In Brief June 2023



# Impact of Lebanon's Financial Crisis on Women's Economic Participation



# **INTRODUCTION AND METHODOLOGY**

Lebanon's multi-layered and unprecedented political and socio-economic crisis is deepening gender inequalities in the world of work. Prior to the crisis, which started in 2019, gender inequality was extremely visible in the economic exclusion of women in Lebanon. Women were far less likely to participate in the labour force, faced higher rates of unemployment, were sidelined into specific occupations, had less savings or income of their own, and had limited access to employee-paid social protection schemes.1 The Covid-19 pandemic further amplified the country's economic crisis, causing women to be laid off from their jobs and increasing their unpaid domestic and care workloads.<sup>2</sup> Ongoing economic collapse, high unemployment, and increasing poverty are affecting all people of all genders, but women, especially low-income, refugee, and minority women who were already disadvantaged, are suffering specific social and economic consequences. The impact of the crisis includes being pushed out of the workforce and unemployed, being further economically sidelined and/ or exploited in informal employment and taking on more unpaid labour in the home.

This brief synthesizes findings from statistically representative data on women's economic participation from before the crisis (2018 and 2019) and during the crisis (2022) to develop a more complete picture of the ways in which the crisis has impacted women at work. The analysis discusses the gendered economic impact of the crisis on four different populations in Lebanon: Lebanese, Syrians, migrants and Palestinian Refugees in Lebanon (PRL),

comparing the prevailing trends specific to men and women of each population group, as well as the ways in which findings per population intersect. In specific, the briefing asks: What are the gendered impacts of the crisis on key indicators of labour market status, including women and men's labour force participation, employment-topopulation rates, unemployment rates, wages, informal employment, and main sectors of work?

Findings were drawn from statistically representative datasets from 2018, 2019 and 2022 as well as other secondary sources; 2018 and 2019 data reflect pre-crisis rates and are compared with data from 2022, the most current available rates. The main sources for findings on Lebanese were disaggregated data from the International Labour Organization (ILO) and Central Administration for Statistics (CAS) Labour Force and Household Living Conditions Survey (LFHLCS) 2018 and a 2022 followup survey conducted on a sample of households that participated in the 2018 survey. Findings on Syrian refugees were from the Vulnerability Assessment of Syrian Refugees in Lebanon (VASyR) data from 2019 and 2022.3 The most reliable pre-crisis data on Palestine Refugees in Lebanon (PRL) were from the 2015 Survey on the Socio-economic status of Palestine Refugees<sup>4</sup> while recent data were from UNRWA's Crisis Monitoring Report, September 2022.5 Analysis on migrant women is from permitting data issued by the Ministry of Labour in 2019 and 2022 and data on wages is from UNDP ARK wage monitoring data 2021-2022.6 There is no current representative data on the economic participation of men and women with disabilities and no reliable data on Lesbian, Bisexual, Queer and Transgender (LBTQ) women, meaning findings on these groups were limited.

## Methodological Note: Key indicators of the labour market<sup>7</sup>

Working-age population	The population above the legal working age. To promote international comparability, the working-age population is often defined as all persons aged 15 and older, but this may vary from country to country based on national laws and practices (some countries also apply an upper age limit).  The LFHLCS defines the working-age population as all persons aged 15 and older, VASyR defines the working-age population as all persons aged 18 and older and UNRWA defines working-age as 16 and older (for Palestinians).
Employment to population	The proportions of a country's working-age population that is employed.
Unemployment	The proportion of the labour force without work during the reference period but is available and actively looking for work.
Labour Force Participation rate	The measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work. The labour force is the sum of the number of persons employed and the number of persons unemployed.
Informal employment	Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits.

UN Women. 2020. Women on the Verge of an Economic Breakdown: Addressing the differential impacts of the economic crisis on women in Lebanon | UN Women - Arab States

UN Women. 2020. <u>Women on the verge of an Economic Breakdown: Addressing the dimerential impacts of the economic Crisis on wo NCLW, WHO, UNFPA, UN Women. 2020. Gender Alert on COVID-19 in Lebanon: Women, Gender and the Economy.

UNHCR, WFP and UNICEF. 2022. <u>Vulnerability Assessment of Syrian Refugees in Lebanon.</u>

AUB and UNRWA. 2016. <u>Survey on the Socio-economic Status of Palestine Refugees 2015.</u>

UNRWA. 2022. <u>Socio-economic Situation of Palestine Refugees in Lebanon Crisis Monitoring Report – High Frequency Survey Results.</u>

UNDP. 2022. <u>Provision of Professional Services for Conducting Wages Monitoring Periodical Survey. Wave VI Report (unpublished)</u>

ILO. 2016. <u>Key Indicators of the Labour Market, Ninth edition.</u></u>



Photo: UN Women/ Lauren Rooney

# **FINDINGS**

The economic crisis has impacted Lebanese, Syrian, PRL and migrant women's economic participation in specific and diverse ways:

- Lebanese women's labour force participation, which was already far lower than men's participation before the crisis, fell even further from 27% in 2018 to 23% in 2022.8 Labour force participation of Lebanese men remains three times higher than that of Lebanese women, though men's economic participation also decreased during the
- 2. Lebanese women's employment-to-population rates decreased from 23% in 2018 to 16% in 2022, meaning only one-seventh of working-age women were working. Men's employment also witnessed a considerable decrease from 61% in 2018 to 47% in 2022, though these rates remain three times higher than the rates for women.
- Palestinian communities may have suffered the largest losses in women's labour force participation of any population group. A 2022 assessment of 2,224 Palestinians showed only 6% of Palestinian women were participating in the labour force compared with 67% of men.9 Best pre-crisis estimates for PRL are from 2015 when Palestinian women's labour force participation was estimated at 17%, suggesting a significant drop. Palestinian men's participation showed little change. 10

#### Labour Force Participation of Syrian and Lebanese men and women, 2018/2019 and 2022

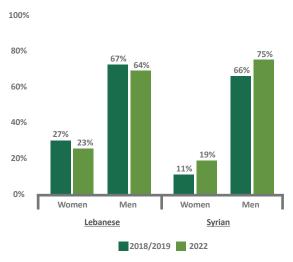


Figure 1 Source for figures on Lebanese: LFHLCS 2019 and Follow-Up LFHLCS; Source for figures on Syrians: VASyR 2019 and 2022

More Syrian women have joined the labour force in response to the crisis but are still largely excluded from paid work compared to Syrian men. Syrian women's labour force participation increased from 11% in 2019 to 19% in 2022, suggesting more Syrian women are searching for jobs in response to increasingly difficult conditions. While some research suggests Syrian women entering the workforce has potential to shift gender roles and provide women with more economic power, 11 other research suggests many Syrian women who look for work do so out of economic desperation and end up in low wage and potentially exploitative jobs. 12

ILO and CAS. 2022. Labour Force and Household Living Conditions Follow-Up Survey.

UNRWA. 2022. Socio-economic Situation of Palestine Refugees in Lebanon Crisis Monitoring Report – High Frequency Survey Results.

UNRWA and AUB. 2016. Survey on the Economic Status of Palestine Refugees in Lebanon. It should be noted that these figures should be considered with caution; given the low sample 10. size in the follow-up survey, more robust data on the impact of the crisis on Palestinian communities is necessary to draw more articulated conclusions.

UN Women, UN High Commissioner for Refugees (UNHCR) and the International Labour Organisation (ILO). 2021. Fraught but Fruitful, Risks, Opportunities and Shifting Gender Roles in

Syrian Refugee Women's Pursuit of Livelihoods in Lebanon, with Additional Observations from Jordan and Iraq

Norwegian Refugee Council. 2020. CAMEALEON Impact assessment of multi-purpose cash assistance for Syrian refugees in Lebanon.

- 5. Syrian refugee men are still six times more likely to be working compared to Syrian refugee women.<sup>13</sup> Syrian women's employment-to-population ratio has remained low throughout the crisis. More than half (56%) of Syrian men work compared to only 10% of Syrian women.
- Prior to the crisis, the labour force participation of Lebanese and non-Lebanese women with disabilities was the lowest among all groups of women at 6%.14 While no data exists on the postcrisis rates, it is expected that these rates have plunged lower as persons with disabilities continue to experience widespread discrimination and exclusion from work.
- Syrian and Lebanese men and women have suffered from skyrocketing unemployment, but the economic crisis has left more women of both nationalities unemployed than men. Lebanese women's unemployment has doubled from 17% in 2018 to 33% in 202215 while Syrian women's high unemployment has remained high at 40% in 2022.16 Lebanese women's unemployment is 7 percentage points higher than men's unemployment, and the gap between Syrian men and women's unemployment has widened further. It is likely that unemployment rates vary considerably across governorates, however, this remains to be an area where more analysis should be considered.

#### Unemployment rates for Lebanese and Syrian men and women 2019 and 2022

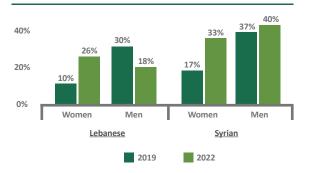


Figure 2 Source for figures on Lebanese: LFHLCS 2019 and Follow-Up LFHLCS; Source for figures on Syrians: VASyR 2019 and 2022

#### NEET Rates for young men and women 15-24

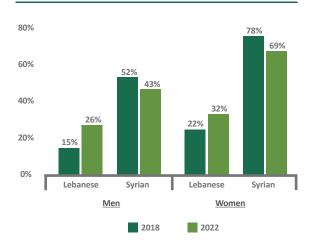


Figure 3 Source for figures on Lebanese: LFHLCS 2019 and Follow-Up LFHLCS; Source for figures on Syrians: VASyR 2019 and 2022

- The rate of young people who were not in education, employment or training (NEET) has increased among Lebanese youth of both genders and has decreased among Syrian youth of both genders. Analysis of NEET rate trends suggests that young Lebanese people may have been affected more than others by job losses, with young women being particularly impacted. Youth unemployment may account for the increase in the NEET rate. On the other hand, the NEET rate among Syrians indicates that more young Syrians, especially boys and young men, are employed, which could explain the decrease in unemployment among Syrian men.
- There was no significant shift among Lebanese women's sectors of work while Syrian women have become more concentrated in low-paid agriculture jobs17 with half (50%) of working Syrian women working in agriculture. Working Lebanese women remain largely concentrated in the education (27%), services (26%) and human health and social work (14%) sectors whereas Lebanese men work in a wide variety of sectors.<sup>18</sup>

UNICEF, UNHCR, WFP. 2022. <u>Vulnerability Assessment of Syrian Refugees.</u>

ILO and CAS. 2019. Labour Force and Household Living Conditions Survey. 15

ILO and CAS. 2022. Labour Force and Household Living Conditions Follow-Up Survey.

<sup>16</sup> UNICEF, UNHCR, WFP. 2022. Vulnerability Assessment of Syrian Refugees. Gender.

While no recent data exists on informality among Syrian refugee data, available data shows that almost all (92%) working Syrians are employed informally. Given that the women are more likely to be employed in low-paying jobs and exploitative conditions, informality is predicted to be higher among them.

UN Women analysis of 2022 CAS and ILO Labour Force and Household Living Conditions Follow-Up Survey. It should be noted that recent qualitative research suggests wom particularly in the North, may be getting more involved in small-scale agricultural projects to sustain their families or for local sale. Women's agricultural labour is often unpaid and/ or highly informal, meaning it is challenging to capture with economic assessment surveys. Despite having to navigate across structural and daily obstacles, qualitative findings suggest women are becoming more engaged in the agricultural value chain and women-led farms are combining forces as households search for ways to sustain themselves and generate

Year	Lebanese				Syrian			
	Women		Men		Women		Men	
	LBP	\$ value (market estimate)	LBP	\$ value (market estimate)	LBP	\$ value (market estimate)	LBP	\$ value (market estimate)
2021	33,191	2.77	41,595	3.47	19,095	1.59	41,595	3.47
2022	151,224	4.45	169,101	4.97	84,915	2.50	184,328	5.42

- 10. The jobs that Syrian women have joined the labour force to perform, mostly in the agriculture sector, are among the lowest paid jobs in the country. Estimated average daily wages have increased marginally alongside the ongoing hyperinflation, but Syrian women were working for an average of 84,915 LBP or \$2.50 per day. This amounts to 46% of the wage of Syrian men and 56% of the average wages of Lebanese women.19
- 11. The percentage of informal employment in nonagricultural activities, which was already high for both Lebanese men and women prior to the crisis, has increased, with men now experiencing a higher rate of informality than women in 2022. Although the economic crisis does not appear to have dramatically shifted the types of work typical for men and women in the economy, informality rose from 44% of jobs in 2018 to 57% of jobs in 2022. For Lebanese men, informal employment increased from 40% to 59% while for women it increased from 45% to 52%.<sup>20</sup>
- 12. At least 100,000 migrant women left Lebanon in response to the crisis. Due to deteriorating work conditions and wage devaluation, the number of documented migrant domestic workers decreased from 184,000 in 2019 to 66,000 in 2021, suggesting a significant exodus of women who were employed to undertake domestic labour.<sup>21</sup> This large-scale departure implies the crisis led to very poor work and living conditions for migrant women. It could also partially account for the decrease in Lebanese women's participation in the labour force, as middleclass Lebanese women would have needed to resume caretaking and domestic responsibilities formerly assumed by migrant domestic workers.
- 13. Women migrant domestic worker who have stayed in Lebanon or who have arrived recently, 99% of whom are women, are working in more precarious environments.<sup>22</sup> Because many Lebanese employers still want domestic labour but are no longer able

- to pay a live-in domestic worker, research shows an increasing trend of migrant workers working on a freelance basis or for cleaning companies which serve as intermediaries between workers and clients.<sup>23</sup> According to the 2022-2023 Multi-sectoral Needs Assessment, 40% of domestic workers were earning less than \$200 per month.24
- 14. There is a lack of representative data on the economic impact of the crisis on the Lesbian, Gay, Bisexual, Transgender, Intersex and Queer (LGBTIQ+) community due to the exclusion of this demographic from national assessments. However, it is widely understood that this group has been disproportionately affected, specifically LBTQ women.<sup>25</sup>

## CONCLUSIONS

The economic crisis magnified pre-existing vulnerabilities that women in Lebanon already faced in terms of labour force engagement. The ongoing crisis is a dramatic setback to the already low women's economic participation in Lebanon, as it forced Lebanese and Palestinian women out of the workforce and drove Syrian women into low-paying jobs and often exploitative work conditions.<sup>25</sup> As Syrians continue to suffer the consequences of both protracted displacement and economic losses, more Syrian women are working or looking for jobs in agriculture, which are highly informal and very underpaid. While the growing participation of Syrian women in the workforce may provide them with increased access to their own income, it could also signify economic desperation and vulnerability. Cultural norms surrounding women's work, coupled with low wages and informal, demanding labor, underscore the potential challenges they face.

While more and better data is needed to fully understand the situation for Palestinian women, initial data shows they have also been driven out of the labour force. Unable to earn a living wage in Lebanon, large numbers of women migrant domestic workers left Lebanon between

<sup>19.</sup> Wage data is from UNDP and ARK wage monitoring periodical surveys from June 2021 and September 2022 (unpublished). Dollar values from https://lirarate.org/ as of the last date of data collection for each ARK survey

ILO and CAS. 2022. Labour Force and Household Living Conditions Follow-Up Survey.

Figures from official data on permits issued to migrant workers by the Lebanon Ministry of Labour, 2022. However, given that there are many migrant workers without permits or whose permits are not up-to-date, this figure should be seen as an estimate.

LAU, The Arab Institute for Women, ILO, IOM, UN Women. 2021. Women Migrant Domestic Workers' in Lebanon: A Gender Perspective | UN Women – Arab States

<sup>23.</sup> Ammar, Zeina and El Hayek, Imane. American University of Beirut Asfari Institute and Anti-Racism Movement. 2022. Domestic Work in Lebanon post-2019: Reflections on Emerging

REACH, OCHA and UN Women, 2023. UN Women calculation. 24.

Yallacare Coalition. 2022. Study on the Needs of the LGBTIQA+ Community in Beirut, 2021.



Photo: UN Women/ Lauren Rooney

2020 and 2021. This could possibly partially account for Lebanese women leaving the workforce to perform domestic duties in the absence of domestic workers. Demand for the labour of migrant domestic workers has continued or even increased, but employers now want to hire them on a freelance or hourly basis for lower wages than they received previously. This means fewer domestic workers are covered by formal sponsorships (which are linked to one specific employer) and are therefore at increased risk of lacking documentation entirely. Although the Kafala system is itself exploitative, a complete lack of documentation means migrant women could be subjected to harassment, deportation, or violence by law enforcement. Finally, the crisis has taken a direct toll on Lebanese women's livelihoods and labour force participation while also shouldering the burden of jobs lost by men. The economic deprivation of women overlaps with higher vulnerability, poverty and food insecurity and increase in gender-based violence against women. In the long run, this drainage impacts women at all stages of their lives and impacts their access to pensions or income in old age, which needs to be further investigated. Findings indicate a strong need for large-scale policy reforms to address the gender gap and correct pervasive gender inequalities the crisis made more obvious.

# **RECOMMENDATIONS**

There is an urgent need to mitigate the effects of the economic crisis on women's work. The crisis also constitutes an opportunity to build the foundations of a more equal and equitable society that addresses the intrinsic and productive value and rights of women through social, economic, and political policy reform. This means implementing strategic plans to recover and retain women's jobs and providing opportunities for decent work while addressing women's increased care responsibilities, advocating for dismantling the unjust system that deprives migrant women of protections and collecting better gender data. Key to enacting these reforms is gender-responsive fiscal policies. Rather than cutting public expenditure, the aim should be to mobilize more resources to finance essential investments. Resources can be raised and redirected in multiple ways, including by combating tax evasion and avoidance, and reallocating public spending through Gender-Responsive and Program-Based Budgeting. Government, humanitarian, and development actors should prioritize women in their economic recovery planning through the following actions:

# Drive forward policies to boost women's economic participation

- Expand and improve social protection systems.
   This could include creating unemployment funds and expanding the coverage of the National Social Security Fund through addressing discriminatory policies against the inclusion of women.
- Implement short-term, medium and long-term workforce training programs specifically designed to help women recover from the impact of the economic crisis. Ensure all livelihoods recovery and workforce training programs include specific and targeted ways of outreaching to women and supporting their participation, such as developing complimentary child and elder care programs, transportation stipends, and strong linkages with protection services.

Invest in projects that promote women's entrepreneurship in different sectors and work on removing access barriers.

- Invest in child and elderly care services. The expansion of childcare and elderly case services can help to expand women's employment choices as it overcomes one of the main constraints on women's paid work. Creating jobs for women in the care sector has the dual impact of employing women and freeing up other women for paid work, education, or endeavors of their choosing.
- Undertake pension reforms including noncontributory tax-financed components that would benefit elderly women who have never been employment or only involved in part-time casual work.
- Enact policies to put a floor under wages and reduce gender wage gaps: As women are overrepresented among low paid workers, minimum wages can help redress women's socioeconomic disadvantage and narrow gender pay gaps.
- Enact policies to improve the quality of informal work. Given the high levels of informality among women workers, there is a need to improve the viability and returns to this type of employment. This includes support to local government to improve the health and safety conditions of informal women workers, for example, by protecting them from harassment through enhanced enforcement of laws (e.g., Law 205 criminalizing sexual harassment) and improving the infrastructure they rely on for their daily activities (electricity, transport, storage facilities, health and safety equipment).

## Reform discriminatory and sexist labour laws

 Remove the legal and administrative obstacles that stand in the way of non-Lebanese workers from engaging in the labour market and receiving fair and legal working opportunities including allowing work in syndicated profession and abolishing the reciprocity law for Palestinians. Continue working to dismantle the Kafala system.
 Migrant domestic workers, many who are now
 without formal contracts and working for far less
 pay, deserve protections under Lebanese labour law
 that are not tied to a specific employer. Dismantling
 the Kafala system is a feminist, pro-worker and
 anti-racist action that should be championed by a
 broader spectrum of UN and NGO actors.

# Continue collecting high quality gender-disaggregated data and analysis

- Ensure ongoing and future efforts to collect data on the impact of the economic crisis are sufficiently gender sensitive through collecting data on indicators of economic wellbeing at the individual rather than the household level. The LFHLCS Follow-Up Survey provides a good starting point for understanding the impact of the economic crisis but had specific sampling limitations. More data is needed specifically on the impact of the crisis on women and girls with disabilities as well as the economic participation of the LGBTIQ+ community.
- Collect adequate statistical data on the impact of the economic crisis on Palestinian refugee communities. The last large-scale statistically representative data on Palestinian communities was completed in 2016. More data on their situation, particularly for Palestinian women, is necessary.
- Collect data on the barriers that prevent women from different nationalities and different intersectionality from engaging in the labour force. This includes analysis of gender and social norms and dynamics in different communities and find ways to address them.

