impracticability of practicing social distancing, or because of the absence of adequate hygiene infrastructure and the lack of safe water sources. Approximately 30% of refugees live in non-residential places, and 50% of them live in overcrowded spaces where there is no possibility of social distancing. Restricted movement of refugees during the lockdown and general mobilization period left them without access to basic medical services.

**Lack of permanent possibility to secure medical and health assistance, or to provide means of protection from viruses and diseases:** This is due to the absence of coordination between local and international organizations operating in Lebanon, and the absence of any effective role for the State. Meanwhile, civil society organizations have tried to adapt to the current circumstance by converting their development programs into relief programs, knowing that only 20% of Syrian refugees have legal residency, which has negatively affected their access to health services. The lack of legal protection for refugees will affect their general health situation. Therefore, it is necessary to consider, in a technical and non-discriminatory manner, the medical resources and capabilities that the refugee community possesses, and to integrate them and potentially benefit from their expertise.

There are fears that, if the health system in Lebanon would reach its capacity, that medical service providers may begin prioritizing medical access to the host community and thereby discriminate against refugee communities. At the global level, there are 10 nurses for every 3 doctors, whereas in Lebanon this percentage is completely reversed; for every 10 doctors there are 3 assistant nurses. Consequently, it is necessary to consider how the Syrian medical competencies can assist in combating the spread of the pandemic within the health system in Lebanon, as this would benefit both the refugee and host communities, especially in such exceptional circumstances.

It is worth knowing that the percentage of Syrians infected with the Coronavirus in Lebanon does not exceed 10%—the percentage of refugees in the total population is much higher. Despite this, some politicians employ anti-refugee discourse to justify economic and health failures.

**Syrian refugees give priority to economic and security issues over health issues:** The general lockdown and the cessation of work led to an increase in psychological and economic pressures on refugees, especially the most vulnerable family members; women and children. According to social and economic determinants, three quarters of refugees live below the poverty line; 75% borrow money to secure food and 33% to secure health care. For them, access to food and work is more important than health considerations.

**Syrian refugee communities in Lebanon are categorized according to their level of vulnerability:** Syrian families headed by women are the most vulnerable, and likewise young people without breadwinners. Women and children are generally considered to be the most in need of protection. The greater the pressure on them in Lebanon, the more people will wish to return to Syria without taking into account personal protection issues.

The participants concluded that working associations and organizations should coordinate together to ensure that all groups in need, including refugee communities, are targeted. They should also coordinate with the municipalities to provide clear assessment of needs to ensure fairness in distribution. The targeting strategies that organizations are following must also be updated. They should adopt the voucher system instead of the food basket system, to avoid social tensions and reduce congestion during distribution, especially in light of the Coronavirus pandemic.

With the spread of the COVID-19 pandemic most refugee education programs, even alternative ones, have stopped, and there is still no clear vision for future steps. With all the efforts made over the past 7 years in the field of education, it was found that only 40% of Syrian students are enrolled in schools, and less than 1% of these reached the ninth grade—which indicates that the amounts invested in education did not achieve any of the anticipated results. A new study also revealed that marginalized groups, especially refugees in Lebanon, were almost completely dismissed from school during the general lockdown period, and most refugee education programs, even alternative ones, have stopped.

### **Recommendations:**

- Promoting comprehensive, economic and social strategies for the residents of Lebanon. To secure the needs of everyone, protect their rights, and secure the development and progress of society. To address structural economic challenges and to address disparities in development. This goal cannot be achieved without solidarity, cooperation or participation of all concerned parties, including government officials, policy makers, experts, academics, civil society organizations, and national and international NGOs.
- Design flexible aid programs that are adaptive to highly volatile contexts, with adequate analysis of the surrounding enduring conditions.

- Establish an effective health system that takes advantage of the medical and relief capabilities of various nationalities living in Lebanon.
  - Facilitating the work of organizations and finding strategic solutions for refugees wishing to return to Syria.
  - Direct local and international organizations to develop strategic plans for the next academic year, to ensure that all children reach their right to education.
  - Work to provide simple technology to the most vulnerable groups in society, to ensure the continuation of the education process, and to address the psychological impact of students' lack of communication with their peers and friends.
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In the second session of the Webinar, titled “**The interconnection between the Syrian and Lebanese economic systems**”, the participants discussed many topics, the most prominent of which were:

**The beginning of the recession and slowdown in the Lebanese economy:** In 2019, the growth rate reached negative territory at minus 0.2%. This is a significant drop since between 2011-2018, growth was steady around 2%, and in the period 2006-2011 it sometimes reached 10%.<sup>1</sup> The dramatic slowdown in growth was linked to the Syrian crisis and the slowdown in consumption and investment. With the beginning of the Lebanese uprising in October 2019, there was a more severe slowdown in growth, but it was also accompanied with the collapse of the Lebanese currency exchange rate. It should be noted that the main reason for the collapse of the Lebanese economy, since the beginning of the year 2020, is the banking sector in particular, and not the street movements.

**Significant decline in deposits from abroad and money transferred from non-residents of Lebanon:** Deposits in Lebanese banks amounted to \$8-10 billion annually, equivalent to 20% of the GDP, which amounts to \$45 billion.<sup>2</sup> The “Banque du Liban” is considered to be the main party responsible for the current financial crisis, due to its handling of the dollar crisis in a discretionary manner that favors the interest of bank owners over the interest of depositors. The central bank’s measures created additional demand for dollars, especially by citizens who rushed to save the dollar after it became a safe haven for investment. In addition, Lebanon imports 80% of its needs, further increasing the demand for dollars.

**A current economic recession and a sharp drop in consumption and production:** Inflation was the first marker associated with recession. It was then followed by unemployment. The estimates of unemployment in May 2020 reached about 45%, while official figures for 2019 are between 11% and 15%. Up until the beginning of 2020, it was estimated that 220,000 people in the tourism sectors, restaurants and small companies had been laid off.<sup>3</sup> Poverty rates reached 50%,<sup>4</sup> with the closure of

about 800 medium and small companies,<sup>5</sup> and a dramatic rise in prices that reached 70% - 80%,<sup>6</sup> associated with an inflation index that reached about 60% in March 2020.<sup>7</sup> All of the aforementioned is accompanied by a decline in State revenues due to its inability to collect taxes, and an almost complete absence of deposits and external transfers that were the main engine of the Lebanese economy.

**Reaching a solution to the economic crisis in Lebanon:** This can only be achieved through political stability and the re-election of a new political authority that favors the interests of the people over the interests of the oligarchy, represented by the bankers allied with the authority of the parties. This class, which constitutes 1% of the population, or about 10 thousand families, controls 45% of the wealth in Lebanon, i.e. an estimated \$90 billion, as well as 50% of deposits in banks and 25% of income.

**The prevailing political discourse is holding Syrian refugees responsible for the economic collapse in Lebanon:** Politicians keep on repeating this discourse, ignoring the large financial aid that Lebanon benefits from due to the presence of refugees in the country, and the refugees' contribution to the movement of markets and to the increase in demand. Whereas the popular discourse in the October 2019 uprising showed an awareness of the real and direct cause of the economic collapse and the central imbalance in power that existed before the arrival of the refugees.

**Losses in Syria until 2019 exceeded 10 times the 2010 GDP:** That means, ten times the economic capacity was wasted in Syria, and the volume of the economy in 2019 became one third of the its volume in 2010.<sup>8</sup> The remaining third of the economy has turned into an economy centered around violence; the largest part of its resources is devoted to financing military operations, royalties, smuggling and monopolizing materials, in addition to the recruitment of human capital in the war. Instead of protecting individuals, institutions are participating in killing, and thus depriving people of the basics of humanitarian protection.

**Continuation of the economics of violence despite the decline in military operations in Syria:** This is the result of the lack of trust between individuals, groups and regions, as well as between individuals and institutions that dominate decision-making. Security, military and social policies are still ongoing, which leads to the extension of conflict elements. That is the reason why the economy has not improved, in contrast to countries where growth indicators improve after the end of a conflict, even if the political solution is not fair.

**The war economics involve the flow of humanitarian aid to Syria through Lebanon:** Humanitarian organizations transfer funds to Syria through unofficial channels with a commission between 4-30% of the funds value. Likewise, Syrian imports coming through Lebanon pay large commissions, due to the presence of violence-centered institutions on both sides of the conflict, in addition to the

presence of arms dealers and smugglers on both sides of the borders. Therefore, all institutions, forces and actors in the neighboring countries must participate in resolving the conflict in Syria.

The great exaggeration in measuring the impact of the Lebanese financial crisis on Syria: Syria relies on Lebanon for its informal dealings to evade US sanctions. However, Syria has since begun to deal with new channels outside Lebanon. Although the Syrian economy has been affected by the crisis of scarcity of dollars in Lebanon, it is not logical to link between the exchange rate increase in the two countries, the increase in the demand for the dollar in Syria compared to the demand in Lebanon is not as significant as is being promoted today. The deterioration of the USD exchange rate in Syria began since the beginning of the conflict, and it did not previously affect Lebanon.

**After the Coronavirus crisis, production in Syria decreased by about 35% during two months:** This coincided with a high rate of unemployment.<sup>9</sup> Note that the main engine of the Syrian economy suffers from structural imbalances, as it focuses on non-productive economy, and does not respect the rights of productive people, whether entrepreneurs or professional workers. The Coronavirus crisis provoked countries to turn towards the local economy and local development that does not depend on foreign aid and foreign exchange.

**The interconnection between the Syrian and Lebanese economic systems:** The Lebanese economy is affected by the opening and closing of border crossings between the two countries, as well as by Syrian labour, which reached 700,000 workers before 2011.<sup>10</sup> In addition to this, the interconnection in the financial and monetary sectors is also significant, as Syrians' deposits in Lebanese banks exceed \$30 billion, according to unofficial figures. The volume of trade and exchanges between the two countries depends on the escalation of the conflict or of any signs of a political solution in Syria. As for the effects of the Caesar Act on Lebanon, they are minimal; the aim of the Act is a warning to future investments in Syria, and to close the Syrian market to Lebanese companies that seek to invest or deal with Syrian companies.

**Political stability in Syria will lead to economic stability and stimulating market movement:** It may not be possible to achieve isolation from the economies of violence in the region, such as the isolation from the effects of Gulf money or arms flows, but the internal mechanisms protect the society. The theory that says that the conflict continues due to the influence of external forces is a false theory, if the internal forces decide not to continue the conflict, it is difficult to force them to do otherwise.

## Recommendations:

- Increasing the contribution of the agricultural and industrial productive sectors to the GDP, and linking these sectors and the supporting infrastructure, legislation and laws, and planning for this production to be systematic, not arbitrary.
  - Fighting monopoly in energy, real estate and raw materials markets, and creating a balance between the productive sectors and the modern service sectors spread digitally, such as marketing, design and others.
  - Carrying out structural reforms for the banking sector in Lebanon, rehabilitation of the public interest of Lebanon, which constitutes one of the most important factors of economic reform, especially since the solution to the crisis in Lebanon cannot be an external solution, since the defect itself is internal. International aid or anticipated deposits are not the correct way to save the country as long as the internal mechanisms that led to this collapse remain.
  - Benefiting from the presence of refugees in the field of development instead of making them a burden on the country; their energies and capabilities could be an added value instead of being a subject of conflict and competition with the citizens, in addition to their contribution as human capital in expanding productive sectors.
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<sup>1</sup> World Bank. GDP growth (annual %) - Lebanon. Available at:

<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2019&locations=LB&start=1989>.

<sup>2</sup> World Bank. Personal remittances, received (current US\$) - Lebanon. Available at:

<https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT?locations=LB>; World Bank. Personal remittances, received (% of GDP). Available at: <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=LB>.

<sup>3</sup> Business News (2020). "220,000 jobs lost estimated by InfoPro". Available at:

<http://www.businessnews.com.lb/cms/Story/StoryDetails/7423/220,000-jobs-lost-estimated-by-InfoPro>

<sup>4</sup> World Bank (November 6 2019). "World Bank: Lebanon is in the Midst of Economic, Financial and Social Hardship, Situation Could Get Worse". Available at: <https://www.worldbank.org/en/news/press-release/2019/11/06/world-bank-lebanon-is-in-the-midst-of-economic-financial-and-social-hardship-situation-could-get-worse>.

<sup>5</sup> Azhari, T. (May 6 2020). "Lebanon's restaurants 'sinking' after coronavirus lockdown". Available at:

<https://www.aljazeera.com/ajimpact/lebanons-restaurants-sinking-coronavirus-lockdown-200506095822226.html>.

<sup>6</sup> Central Administration of Statistics.

<sup>7</sup> Central Administration of Statistics.

<sup>8</sup> World Bank. GDP growth (annual %) - Syrian Arab Republic. Available at:

<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=SY>

<sup>9</sup> Center for Organizational Analysis and Research (April 2020). Syria after COVID-19: No relief for an ailing economy. Available at: <https://coar-global.org/2020/05/01/syria-after-covid-19-no-relief-for-an-ailing-economy/>.

<sup>10</sup> Medjad, K., & Chaar, A.M. (2017). Lebanon with a View: A 2030 Vision of the Refugee Crisis. The Scenario Factory ESA Business School. Available at: <http://esainfo.esa.edu.lb/docs/Lebanon%20with%20a%20view%20%28ESA%29.pdf>.