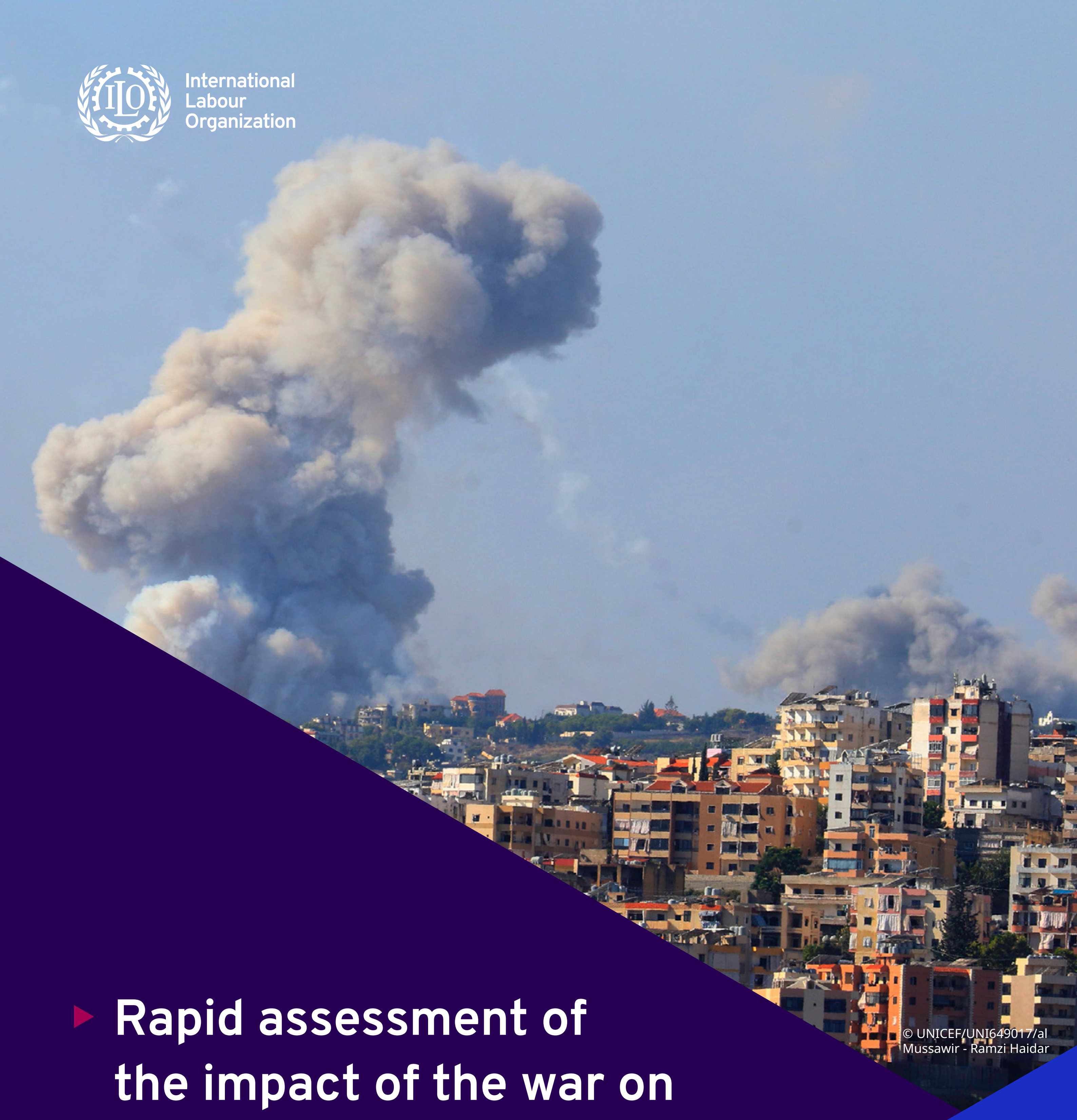

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International Labour Organization

Rapid assessment of the impact of the war on private-sector workers and enterprises in Lebanon

July 2025

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First published 2025.

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ISBN: 9789220422366 (web PDF)

This publication was jointly funded by the European Union and the Government of the Netherlands. Its contents are the sole responsibility of the authors and do not necessarily reflect the views of the European Union or the Government of the Netherlands.

DOI: https://doi.org/10.54394/OLYU6090

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Acknowledgments

This report was prepared by the International Labour Organization Regional Office for Arab States (ILO ROAS), based on the results of surveys conducted in collaboration with the General Confederation of Lebanese Workers (CGTL), the Federation of National Trade Unions of Workers and Employees in Lebanon (FENASOL) and the Association of Lebanese Industrialists (ALI).

The work was carried out with co-funding from two ILO programmes: the "Empowering Networks and Activation for Building Long-term Employment" (ENABLE) programme, funded by the European Union (EU), and the "Partnership for Improving Prospects for Forcibly Displaced Persons and Host Communities" (PROSPECTS) programme, funded by the Government of the Netherlands.

The Consultation and Research Institute (CRI) was commissioned to support the development of the study under the oversight and guidance of the ILO team at ROAS.

This assessment was led by Aya Jaafar, ILO ROAS Labour Economist, who oversaw and contributed to the conceptualization and development of the study. Valuable comments and technical inputs were provided by ILO ROAS colleagues including Jose Manuel Medina Checa, Mustapha Said, Badra Alawa and Fadia Jradi. Sincere thanks are also extended to Aya Matsuura, Federico Barroeta, Grace Eid, Rhea AlRiachi and Shaza Jondi for their support at various stages of the process.

The ILO is particularly grateful to CGTL, FENASOL and ALI for their cooperation and support in facilitating effective data collection. Their engagement was critical to the successful implementation of the surveys and focus group discussions that informed the report.

Special thanks are also extended to all the enumerators for their dedication and professionalism during fieldwork.

Grateful appreciation goes to David Cann for his careful editing of the report, Sarah Habli for the report's design and Salwa Kanaana and Layal Abou Antoun for supporting the final publication of the assessment.

Finally, sincere gratitude goes to the many workers and employers who generously gave their time and insights in responding to the surveys. Their voices are at the heart of this report and have contributed significantly to deepening the understanding of the impact of the war on workers and enterprises in Lebanon.

Executive summary

The most recent conflict between Lebanon and Israel began in October 2023, escalating considerably in September 2024, and resulting in over 4,285 deaths and 17,200 injuries in Lebanon.

Despite a ceasefire which took effect on 27 November 2024, the absence of sustained security in parts of southern Lebanon has complicated reconstruction efforts and delayed the return of displaced civilians.

For Lebanon, the conflict exacerbated an already dire situation; the economy has been in severe decline since 2019 following a cascade of crises, including the financial crisis, the COVID-19 pandemic and the Port of Beirut explosion. In response, the International Labour Organization (ILO) launched a rapid assessment of the war's impact on the private sector in Lebanon, with the aim of guiding recovery efforts through identifying key challenges and the needs of both workers and enterprises.

In partnership with the General Confederation of Lebanese Workers (CGTL), the National Federation of Workers' and Employees' Trade Unions (FENASOL) and the Association of Lebanese Industrialists (ALI), workers and employers in the private sector were surveyed to identify their challenges and concerns. The research, complemented by focus group discussions with workers and employers, captured the war's impact across sectors and regions, reflecting variations in the war's intensity, displacement patterns and economic disruptions.

Impact of the war on private-sector workers

Some 2,292 private-sector workers were surveyed, with men representing 71.6 per cent of the sample. The majority were Lebanese (75.1 per cent), followed by Syrian (18.7 per cent), Palestinian (2.1 per cent) and other nationalities (4.1 per cent)- the latter all working as domestic workers. Some 20 per cent of the respondents were aged between 17 and 29 years. Of the total sample, 55.2 per cent were paid employees and 44.8 per cent were self-employed.

Trade union affiliation

Fewer than 20 per cent of the interviewed workers reported being a member of a trade union, with no significant differences observed between men and women. Unaffiliated workers explained their non-membership as a result of lack of awareness (55.9 per cent) and a perception that membership offered no tangible benefits (34.8 per cent).

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Households

The number of income earners per household declined from 1.7 before the war to 1.5 in the post-ceasefire period, a reflection of displacement and widespread job losses. Financial vulnerability was also evident, with 70.1 per cent of households earning less than $US500 per month, a marked increase from the 57.9 per cent share prior to September 2024. Importantly, average household incomes varied significantly across nationalities; migrant domestic workers reported an average monthly income of $269, compared with $388 for Syrians, $470 for Palestinians and $529 for Lebanese. Where the primary breadwinner was female, household income was significantly less at $392 compared with $504 for households with male breadwinners.

Displacement

Of those interviewed, 52.3 per cent remained at home throughout the conflict, while 34.7 per cent left and later returned. At the time of the survey, 13.0 per cent were still displaced, with 37.2 per cent of them remaining in their governorate of origin.

Impact on employment

Work status during the war

During the war, 19.9 per cent of workers became unemployed, while an additional 4.7 per cent exited the labour force altogether. A further 6.6 per cent changed jobs. In conflict-affected areas, workers were particularly affected; 36.0 per cent lost their jobs, compared with 17.5 per cent in non-affected areas.

Gender disparities were also evident. Women were more likely than men to lose their jobs (29.2 per cent versus 22.8 per cent), often because of greater caregiving responsibilities during displacement. Similarly, young workers (aged 17–29 years) bore a disproportionate burden, with 25.8 per cent of them becoming unemployed, compared with 18.5 per cent of those aged 30 years and above.

Work status post-ceasefire

Following the ceasefire, 13.7 per cent of respondents remained out of employment, with persistent disparities linked to geographic exposure to conflict. In areas affected by regular bombing, 24.2 per cent of workers lost their jobs, compared with 7.2 per cent in areas not directly affected.

Some economic sectors experienced more severe disruptions than others did; 24.0 per cent of construction workers and 20.5 per cent of agricultural workers lost their jobs. Employment losses were also disproportionately high among part-time workers (28.7 per cent), compared with daily workers (19.2 per cent) and full-time employees (9.8 per cent). Vulnerabilities linked to age and gender persisted post-ceasefire, with young people and women most likely to be out of employment.

Employment mobility

After the ceasefire, the vast majority of those who remained employed (92.1 per cent) retained the same jobs they held before the conflict started. However, certain groups were more likely to change jobs. Female workers (9.6 per cent) were slightly more likely to change jobs than their male counterparts (7.3 per cent). Some 22.2 per cent of migrant domestic workers moved into new jobs, compared with 14.7 per cent of Palestinian refugees, 8.4 per cent of Lebanese workers and 2.9 per cent of Syrian refugees.

Informal employment

Post-ceasefire, 65.0 per cent of employees were working informally, compared with 68.2 per cent prior to the war, reflecting the disproportionate job losses among informal workers. In fact, post-ceasefire, 17.2 per cent of informal workers were out of work, compared with only 4.2 per cent of those in formal employment. Among formal employees who remained in paid employment after the ceasefire, 1.1 per cent transitioned from formal to informal jobs. In contrast, no respondent was able to move from informal work to formal salaried employment, underscoring the persistent challenges of escaping the trap of informality.

Contractual arrangements and exposure to job loss

Some 58.8 per cent of respondents did not have a written contract, with women more likely to have contracts (50.3 per cent) compared to their male counterparts (38.1 per cent). Syrian refugee workers faced high vulnerabilities with only 4.5 per cent of them having written contracts, compared with 54.0 per cent of Lebanese workers. Importantly, contracts appear to offer some protection in times of crisis. Following the ceasefire, workers with contracts were more likely to retain their jobs, with only 9.2 per cent experiencing job loss, compared with 15.8 per cent of those without a contract.

Impact on incomes and working time

Individuals employed after the ceasefire worked an average of 5.3 days per week, 7.7 hours per day, and earned an average monthly income of $396. Compared with pre-war levels, the average number of workdays decreased by 6.2 per cent, working hours decreased by 5.0 per cent and monthly income fell by a significant 15.2 per cent.

Migrant domestic workers experienced the steepest declines, in terms of both work activity and earnings. While Syrian refugee workers saw only slight changes to their average working hours and days, their income dropped by 13.4 per cent, reflecting a disproportionate change in income compared with their work level.

Income losses were most pronounced in agriculture (29.1 per cent), followed by construction (19.5 per cent), domestic work (18.2 per cent) and trade (18.1 per cent), and more prevalent among self-employed individuals (23.0 per cent) compared with salaried employees (5.8 per cent).

Workers' confidence in employment stability

One third of workers expressed a lack of confidence in the stability of their employment. This uncertainty was more pronounced among female workers (36.7 per cent) than with male workers (26.6 per cent). Confidence levels also varied by nationality. Palestinian workers reported the lowest levels of confidence (70.6 per cent not confident), followed by Syrian refugees (33.8 per cent), migrant domestic workers (28.4 per cent) and Lebanese (27.1 per cent).

Coping mechanisms

Some 53.9 per cent of respondents reported relying on their own savings as a primary coping mechanism – women (57.7 per cent) slightly more than men (52.4 per cent). Palestinian and Lebanese workers were the most likely to draw on personal savings (67.3 per cent and 58.8 per cent respectively), likely reflecting greater access to financial reserves compared with Syrians (37.1 per cent) and other nationalities (34.4 per cent). The second most common coping mechanism was support from relatives and friends, cited by 32.3 per cent of respondents. Assistance from NGOs followed, reported by 11.0 per cent overall, with Syrian workers most likely to rely on this form of support (28.4 per cent), followed by Palestinian refugees (14.3 per cent) and other migrant workers (14.0 per cent) and Lebanese workers (6.3 per cent).

Support received and needed

In terms of employer support, 26.2 per cent of workers received financial assistance or allowances, while 19.5 per cent reported flexibility in working hours as a key form of support. When asked about which forms of assistance were most needed to recover their livelihoods, the most frequently cited need was higher income (54.2 per cent), followed by access to stable employment (35.5 per cent). Additionally, over 30 per cent of respondents expressed a need for financial support to start or sustain a small business. Skills development and training was noted by 16.1 per cent of workers, with Syrian respondents showing the highest demand at 33.3 per cent.

Impact of the war on private-sector enterprises

Enterprise profile

A telephone-based survey was conducted on a sample of 701 enterprises across the country, including 41.4 per cent located in areas that had been bombed regularly during the war. By size, 58.8 per cent were micro enterprises employing fewer than five full-time workers, while 31.8 per cent were small enterprises with 5–19 full-time employees. Medium-sized enterprises (20–49 workers) accounted for 5.7 per cent of the sample, and 3.7 per cent of enterprises employed 50 or more workers. On average, sampled enterprises employed 8.8 full-time workers, and 78.9 per cent of the enterprises were exclusively owned by men.

Enterprise formality

30.8 per cent of sampled establishments were completely informal, engaging in none of the standard practices of registration and record keeping. Social security registration was particularly limited, with only 26.1 per cent of enterprises registering their workers. Informality was especially pronounced in the construction (47.6 per cent) and agriculture (45.5 per cent) sectors. Moreover, just 19.6 per cent of construction businesses and none of the agriculture enterprises had registered their workers with social security.

Situation of enterprises during and after the war

During the war, 37.1 per cent of enterprises were closed and 22.1 per cent operated only partially. At the time of the survey, 13.6 per cent of enterprises were still closed, 16.5 per cent were partially operational and 69.9 per cent had resumed full operations.

Importantly, recovery varied significantly between affected and unaffected areas; 24.1 per cent of enterprises in war-affected areas were still closed at the time of the survey, compared with 6.1 per cent in unaffected areas. By sector, while most sectors have largely recovered post-ceasefire, with closure rates hovering around 10 per cent, agriculture, tourism and construction face significant challenges, with 20 per cent, 21.5 per cent and 23.8 per cent of enterprises still closed, respectively.

Business operations

Post-ceasefire, establishments operated an average of 5.9 days per week – 5.2 per cent less than prior to the war. They were open for an average 9.5 hours per day, reflecting an 8 per cent reduction in operating hours. A majority of operational enterprises (71.0 per cent) reported reduced activity levels, while only 25.7 per cent were operating normally and 3.3 per cent experienced increased activity.

On average, turnover and customer numbers fell, post-ceasefire, to about 58.0 per cent of pre-war levels. Although both input costs and selling prices rose, input costs increased at a higher rate (12.7 per cent versus 4.6 per cent), likely leading to a reduction in profits. The tourism sector was hit hardest, with turnover and customer numbers dropping to 46.4 per cent and 45.5 per cent of pre-war levels, respectively. In contrast, education and health were the least affected, maintaining approximately 75.9 per cent and 69.5 per cent of pre-war turnover, and 74.9 per cent and 67.4 per cent of their customer base, respectively.

Impact on employment

The war led to a marked decline in workforce size; the average number of full-time workers per establishment dropped from 9.2 before September 2024 to 8.0 post-ceasefire, representing a 12.6 per cent decrease. Part-time and occasional employment was even more affected, with numbers falling from 2.4 to 1.6 workers per establishment (-32.6 per cent). Agriculture experienced the steepest drop in full-time employment (-32.2 per cent), followed by construction (-26.0 per cent).

Workforce policies

Among establishments that remained operational post-ceasefire, 63.7 per cent reported that employment contracts remained unchanged, while 31.8 per cent reported layoffs, either permanent (17.0 per cent) or temporary (14.9 per cent). Most enterprises (65.7 per cent) reported no changes in working hours; 27.6 per cent reduced working hours.

Wages also remained largely stable for 60.9 per cent of businesses. Yet 9.1 per cent suspended wage payments, 10.9 per cent reported wage reductions and 8.6 per cent delayed wage payments. Only 22.1 per cent of employers provided support to workers affected by the war, with assistance ranging from financial aid (57.4 per cent) and food or basic necessities (29.7 per cent) to salary advances, temporary lodging (27.1 per cent, each), flexible work arrangements (15.5 per cent) and transportation support (11.6 per cent).

Physical damage

About one third of the enterprises reported physical damage due to the war, with the highest shares in Nabatieh (88.2 per cent), the South (46.0 per cent) and the Bekaa (41.3 per cent). Most damaged establishments (70.0 per cent) experienced a partial loss of their premises, while 9.3 per cent reported total destruction requiring complete rebuilding.

Operational obstacles

Access to finance emerged as the most severe obstacle, shifting from a moderate concern before the conflict to a major one. While access to labour, both general and skilled, was still rated as a minor obstacle, employers noted a deterioration in this area, with the cost of labour becoming a more pressing issue than availability. Among infrastructure-related challenges, the high cost of electricity stood out as the most significant. Additionally, access to national markets became more difficult, moving from a minor to a moderate obstacle, likely because of ongoing disruptions to logistics and finance across regions.

Impact of the war on finances

Slightly more than half of enterprises had no outstanding debts at the time of the survey. In contrast, 13.8 per cent carried debt over from before the war, 9.4 per cent incurred debt only after September 2024 and 25.4 per cent accumulated both pre-existing and new debt during the conflict.

Enterprises in areas directly affected by bombing were more likely to have taken on new debt after September 2024 compared with those in unaffected areas (12.8 per cent versus 7.1 per cent). Among indebted enterprises, 74.2 per cent reported facing major repayment challenges. In addition, 45.5 per cent of currently operating enterprises closed production lines or stopped offering certain products or services because of a drop in demand.

Business recovery and support needed

Among closed enterprises, 83.2 per cent planned to reopen in the same location, while 9.5 per cent intended to relocate and 7.4 per cent had no plans to resume operations. For those planning to reopen, the top recovery priority was access to finance (85.2 per cent), followed by rehabilitating premises (36.4 per cent), repairing or acquiring equipment (35.2 per cent) and replenishing stocks (19.3 per cent).

On average, respondents that were open post-ceasefire or which had plans to reopen rated their need for business support at 4.1 out of 5, reflecting a strong dependence on external assistance and a significant challenge of recovering without it. Access to finance was the most needed form of support (80.1 per cent), followed by affordable energy (40.1 per cent), market access (35.3 per cent) and wage subsidies (25.6 per cent).

▶ Summary of recommendations

Based on findings from the surveys, complemented by insights from workers and employers focus group discussions and a broader analysis of the Lebanese labour market, this report recommends a number of actions to guide both the recovery phase and potential long-term structural reforms. All recommendations are guided by principles of decent work, inclusiveness, and tripartite social dialogue.

As Lebanon enters the recovery phase, prioritizing a Local Economic Development (LED) approach is essential. This strategy empowers local actors to design tailored, context-specific interventions that generate decent jobs and foster inclusive, community-driven recovery. Efforts should focus on the regions and sectors most affected by the conflict, with comprehensive sectoral assessments, particularly in agriculture, tourism and manufacturing, guiding the development of targeted recovery programmes.

Below is a list of specific interventions needed in the short-, medium- and long- term:

Short-term recovery measures

- Provide financial grants for closed businesses, self-employed individuals and informal workers affected by the war;
- Implement employment-intensive infrastructure programmes (EIIPs) to rebuild infrastructure while generating immediate decent employment and skills development opportunities;
- Simplify access to recovery support, especially for informal workers and enterprises, through partnerships with local municipalities, cooperatives, trade unions and chambers of commerce; and
- Advance implementation of the National Social Protection Strategy.

Medium-term recovery measures

- Identify business recovery needs and provide support beyond immediate cash assistance (e.g. zero/low-interest loans, renewable energy solutions, technical assistance)
- Strengthen emergency employment services by building the capacity of relevant local actors to provide job-matching, career guidance and targeted support for vulnerable groups.
- Invest in short-term, tailored skills training aligned with recovery needs, including construction, sustainable agriculture and digital tourism marketing.

Long-term structural measures

- Reform the Labour Law in line with international labour standards, ensuring legal protection for excluded and vulnerable workers, including those in informal and non-standard employment.
- Strengthen social protection systems, with a focus on strengthening the National Social Security Fund (NSSF) to expand coverage and ensure financial sustainability.
- Promote a more conducive business environment by streamlining regulations, incentivizing formalization and improving access to finance and markets, especially for micro, small and medium-sized enterprises (MSMEs).
- Establish effective public employment services, led by a revitalized National Employment Office (NEO), to connect jobseekers with decent work and implement active labour market programmes.
- Develop a comprehensive National Employment Strategy, addressing both labour demand and supply, with a focus on creating inclusive, sustainable and decent employment for all.
- Address labour market inequalities, especially gender disparities, by removing barriers to women's employment and leadership, and promoting inclusive, rights-based employment policies.
- Implement regular Labour Force Surveys and establish a Labour Market Information System (LMIS) to provide reliable, disaggregated data for evidence-based policymaking and programme design.
- Strengthen representation and capacity-building of workers' and employers' organizations to ensure their meaningful participation in recovery, reform and development processes.

Abbreviations

ALI	Association of Lebanese Industrialists
CAS	Central Administration of Statistics
CGTL	General Confederation of Lebanese Workers
CRI	Consultation and Research Institute
DaLA	damage and loss assessment
EIIP	employment-intensive infrastructure programme
EPR	employment-to-population ratio
FENASOL	Federation of National Associations of Workers and Employees in Lebanon
FGD	focus group discussion
GDP	gross domestic product
IDP	internally displaced persons
IOM	International Organization for Migration
LED	local economic development
LFHLCS	Labour Force and Households Living Conditions Survey
LFPR	labour force participation rate
LFS	Labour Force Survey
LMIS	Labour Market Information System
MDW	migrant domestic worker
MSME	micro, small and medium-sized enterprises
NEET	not in employment, education or training
NSSF	National Social Security Fund
SDC	social development centre
UNHCR	United Nations High Commissioner for Refugees
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
VASyR	Vulnerability Assessment of Syrian Refugees in Lebanon

Introduction

The recent conflict between Lebanon and Israel began in October 2023, following the outbreak of the war in Gaza. Initially perceived as limited in scope, it primarily affected southern Lebanon and the border regions. However, by September 2024, the situation had escalated into a full-scale war, extending beyond the South with heightened intensity and significant casualties, creating a multi-layered humanitarian crisis. The Ministry of Public Health reported, in January 2025, that over 4,285 conflict-related deaths and 17,200 injuries had occurred since 8 October 2023.[1] At the time of writing, more than 80 days after the ceasefire took effect on 27 November 2024, insecurity prevails in parts of the southern Lebanon, endangering civilian lives and disrupting repatriation and reconstruction efforts.

As of 26 February 2025, some 949,571 internally displaced persons (IDPs) have returned, but 98,875 people are still unable to return to their homes.[2] According to the International Organization for Migration (IOM), displacement demographics show that 34 per cent of IDPs are children (< 18 years), while 35 per cent are female adults and 31 per cent are male adults.[3]

An evaluation of the impact of the conflict on Lebanon initially estimated damage to physical infrastructure at a minimum of US$3.4 billion, with economic losses reaching $5.1 billion, bringing total estimated losses to $8.5 billion.4 A more recent report, published in March 2025, updated these figures significantly.[5] The revised assessment estimates physical damage at $6.8 billion and economic losses at $7.2 billion. Overall, recovery and reconstruction needs are now projected at $11 billion.

Clearly, the war has added challenges to an already dire economic context in Lebanon. Since 2019, the country has grappled with a prolonged economic collapse, compounded by the COVID-19 pandemic and the Port of Beirut explosion. This period has been marked by sustained negative economic growth, soaring inflation, a sharp depreciation of the Lebanese pound, a dramatic loss in purchasing power and a steep rise in poverty rates. The conflict has only deepened these vulnerabilities, placing further strain on both workers and enterprises.

The World Bank estimates that economic activity in Lebanon contracted by 5.7 per cent in 2024 as a direct spillover of the war (figure 1). Under a no-conflict scenario, gross domestic product (GDP) would have increased by 0.9 per cent in 2024.[6]

1 OCHA (United Nations Office for the Coordination of Humanitarian Affairs), Lebanon: *Flash Update #56 – Escalation of Hostilities in Lebanon*, January 2025.

2 IOM (International Organization for Migration), *DTM Mobility Snapshot, Round 78 IOM, Lebanon*, February 2025.

3 Mobility Snapshot.

4 WB (World Bank Group), Lebanon Interim Damage and Loss Assessment (DaLA), November 2024. The DaLA estimates sectoral damage occurring between 8 October 2023 and 27 October 2024 for commerce, health, housing, tourism and hospitality, and between 8 October 2023 and 27 September 2024 for agriculture and environment.

5 WB, *Rapid Damage and Needs Assessment*. Lebanon, March 2025.

6 WB, *Lebanon Economic Monitor – Mounting Burdens on a Crisis-Ridden Country*, 2025.

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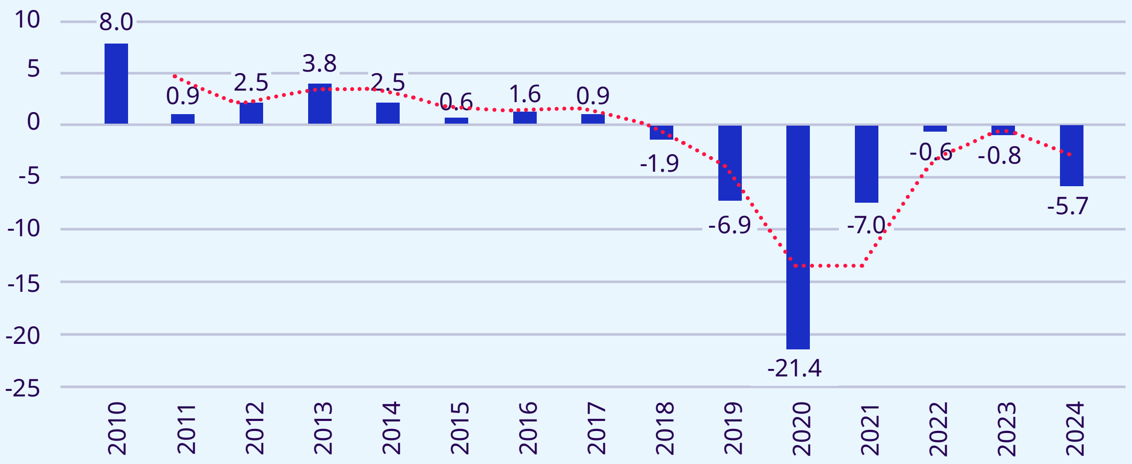
▶ **Figure 1. Real GDP growth, Lebanon, 2010–2024 (%)**



Source: World Bank, Lebanon Economic Monitor, Fall 2024.

In this context, the ILO, in partnership with the General Confederation of Lebanese Workers (CGTL), the National Federation of Worker and Employee Trade Unions (FENASOL) and the Association of Lebanese Industrialists (ALI), launched a rapid assessment to evaluate the impact of the war on the private sector. The aim of this assessment is to inform recovery and reconstruction strategies by identifying the challenges facing private-sector workers and enterprises, as well as their specific needs. The assessment comes at a pivotal moment, as a renewed sense of political optimism emerges. Lebanon entered 2025 with fresh leadership following 2 years of institutional paralysis, with the election of a new president, the appointment of a prime minister and the formation of a new government signaling potential momentum for national recovery and reform.

▶ Structure of the report

The report comprises six chapters in total. Following this introduction, the remaining five chapters are structured as follows:

Chapter 1 outlines the methodology and sampling framework employed in this assessment.

Chapter 2 provides an overview of the Lebanese economy and labour market prior to the war, highlighting the country's long-standing structural employment and labour market challenges and how these have been progressively exacerbated since 2019.

Chapter 3 presents the findings of the workers' survey, focusing on the impact of the war on household income, displacement, employment status, mobility, formality, working conditions and workers' confidence in job stability.

Chapter 4 then turns to the war's impact on private-sector enterprises. It describes the impact on business operations during and after the war, the level of physical damage, coping mechanisms and the challenges and needs of enterprises for recovery.

Finally, the report concludes with a summary the main findings, together with a number of recommendations grouped into two categories: (1) measures aimed at immediately supporting workers and enterprises to restore their livelihoods; and (2) long-term structural reforms designed to address the deep-rooted weaknesses in the Lebanese economy and labour market.

01

Methodology

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The study integrated secondary research and primary data with the aim of developing a comprehensive understanding of the pre-war employment and labour market situation, as well as the current context. The researchers collaborated closely with workers' and employers' organizations, which were essential to the study's relevance and credibility. Their databases of workers and enterprises significantly streamlined the data-gathering process, ensuring comprehensive and robust coverage. Additionally, these partnerships strengthened the capacity of workers' organizations to conduct similar surveys in the future, supporting ongoing efforts to monitor and respond to evolving needs effectively. Beyond the provision of data, the CGTL and FENASOL implemented the fieldwork and leveraged their expertise and extensive networks to facilitate access to target populations.

The study began with a review of existing reports and data and examined key indicators and trends that have shaped the Lebanese economy and labour market. This provided a baseline for understanding the extent of changes caused by the war and highlighted the pre-existing structural challenges that had already created a difficult environment for both workers and enterprises. Additionally, reports on the impact of the war on Lebanon produced by various national and international stakeholders were reviewed. These resources were used to triangulate findings from the primary data collection phase and complement the analysis as required.

Two surveys were conducted: one targeting workers and the other targeting enterprises across regions and sectors. The questionnaires were developed by the Consultation and Research Institute (CRI) in close collaboration with the ILO, incorporating their inputs throughout the process. Quantitative data were obtained through the surveys, and these were augmented by qualitative data and information obtained in the focus group discussions (FGDs), comprising of workers' and employers' representatives. These discussions captured nuanced insights into the challenges faced by participants during the war, adding contextual depth to the quantitative findings. Two online FGDs with workers' representatives, each lasting two hours, were held on 15 and 16 January 2024. FENASOL and CGTL identified and facilitated the participation of representatives from a range of sectors and the federations themselves. The third FGD was conducted in person on 22 January 2025 with board members of ALI.

▶ Workers survey

The workers survey, implemented in partnership with CGTL and FENASOL, aimed to assess the war's impact on workers, focusing on their employment, livelihoods and working conditions. Key questions explored displacement, layoffs and changes in employment status, as well as reductions in working hours, wages and benefits. This survey also examined the effects of displacement due to the destruction of workplaces, the forced migration of workers and challenges related to commuting or relocation. It also aimed to provide data on the unequal burden placed on certain groups, such as women, young workers, refugees and migrant workers, and identify the needs of workers and their families.

Sampling methodology and design

For the workers survey, the sampling method comprised the following:

- Statistical units were defined as workers residing in Lebanon and listed in CGTL and FENASOL databases. The definition included Lebanese, Syrians and other nationalities. Both formal and informal workers were included, as well as migrant domestic workers.
- The original sample size was 2,100. The partners used their own databases to extract the names and contact information of workers categorized by region and sector. The contact lists of the partners served as the sampling base of this survey.

- The sample distribution was originally based on the most recent official survey, namely the follow-up Labour Force and Households Living Conditions Survey, conducted by the Central Administration of Statistics (CAS), in collaboration with ILO in 2022. Data relating to Syrian refugees were based on the most recent Vulnerability Assessment of Syrian Refugees in Lebanon (VASyR) and the United Nations High Commissioner for Refugees (UNHCR) database.
- Sampling quotas were based on selected variables, including geographical location (governorate), sector of economic activity, gender and nationality.
- Partners' quotas were adapted to the profile of their contact lists (e.g. domestic workers were only included in FENASOL lists).

While the target sample was derived from national statistics, it was subsequently adjusted to account for worker profiles available in partner databases (i.e. sectors not represented in partners' lists were excluded). Additional adjustments were made, including overweighting certain characteristics, to ensure a sufficiently robust sample capable of producing meaningful results at governorate or sector level.

Tables 1–6 detail the quotas for each variable and include:

- the initial national distribution (based on national data, rounded to simplify sample distribution);
- the target sample following adjustment;
- the actual sample resulting from the fieldwork.

All target samples were met, within an acceptable margin of difference, and the total effective sample size achieved of 2,292 exceeded the target of 2,100.

▶ Table 1. Sample by nationality of worker (target and actual)

Nationality	National distribution		Target		Actual	
Lebanese	75%	1575	74%	1550	75%	1721
Syrian	20%	420	19%	400	19%	429
Other	5%	105	7%	150	6%	142
Total	**100%**	**2100**	**100%**	**2100**	**100%**	**2292**

▶ Table 2. Sample by sex of worker (target and actual)

Gender	National distribution		Target		Actual	
Male	75%	1567	74%	1550	72%	1642
Female	25%	533	26%	650	28%	650
Total	**100%**	**2100**	**100%**	**2100**	**100%**	**2292**

▶ Table 3. Sample by region (target and actual)

	National distribution		Target		Actual	
Beirut	7.4%	154	12%	260	13%	300
Mount Lebanon	45.6%	957	26%	550	22%	503
North Lebanon	11.3%	237	13%	270	17%	380
Akkar	4.3%	91	7%	155	6%	133
Bekaa	6.5%	137	10%	200	6%	146
Baalbek-Hermel	5.4%	113	6%	135	7%	152
South	11.0%	232	16%	330	16%	376
Nabatieh	8.5%	179	10%	200	13%	302
Lebanon	**100.0%**	**2100**	**100%**	**2100**	**100%**	**2292**

▶ Table 4. Sample by sector of activity (target and actual)

Sector	National distribution		Target		Actual	
Agriculture	5%	112	9%	185	9%	200
Manufacturing	18%	375	15%	310	13%	303
Construction	10%	217	12%	245	12%	279
Trade	24%	508	19%	389	20%	463
Transportation	7%	153	9%	179	8%	193
Tourism	5%	114	12%	257	8%	188
Education	12%	251	8%	178	9%	194
Health	7%	144	6%	132	8%	174
Domestic workers	3%	63	5%	105	5%	107
Other services	8%	164	6%	120	8%	191
Total	**100%**	**2100**	**100%**	**2100**	**100%**	**2292**

▶ Table 5. Sample by region and sector of activity (target)

	Beirut	Mount Lebanon	North Lebanon	Akkar	Bekaa	Baalbek-Hermel	South	Nabatieh	Lebanon
Agriculture	-	20	20	50	30	15	40	10	185
Manufacturing	40	80	45	20	30	20	45	30	310
Construction	20	100	25	10	20	15	30	25	245
Trade	50	100	60	24	40	25	60	30	389
Transportation	25	60	20	7	15	12	20	20	179
Tourism	50	60	30	10	20	12	45	30	257
Education	20	40	25	12	20	11	30	20	178
Health	15	40	20	7	10	10	20	10	132
Domestic workers	20	20	15	5	5	5	20	15	105
Other services	20	30	10	10	10	10	20	10	120
Total	**260**	**550**	**270**	**155**	**200**	**135**	**330**	**200**	**2100**

▶ Table 6. Sample by region and sector of activity (actual)

	Beirut	Mount Lebanon	North Lebanon	Akkar	Bekaa	Baalbek-Hermel	South	Nabatieh	Lebanon
Agriculture	0	9	37	46	19	5	55	29	200
Manufacturing	44	60	45	8	48	16	43	39	303
Construction	24	63	51	19	23	1	83	15	279
Trade	63	129	86	34	1	34	43	73	463
Transportation	20	62	6	1	24	23	43	14	193
Tourism	24	61	43	9	13	24	3	11	188
Education	32	40	30	7	4	11	25	45	194
Health	41	22	39	3	1	24	21	23	174
Domestic workers	22	21	24	1	5	4	23	7	107
Other services	30	36	19	5	8	10	37	46	191
Total	**300**	**503**	**380**	**133**	**146**	**152**	**376**	**302**	**2292**

Limitation

Although the survey included Lebanese, Syrian refugees, Palestinian refugees and migrant workers of other nationalities, no specific quota was set for Palestinian refugees. As a result, only 49 of the interviewed workers were Palestinian, a relatively small number compared with other nationality groups. While the data still offer valuable insights, the findings should be interpreted with caution, as the limited sample size makes it difficult to generalize results to the broader Palestinian refugee population.

Field implementation

Both partners mobilized 18 enumerators each to conduct the field survey of workers. CRI programmed the questionnaires (in Arabic and English) using KoboToolbox and uploaded them to enumerators' tablets. Two training sessions, one for each partner's team, were held by CRI on 11 December 2024. A pilot survey was conducted and assessed immediately after the training sessions. Fieldwork took place 12–30 December 2024, with all interviews conducted by telephone.

The workers questionnaire comprised around 60 questions. CRI provided the ILO and both partners with daily monitoring reports, detailing field progress against targets and highlighting any adjustments required.

Enterprises survey

The survey of enterprises, implemented in partnership with ALI, aimed to assess the multifaceted impact of the war on enterprises in Lebanon, focusing on their assets, operations and overall performance. It examined physical infrastructure damage, closures, workforce displacement, layoffs and operational challenges, such as wage payment difficulties, supply chain disruptions, liquidity shortages and rising costs. The survey also explored the effects of the war on sales, investments and market access, as well as broader effects like shifts in consumer demand and disruptions to trade networks. Additionally, the survey aimed to evaluate enterprises' needs for recovery, identifying requirements for assistance and support.

Sampling methodology and design

The sampling design and sample distribution comprised the following:

- Statistical units were defined as enterprises operating in Lebanon.
- The target sample size was 700 enterprises.
- The sample distribution was based on the latest existing official surveys, namely the censuses of buildings and establishments conducted in 1996 and in 2004.
- Geographic location (governorates), sector of activity and enterprise size were used to design the various sampling quotas. In addition, two indicative quotas were monitored: formality status of enterprises and gender of the owner or manager.

The sample distribution was adjusted for a more detailed analysis of specific targets. For example, the number of medium-sized and large enterprises was increased to ensure sufficient representation for targeted analyses.

Tables 7–11 present the "theoretical" distribution of the sample as well as the targets that were set by CRI and the ILO, and the actual sample achieved during fieldwork. Overall, the achieved sample closely resembles the target sample.

Table 7. Sample by enterprise size (target and actual)

No. of workers	Census 2004		Census 1996		Target	Actual
0–4	94%	655	92%	644	400	412
5–9	4%	27	5%	35	200	174
10+	3%	18	3%	21	100	115
Total	**100%**	**700**	**100%**	**700**	**700**	**701**

▶ Table 8. Sample by sector of activity (target and actual)

	Census 2004		Target	Actual
Agriculture	5%	33	55	55
Manufacturing	10%	72	144	144
Construction	1%	10	65	63
Trade	52%	365	166	167
Transportation	13%	93	45	46
Tourism	4%	28	93	93
Education	1%	7	32	31
Health	5%	35	50	50
Other services	8%	57	50	52
Total	**100%**	**700**	**700**	**701**

▶ Table 9. Sample by region (target and actual)

	Census 2004		Census 1996		Target	Actual
Beirut	14%	101	12%	84	120	120
Mount Lebanon	36%	255	36%	252	179	180
North Lebanon	15%	102	18%	126	105	105
Akkar	5%	33	5%	35	34	34
Bekaa	8%	53	9%	63	63	63
Baalbek-Hermel	5%	38	5%	35	61	61
South	10%	73	10%	70	87	87
Nabatieh	6%	44	5%	35	51	51
Lebanon	**100%**	**700**	**100%**	**700**	**700**	**701**

▶ Table 10. Region by sector of activity (target)

	Beirut	Mount Lebanon	North Lebanon	Akkar	Bekaa	Baalbek-Hermel	South	Nabatieh	Lebanon
Agriculture	0	0	10	10	10	10	10	5	55
Manufacturing	25	55	20	0	10	9	15	10	144
Construction	10	15	10	0	10	10	5	5	65
Trade	35	45	30	10	10	10	14	12	166
Transportation	10	10	5	0	5	5	5	5	45
Tourism	20	25	10	7	6	5	15	5	93
Education	5	9	5	2	2	2	5	2	32
Health	10	5	10	0	5	5	13	2	50
Other services	5	15	5	5	5	5	5	5	50
Total	**120**	**179**	**105**	**34**	**63**	**61**	**87**	**51**	**700**

▶ **Table 11. Region by sector of activity (actual)**

	Beirut	Mount Lebanon	North Lebanon	Akkar	Bekaa	Baalbek-Hermel	South	Nabatieh	Lebanon
Agriculture	0	0	10	10	10	10	10	5	55
Manufacturing	26	54	20	0	10	9	15	10	144
Construction	9	16	10	0	8	10	5	5	63
Trade	35	46	30	10	11	10	14	11	167
Transportation	10	10	5	0	5	5	5	6	46
Tourism	20	25	10	7	6	5	15	5	93
Education	5	8	5	2	2	2	5	2	31
Health	10	5	10	0	5	5	13	2	50
Other services	5	16	5	5	6	5	5	5	52
Total	**120**	**180**	**105**	**34**	**63**	**61**	**87**	**51**	**701**

Field implementation

The enterprises questionnaire was developed, translated and programmed in November 2024 and comprised around 50 questions, taking an average of 16 minutes to complete. CRI was in charge of the field implementation of this survey, using eight enumerators. A training session was held 13 December 2024, followed by a pilot survey. The full deployment of fieldwork took place between 14 and 31 December, with all interviews conducted by telephone. Daily monitoring reports were shared with the ILO, providing updates on progress.

02

Overview of the labour market before the war

Prior to the latest conflict, the labour market in Lebanon was marked by deep and persistent structural weaknesses. Decades of economic volatility, institutional fragility and limited policy reforms had contributed to a system unable to generate sufficient inclusive and decent employment opportunities. These long-standing challenges intensified during the 2019 economic and financial crisis, which drastically reshaped the world of work, exacerbating unemployment, informality and underemployment. Against this already fragile backdrop, the war added new layers of pressure on workers and enterprises alike.

Demographic shifts

Prior to the 2019 crisis, the country's shifting demographic profile affected labour market dynamics, marked by rapidly declining fertility rates and increased life expectancy.[7] This transition resulted in a shrinking population of children aged under 14 years, a growing working-age population (15–64 years) and a notable expansion of the 65+ age group. These demographic trends, however, unfolded alongside significant migratory movements, namely the emigration of Lebanese nationals and substantial immigration, primarily Syrian refugees. As a result, population growth over the past decade in Lebanon far outpaced natural growth, driven largely by a net inflow of migrants and displaced populations.

Low labour force participation rates

In 2022, the total labour force participation rate (LFPR) was estimated at 43.4 per cent, indicating that less than half of the working-age population was either employed or actively seeking and available for work.[8] This figure is particularly low when compared with the global average of 60.7 per cent.[9] Disaggregating the national LFPR by socio-demographic group reveals significant disparities, particularly gender. The male participation rate stood at 66.2 per cent, while the female rate was markedly lower at just 22.2 per cent, underscoring the persistently low engagement of women in the labour market. This gender gap, common across the region, is largely attributed to structural and societal factors, including the absence of family-friendly policies, limited access to affordable childcare, a scarcity of well-paying jobs that justify dual-income households, and entrenched cultural norms that continue to shape women's economic participation.

> Less than half of the working-age population was either employed or actively seeking and available for work.

7 ILO, *Towards Decent Work in Lebanon: Issues and Challenges in Light of the Syrian Refugee Crisis*, 2015.

8 ILO, *Lebanon Follow-up Labour Force Survey*, January, 2022.

9 ILO modelled estimates and projections database (ILOEST). Available at: https://ilostat.ilo.org/data/.

High unemployment and labour underutilization rates

In 2022, Lebanon experienced critically high unemployment at 29.6 per cent.[10] Disaggregated data highlight significant disparities across gender and age groups. The female unemployment rate stood at 32.7 per cent, notably higher than the male unemployment rate of 28.4 per cent. Even more striking, youth unemployment (ages 15–24 years) reached 47.8 per cent, almost double the adult unemployment rate of 25.6 per cent. These figures underscore the disproportionate burden of unemployment on young people and women in the Lebanese labour market.

However, unemployment statistics alone fail to fully capture the severity of labour market challenges in Lebanon. For youth, a major concern is the high NEET (not in employment, education or training) rate, which stood at 29.1 per cent in 2022. This figure was higher among young women (32.1 per cent) compared with young men (26.2 per cent), suggesting widespread disengagement of the youth population from both economic and educational systems.

A broader and more comprehensive metric – the composite measure of labour underutilization (LU4) – reveals deep structural issues. LU4 considers not just unemployment, but also time-related underemployment and the potential labour force.[11] In 2022, LU4 was estimated at 50.1 per cent, indicating that half of the current and potential labour force was underutilized in some form. This underutilization was again most pronounced among youth (64.2 per cent) and women (57.1 per cent). These figures reflect a systemic failure to integrate large segments of the population into productive economic activity and highlight an urgent need for targeted policy interventions that address barriers to employment, especially for young people and women.

Limited job creation capacity

The Lebanese economy appears severely constrained in its capacity to generate employment for its working-age population, as evidenced by the employment-to-population (EPR) ratio, which stood at only 30.6 per cent in 2022.[12] This indicator, often used as a proxy for an economy's ability to create jobs, reveals that less than one third of the working-age population in Lebanon was actually employed. The breakdown of this ratio further underscores the structural limitations of the labour market. The male EPR was significantly higher at 47.4 per cent, while the female EPR was alarmingly low at just 14.9 per cent, pointing to significant gender-based barriers to employment. Youth also face a particularly bleak employment landscape, with an EPR of only 17.9 per cent, compared with 34.2 per cent for adults. These figures highlight the economy's inability to absorb large segments of its working-age population, especially women and young people, into the workforce. Such low employment absorption capacity reflects not only sluggish economic growth and a weak private sector, but also broader structural challenges, including political instability, limited investment, lack of pro-employment growth policies and inadequate labour market policies.

10 ILO and CAS, *Follow-up Labour Force and Household Living Conditions Survey*, 2022.

11 The potential labour force is defined as all persons of working age who were neither in employment nor in unemployment, but who were (a) unavailable jobseekers (i.e. carried out activities to seek employment in a recent period but were not currently available to take up employment); or (b) potentially available jobseekers (i.e. did not carry out activities to seek employment in a recent period, but wanted employment and were currently available to take up employment).

12 ILO and CAS, *Follow-up LFHLCS*.

Predominance of low-value-added activities and informality

One of the fundamental structural weaknesses of the Lebanese economy is its stark sectoral imbalances. The predominant sector of the economy is “services”, constituting an overwhelming 70.1 per cent of value added in 2021,[13] and employed 73.8 per cent of workers in 2022.[14] Conversely, “industry” and “manufacturing” accounted for much smaller shares of GDP and employment. In other words, the services sector is the main driver of employment and economic growth in Lebanon.

With some exceptions, such as financial services, information and communication technology, health and education, the services sector consists of activities characterized by high levels of informality, limited value added, low productivity and limited employment options for high-skilled labour. Moreover, services such as tourism are usually more sensitive to external shocks. Overall, the growth model of the Lebanese economy is heavily reliant on non-productive, non-tradable, and rent-seeking activities which “benefit the select few and fail to deliver quality job opportunities to a large share of the population”.[15]

In 2022, the Labour Force and Households Living Conditions Survey (LFHLCS) measured informality, both in terms of job characteristics (e.g. informal employment) and in terms of the characteristics of the employer’s establishment (e.g. the informal sector). The survey estimated employment in the informal sector at 48.3 per cent, while informal employment reached 62.4 per cent. A closer look at the Labour Force Survey (LFS) reveals that 15.2 per cent of total employment included persons with informal jobs working in the formal sector. This category includes employees working for large private corporations or government agencies on short-term contracts, without social security contributions by the employer. In the vast informal economy, significant numbers of workers face inadequate working conditions characterized by lack of social protection coverage, low wages, relatively long working hours, irregular work patterns (e.g. seasonality), lack of formal contracts and hazardous job conditions.

Self-employment amid limited job opportunities

In Lebanon, 24.2 per cent of the total workforce is self-employed, comprising both own-account workers and employers. The majority of these (17.9 per cent of the total) are own-account workers, indicating that most self-employed individuals operate without hired employees. Men are significantly more likely to be self-employed (28.4 per cent) than women (11.6 per cent). While a high rate of self-employment, particularly own-account work, is not inherently indicative of labour market fragility, in the Lebanese context it often reflects economic vulnerability. A large proportion of these workers are underemployed, struggle to earn a sustainable income and lack access to social protection or labour rights. In many cases, individuals turn to self-employment, especially own-account work, not out of entrepreneurial choice, but because of the absence of stable, decent job opportunities in the formal labour market.

13 CAS, *Annual National Accounts*, 2021.

14 ILO and CAS, *Follow-up LFHLCS*.

15 WB, *Lebanon Economic Monitor: De-Risking Lebanon*, 2018.

Predominance of MSMEs

MSMEs account for over 90 per cent of all enterprises in Lebanon,[16] forming the backbone of the country's private sector. However, a significant share of these businesses operate informally, without proper registration or regulatory oversight, undermining their resilience and growth potential. Informal MSMEs typically have limited access to finance, government support programmes, business development services and formal markets. As a result, they struggle to scale, invest in productivity-enhancing technologies or weather economic shocks. Many operate on thin margins and remain vulnerable to market fluctuations, political instability and broader economic crises.

The vulnerability of MSMEs also reflects the working conditions of their employees, as many are employed informally with no access to social protection or benefits, often in precarious situations, with low wages, long working hours and instability. In such a context, a labour market dominated by informal MSMEs and low-quality employment is inherently fragile and volatile, unable to generate sustainable livelihoods or support inclusive economic development.

Widespread reliance on non-Lebanese workers

In addition to the above structural indicators of fragility in the Lebanese labour market, certain social groups are particularly vulnerable, namely Syrian workers, Palestinian workers and migrant domestic workers.

Syrian refugee workers

A few months before the onset of the war in Lebanon, the number of Syrian refugees was estimated at 1.5 million, accounting for approximately 30 per cent of the Lebanese resident population.[17] However, according to the UNHCR operational data portal, only 755,426 Syrian refugees were officially registered. Refugee registration was suspended in May 2015 following a decision of the Lebanese Government.[18]

In terms of employment and according to the 2023 VASyR report – the latest and the major source of data for Syrian refugees in Lebanon – the LFPR for Syrian refugees in Lebanon was 46 per cent, with prominent gaps between males (75 per cent) and females (19 per cent).[19] Employment rates among Syrian refugees increased from 33 per cent in 2022 to 39 per cent in 2023. At the regional level, Beirut and South Lebanon had the highest employment rates (44 per cent each). Because of work permit restrictions, which limit the number of available occupations, three quarters of Syrian refugee workers are concentrated in four major occupations (figure 2): agricultural workers (31 per cent), workers in other services (18 per cent), construction workers (16 per cent), and other skilled work (10 per cent).

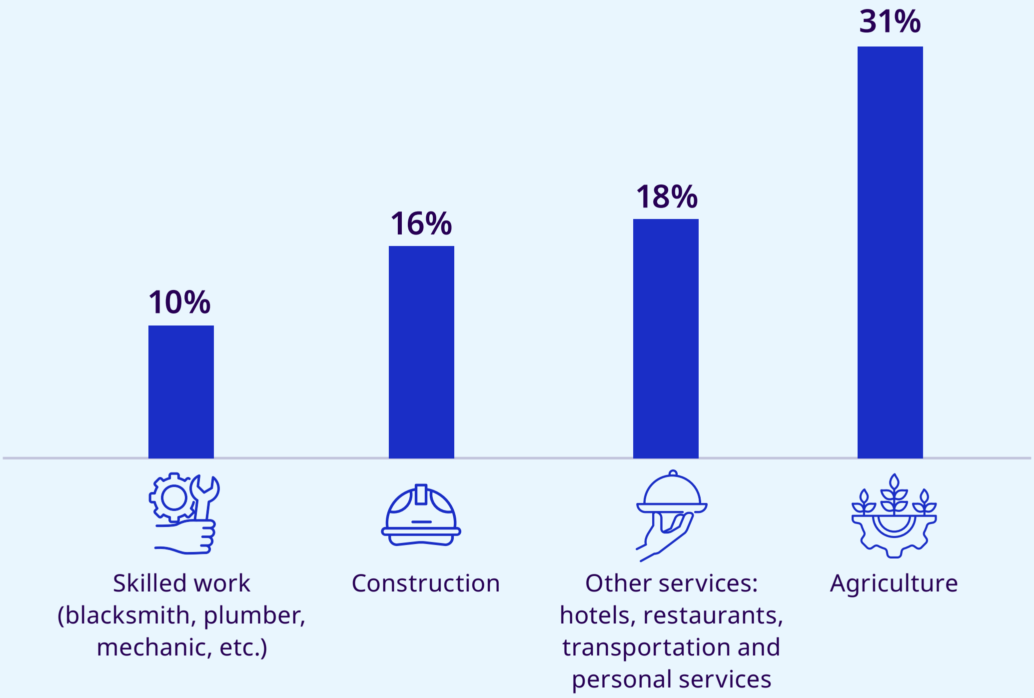
16 CAS, *Census of Buildings and Establishment, 2004; Ministry of Economy and Trade, Lebanon MSE Strategy*, 2014.

17 Bandar Noory, Rima R. Habib and Iman Nuwayhid, "Exposure of Syrian Refugee Agricultural Workers to Pesticides in Lebanon: A Socio-Economic and Political Lens" (Beirut: American University of Beirut), June 2024.

18 Situation Syria Regional Refugee Response

19 The VASyR 2023 report concluded that, with over 1.5 million registered Syrian refugees within its borders, Lebanon ranks highest in per capita population of refugees (specifically Syrians) in the world.

▶ **Figure 2. Employment by branch of economic activity for Syrian refugees, in %**



Source: VASyR 2023.

The VASyR 2023 report also mentioned that the average monthly employment-related income of Syrian refugees increased from $60 in 2022 to $84 in 2023. Additionally, 95 per cent of Syrian refugee workers in Lebanon were informally employed in 2021.[20]

> Three quarters of Syrian refugee workers are concentrated in four major occupations: agriculture, services, construction, and other skilled work.

20 ILO. *Assessing Informality and Vulnerability among Disadvantaged Groups in Lebanon: A Survey of Lebanese, and Syrian and Palestinian Refugees*, 2021.

Palestinian workers

Lebanon hosts approximately 183,000 Palestinian refugees[21] who live in 12 camps and 42 gatherings. These figures include 166,000 Palestinian refugees in Lebanon, 18,000 Palestinian refugees displaced from Syria and 3,000–5,000 "non-ID" Palestinians who arrived in Lebanon without identity documents after the 1960s, leaving them in a precarious legal status. Without legal status, non-ID Palestinians face restrictions on movement and difficulties in completing civil registration procedures and accessing public services, formal employment and the justice system.[22] Palestinian refugees in Lebanon are prohibited from working in 39 professions, such as medicine, law and engineering.[23]

Palestinian refugees face barriers to education, decent employment and social protection, making them almost entirely dependent on the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for assistance and services, which, in turn, are precarious because of limited resources and fluctuations in donor funding.[24] In terms of employment, the LFPR for Palestinian refugees in Lebanon was 43.8 per cent, with prominent gaps between male workers (71.5 per cent) and female workers (16.4 per cent).[25]

The total unemployment rate was estimated at 19.4 per cent, with significant differences between females (27.3 per cent) and males (17.5 per cent). Unemployment was also highest for those aged 15-19 (45.3 per cent) and those aged 20–24 years (36.4 per cent) compared with older workers.

The sales sector (wholesale and retail) employs the highest share of Palestinian refugee workers (24.5 per cent), followed by construction (17.4 per cent) and manufacturing (12.9 per cent). The majority of the employed persons residing in the Palestinian refugee gatherings do not possess a work permit,[26, 27] and 93.9 per cent of them worked informally in 2021.[28]

In 2022, because of the currency's devaluation, the average monthly earnings of dwellers of Palestinian refugee gatherings was just $100 (compared with $365 in 2017) and half of Palestinian refugee workers (residing in gatherings) earned less than $70.[29]

> Palestinian refugees in Lebanon are prohibited from working in 39 professions, such as medicine, law and engineering.

21 LPDC (Lebanese Palestinian Dialogue Committee), *Population and Housing Census in Palestinian Camps and Gatherings in Lebanon 2017*, October 2019.

22 United Nations General Assembly, *Report of the Special Rapporteur on Extreme Poverty and Human Rights, Olivier De Schutter*, 2022.

23 UNICEF, "Palestinian Programme Lebanon".

24 United Nations General Assembly, *Report of the Special Rapporteur*.

25 LPDC, *Population and Housing Census*.

26 The 2017 census found that about 93.5 per cent of employed persons residing in Palestinian refugee gatherings in Lebanon did not possess a work permit.

27 LPDC, *Employment*.

28 ILO, *Assessing Informality and Vulnerability*.

29 UNDP, *Household Survey on Living Conditions in Palestinian Gatherings in Lebanon*, 2022.

Other migrant workers

Aside from the Syrian and Palestinian refugee population, migrant workers in Lebanon constitute a diverse and essential segment of the workforce. While data are somewhat incomplete with respect to their numbers, these workers play a vital, yet often under-recognized, role in the national economy. They are employed across multiple sectors, with a significant concentration in construction, agriculture, cleaning services and especially domestic work. Yet, they face systemic vulnerabilities that demand comprehensive legal, social and institutional reforms to ensure their rights and dignity are upheld.

The August 2024 Migrant Presence Monitoring report by the IOM identified 176,504 migrants in Lebanon, reflecting a 10 per cent increase since 2023.[30] The largest migrant groups include those from Ethiopia (38 per cent), Bangladesh (21 per cent) and the Sudan (9 per cent). Females make up 70 per cent of the migrant population, but the female-to-male ratio varies by nationality: 99 per cent of Filipinos and 98 per cent of Ethiopians are female, compared with 9 per cent of Sudanese and 7 per cent of Egyptians. The highest concentration of migrants was in Mount Lebanon, which accounts for 57 per cent (101,178 individuals) of the migrant population. Beirut followed with 19 per cent (32,885 individuals). According to the same report, 48 per cent of the total migrant population were classified as “live-out”, while another 48 per cent were “live-in”. The remaining 4 per cent have unknown living arrangements.

In Lebanon, migrant domestic workers (MDWs) – together with other categories of workers, such as agricultural workers – are excluded from the country’s labour legislation. This leaves them vulnerable to exploitation and denies them basic rights, such as the ability to enter a labour dispute process. Under the “kafala” (sponsorship) system, the position of MDWs is very precarious, as they are completely dependent on the sponsor. MDWs have no say in the terms of their contract or working conditions, making them even more susceptible to abuse.[31] Moreover, female MDWs are not protected by the domestic violence law, placing them at risk of exposure to harassment and sexual and gender-based violence, with impunity for perpetrators.[32]

Beyond domestic work, other sectors also rely on male migrant workers, particularly in construction and agriculture. Many of these workers come from Syria, Egypt, the Sudan and South Asian countries like Bangladesh and India. While some may hold legal work permits, many work informally or under temporary arrangements, often with limited job security, poor working conditions and little access to social protection.

30 IOM, Lebanon, Migrant Presence Monitoring, August 2024.

31 OECD Development Centre, *Social Institutions and Gender Index: Lebanon*, 2019.

32 ILO, *Women Migrant Domestic Workers in Lebanon: A Gender Perspective*, June 2021.

03

Impact of the war on private-sector workers

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Before the war, the private sector in Lebanon was already grappling with economic instability, driven by the prolonged financial crisis, political uncertainty and structural weaknesses. The initial phase of the conflict, concentrated along the southern border, exacerbated the situation and disrupted businesses and labour market dynamics. Once hostilities intensified in September 2024, expanding beyond the South, the broader economy faltered, including business closures, job losses and heightened financial insecurity for workers.

This chapter examines the economic and employment-related consequences faced by private-sector workers. The survey of 2,292 workers asked about the war's impact on their livelihoods, employment status, working hours, household incomes, needs and coping strategies. It also considered, where appropriate, the diverse experiences of different population groups, including women, youth, migrants and refugees. Tables 12 and 13 describe the characteristics of the sample.

▶ Table 12. Selected characteristics of the sample (workers)

Male	71.6%
Female	28.4%
17–29 years	20.0%
30+ years	80.0%
Lebanese	75.1%
Syrian	18.7%
Palestinian	2.1%
Other	4.1%
Paid employee	55.2%
Self-employed	44.8%

▶ Table 13. Selected characteristics of workers' households

Household size (persons)	
1–2	9.0%
3–5	66.5%
6 or more	24.4%
Number of working individuals per household	
1	50.3%
2	37.9%
3 or more	11.8%

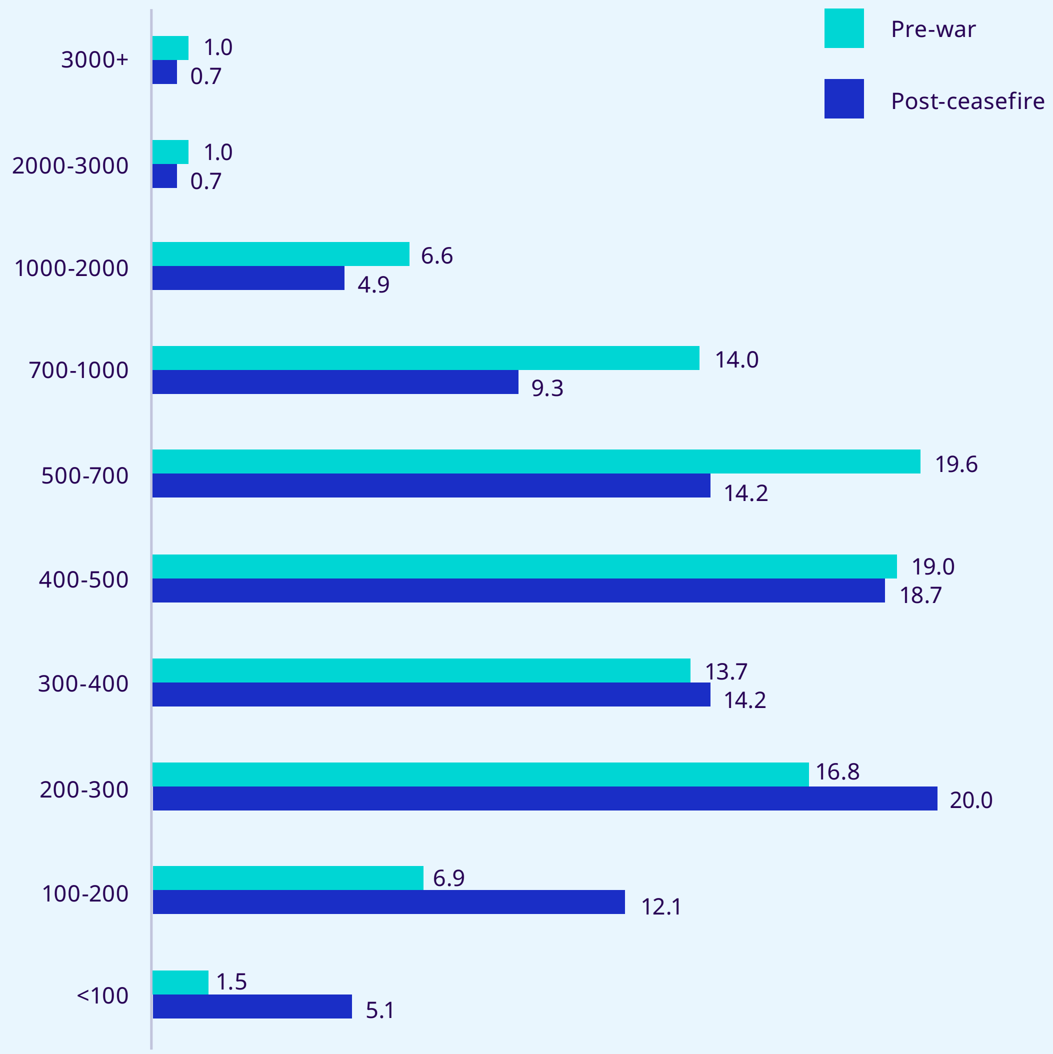
▶ Impact on households

Post-ceasefire, household size, defined as the number of individuals residing under the same roof, averaged 4.7. This figure was relatively stable given the pre-war average of 4.6. However, among workers who remained displaced at the time of the survey, household size was notably higher, rising from a pre-war average of 4.8 to 5.3. This increase reflects the fact that displaced people often live with extended family.

The average number of employed individuals per household declined modestly from 1.7 (pre-war) to 1.5 in the post-ceasefire period. This decrease reflects the adverse employment impacts experienced by households affected by displacement and job losses. Notably, households that were never displaced maintained a relatively stable average of 1.6 workers. In contrast, among those who were displaced and later returned home, the average number of workers fell from 1.7 to 1.5, while households that remained displaced at the time of the survey experienced a more pronounced decline, from 2.0 to 1.3. These findings highlight the financial vulnerability of households hosting displaced people.

Some 70.1 per cent of workers reported a monthly household income below $500, up from 57.9 per cent prior to September 2024. This decline in income was underscored by a noticeable shift in the income distribution, with fewer households in higher income brackets and a corresponding increase in those occupying the lower brackets, as shown in figure 3.

▶ Figure 3. Distribution of workers by household income (US dollars), pre- and post-war (%)



This trend was confirmed by the decline in average monthly household income, which fell from $586 prior to the war to $490 at the time of the survey, representing a 16.3 per cent decrease. The drop was most pronounced among households that remained displaced, with an average income reduction of 39.7 per cent, compared with a 14.5 per cent decline among those who returned after displacement and 11.6 per cent among households that were never displaced.

Significant disparities in average household income by nationality, already present before the war, warrant attention. Post-ceasefire, migrant worker households earned an average of $269 per month, compared with $388 for Syrian households, $470 for Palestinian households and $529 for Lebanese households. Gender disparities were also evident: households in which a female worker was the primary breadwinner reported significantly lower incomes than those headed by male breadwinners, averaging $392 and $504 respectively.

Although these income gaps predate the war, they have been exacerbated by it. While Lebanese households, proportionally, experienced a larger decline in income (17.5 per cent) compared with other groups, it is important to note that the household income of Syrians, Palestinians and other migrant workers was already well below subsistence levels prior to the conflict. For these vulnerable households, even a relatively small decline in income may have devastating consequences.

▶ Table 14. Change in household income by nationality and sex of head of household

Average household income (US dollars)				
		Pre-war	**Post-ceasefire**	**Percentage change**
Nationality	Lebanese	641	529	-17.5
	Syrian	428	388	-9.3
	Palestinian*	554	470	-15.1
	Other	315	269	-14.7
Sex of head of household	Female	452	392	-13.3
	Male	605	504	-16.6

Note: **The number of observations is limited to 49 cases. This general consideration applies throughout the report.*

▶ Displacement

The fieldwork was conducted following the announcement of the ceasefire agreement. By that time, the majority of displaced workers had already returned to their homes – except in cases where their residences were uninhabitable or their villages remained at risk of incursions and violence. Survey results indicate that 52.3 per cent of interviewed workers were never displaced, while 34.7 per cent were temporarily displaced during the war but had since returned home. The remaining 13.0 per cent were still displaced at the time of the survey.

Notably, 37.2 per cent of those who remain displaced are residing within their governorate of origin. Among those displaced outside their home governorates, the majority are staying in Mount Lebanon (43.9 per cent), followed by the South (31.0 per cent).

Figure 4 illustrates the extent of displacement and repatriation, as well as the geographical profile of workers who remain displaced, namely their distribution in terms of governorate of origin and governorate of continued displacement.

Figure 4. Displacement status and geographical distribution by governorate of origin and governorate of continued displacement

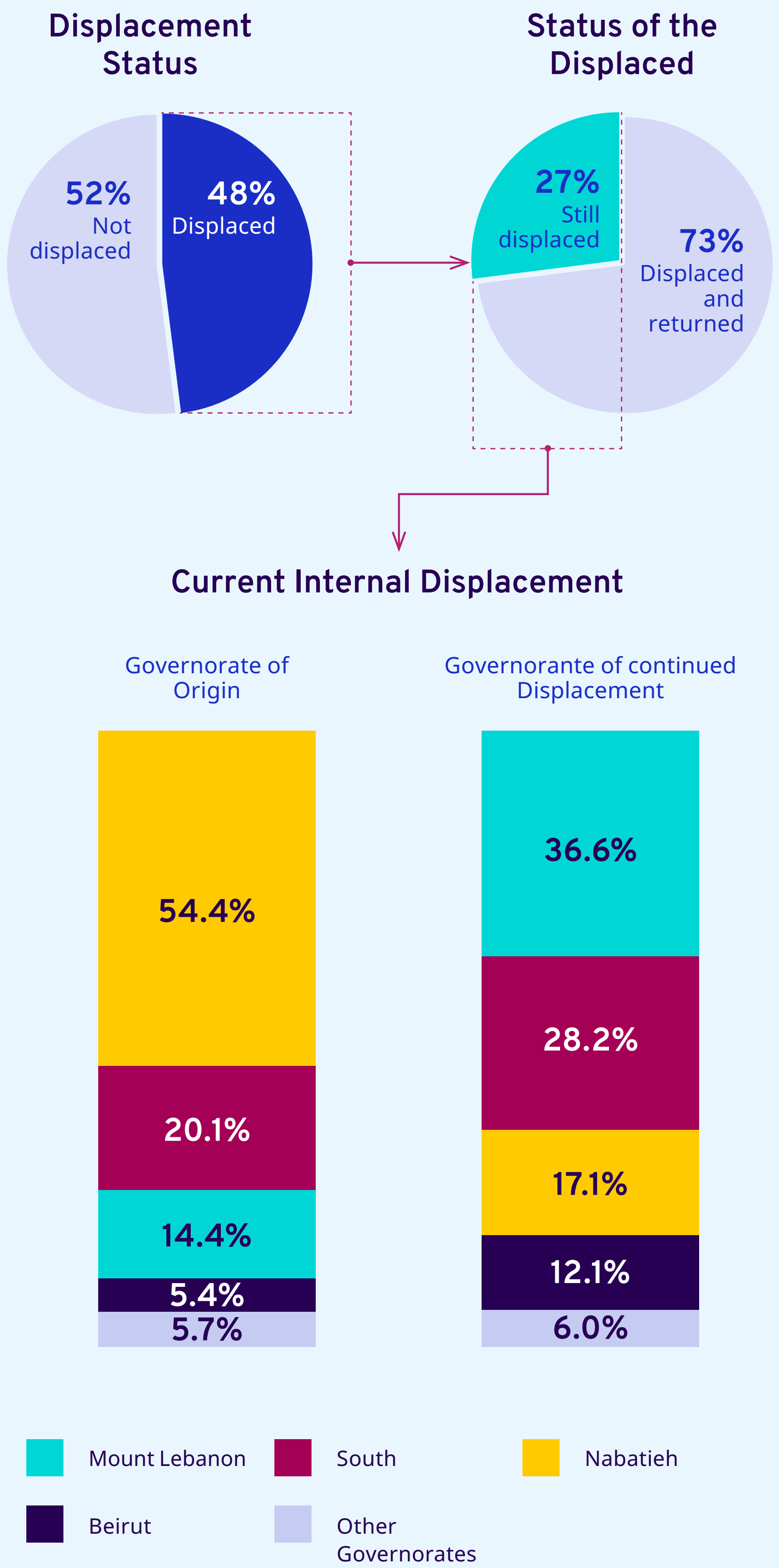
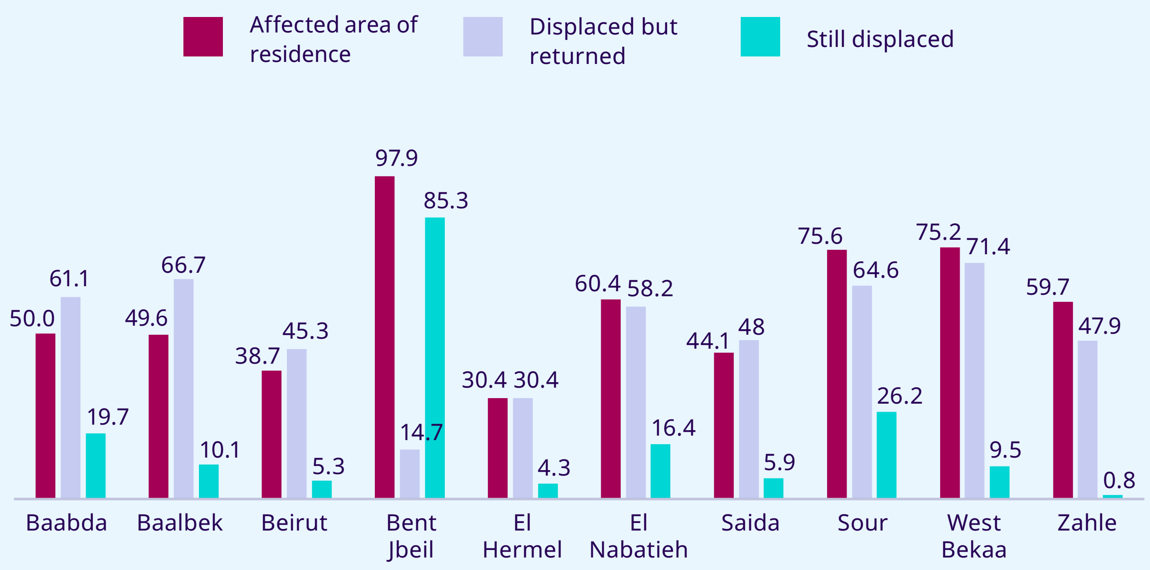


Figure 5 displays the shares of workers in selected districts who reported their areas of residence being affected, those who returned to their homes following displacement, and those who remain displaced. Notably, most districts in Lebanon reported some targeted bombing, even if minimal. In many districts, at least half of workers reported their areas of residence being targeted, with Bekaa, Baalbek-Hermel, South and Nabatieh recording the highest rates. In terms of displacement, the rates are closely associated with the targeting of residential areas. However, repatriation rates differed significantly between districts. Bekaa districts recorded relatively high rates of return, while 85.3 per cent of workers from Bent Jbeil remained displaced.

▶ Figure 5. Proportion of workers by affected area of residence, return following displacement and continued displacement (%)



The 13.0 per cent of the workers who remained displaced were concentrated in Sour (22.8 per cent), Baabda (15.8 per cent), Beirut (12.1 per cent), El Nabatieh (10.4 per cent) and Chouf (9.7 per cent). The two main reasons for continued displacement were lack of safety in the area of residence (59.7 per cent) and uninhabitable dwellings (27.2 per cent). Other reasons included no desire to go back for the time being (7.0 per cent), lack of a job to return to (3.7 per cent) and unsuitable living conditions (2.3 per cent).

Impact on employment

Work status during the war

During the war, 24.7 per cent of surveyed workers experienced job disruption, with 19.9 per cent reporting unemployment and 4.7 per cent exiting the labour force entirely (see figure 6). An additional 6.6 per cent changed jobs, while 68.8 per cent managed to retain their pre-war employment. The impact was particularly severe in conflict-affected areas, where 36.0 per cent of workers lost their jobs, whether temporarily or permanently, compared with just 17.5 per cent in non-affected areas.

Gender disparities were also evident: female workers were more likely than male workers to lose their jobs (29.2 per cent versus 22.8 per cent), partly because of increased care responsibilities during displacement. Youth were also disproportionately affected. Some 29.3 per cent of workers aged 17–29 years, were out of work during the war, compared with 23.5 per cent of adults aged 30 years and above.

Nationality also played a role in employment outcomes. Palestinian workers and those of other nationalities were most affected. Interestingly, Syrian workers were the most likely to retain their jobs, with 80.4 per cent continuing in the same role, compared with 67.8 per cent of Lebanese workers. A closer look at the distribution of Syrians reveals that a large majority resided in non-affected areas, which experienced fewer job losses. In fact, only 14.7 per cent of Syrian workers resided in conflict-affected areas compared with 44.6 per cent of Lebanese workers, meaning that Syrian workers were less likely to become displaced or to see their workplaces being shut down.

Employment type further influenced vulnerability. Self-employed workers were more likely to become unemployed (23.4 per cent) or exit the labour force (6.4 per cent) than salaried workers, whose corresponding rates stood at 17.1 per cent and 3.3 per cent, respectively.

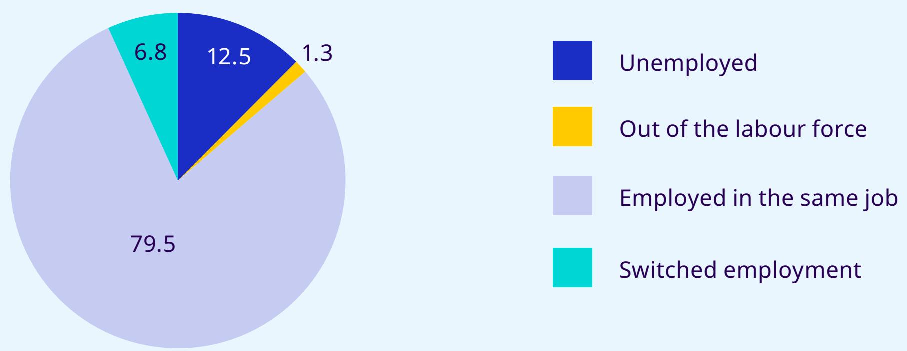
▶ **Figure 6. Factors affecting change in employment status during wartime (%)**

Unsurprisingly, job loss was closely linked to displacement. While only 13.1 per cent of workers who were never displaced were not working during the war, employment losses affected 37.4 per cent of those who were displaced.

Work status post-ceasefire

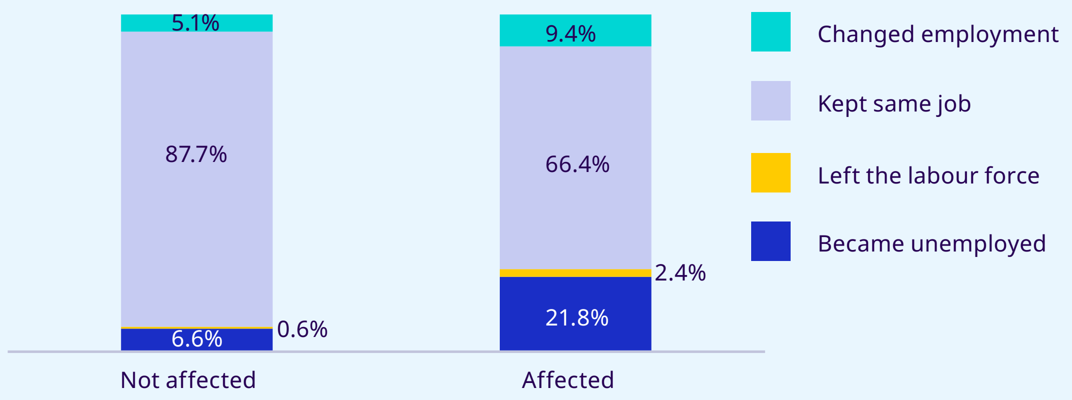
Workers' employment status prior to the war was compared with their situation after the ceasefire. As previously noted, 24.7 per cent of respondents who had been employed before September 2024 were out of work during wartime. While some job losses proved to be temporary and were restored after the ceasefire, many became permanent, with 13.7 per cent of respondents remaining out of work in the post-ceasefire period (figure 7). Of those, the vast majority (90.8 per cent) were unemployed (i.e. available to work and actively seeking employment), whereas 9.2 per cent exited the labour force altogether.

▶ **Figure 7. Distribution of sample by employment status, post-ceasefire (%)**



Of workers residing in areas that were not affected by regular bombing, 7.2 per cent were out of employment, post-ceasefire, compared with 24.2 per cent among those residing in affected areas (figure 8). Workers in areas directly affected were also more likely to change employment (9.4 per cent) compared with workers residing in non-conflict areas (5.1 per cent).

▶ **Figure 8. Change in employment status by location of prior residence**

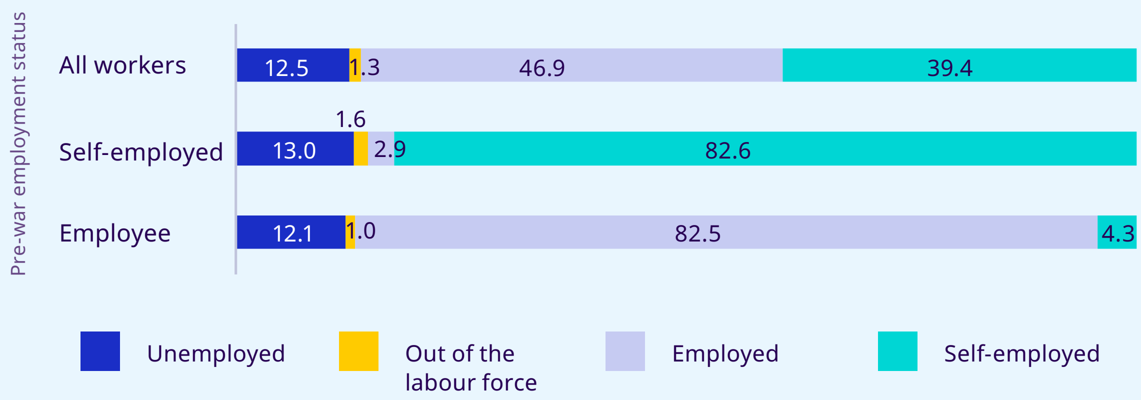


The strong correlation between displacement and job loss persisted into the post-ceasefire period. Some 53.4 per cent of respondents who remained displaced post-ceasefire were not working, compared with 11.0 per cent of those who were displaced but then returned home, and just 5.7 per cent of those who were never displaced. These figures underscore the heightened economic vulnerability of individuals who continue to live in displacement, relative to those who were not forced to relocate or those able to return.

Gender and age disparities also persisted, with women facing a higher prevalence of job loss (18.3 per cent) compared with men (11.9 per cent). Similarly, young workers aged 17–29 years were more likely to be out of work (17.9 per cent) than adults aged 30 years and above (12.7 per cent).

In the post-ceasefire period, job losses persisted longer for self-employed individuals than salaried workers (figure 9), although the gap has narrowed compared with the wartime period. Additionally, a small proportion of workers (approximately 3–4 per cent) transitioned between employment types, shifting from self-employment to salaried positions and vice versa.

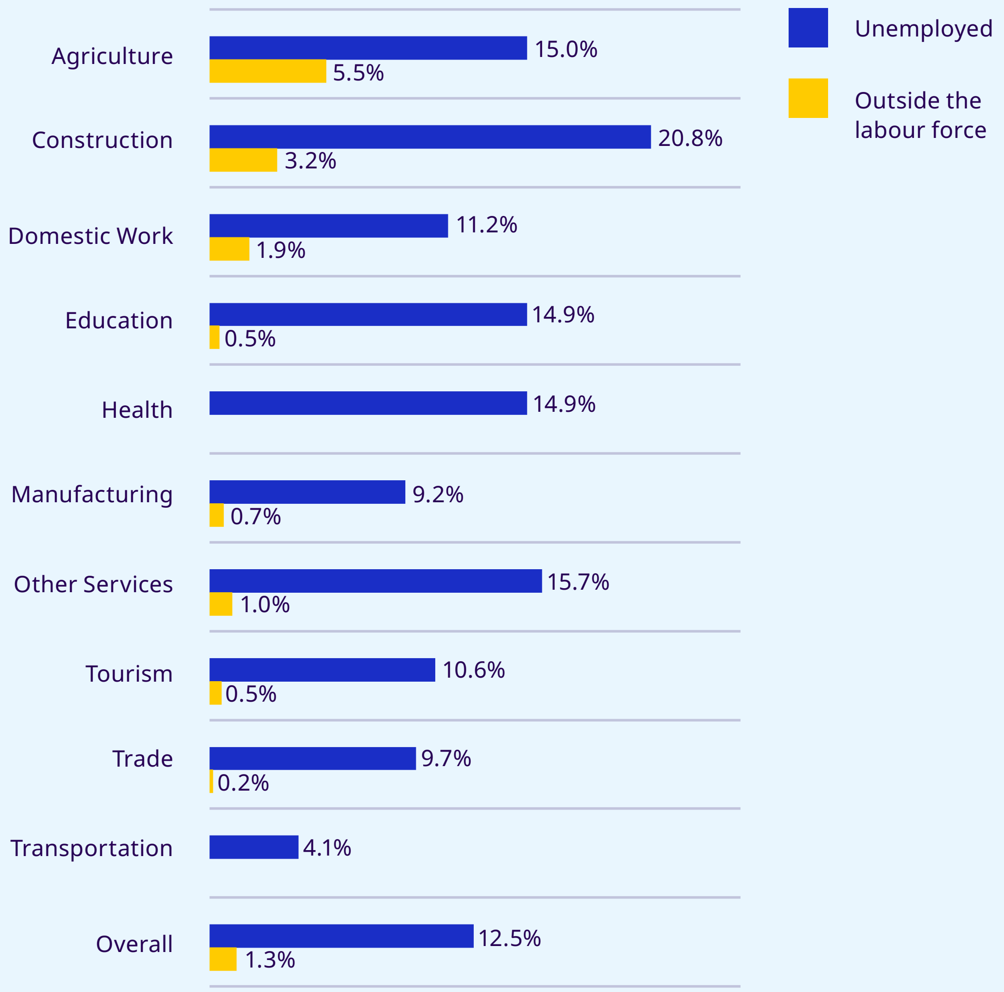
▶ Figure 9. Employment status of workers post-ceasefire, by pre-war employment status (%)



Interestingly, exposure to job losses among salaried employees varied significantly by type of employment arrangement. In the post-ceasefire period, part-time employees were the most affected, with 28.7 per cent remaining out of work, compared with 19.2 per cent of daily employees and 9.8 per cent of full-time employees.

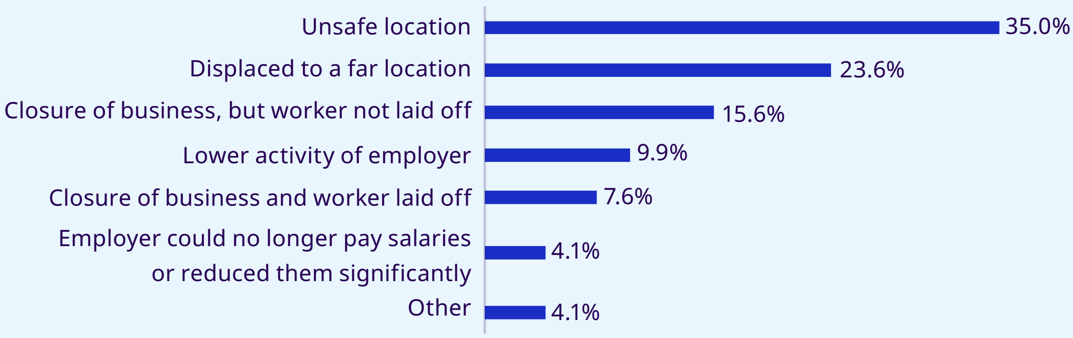
In terms of sectors most affected, 24.0 per cent of construction workers were out of work, followed by 20.5 per cent of agricultural workers (figure 10). This is not surprising since construction work halted during the war and is yet to recover and agriculture is a significant employer in regions most affected by hostilities (the Bekaa valley and the South).

Figure 10. Share of workers who became unemployed or left the labour force by sector, post-ceasefire (%)



When workers were asked about the reasons behind losing their job, 35.0 per cent mentioned the unsafe location of their previous work, 23.6 per cent said they were displaced to a location that was too far from that job, and a further 23.2 per cent of workers lost their jobs when the establishment they worked shut down during the war – although only one third of these workers were actually laid off by their employer. Some 9.9 per cent of workers lost their jobs because of decreased activity and employer downsizing.

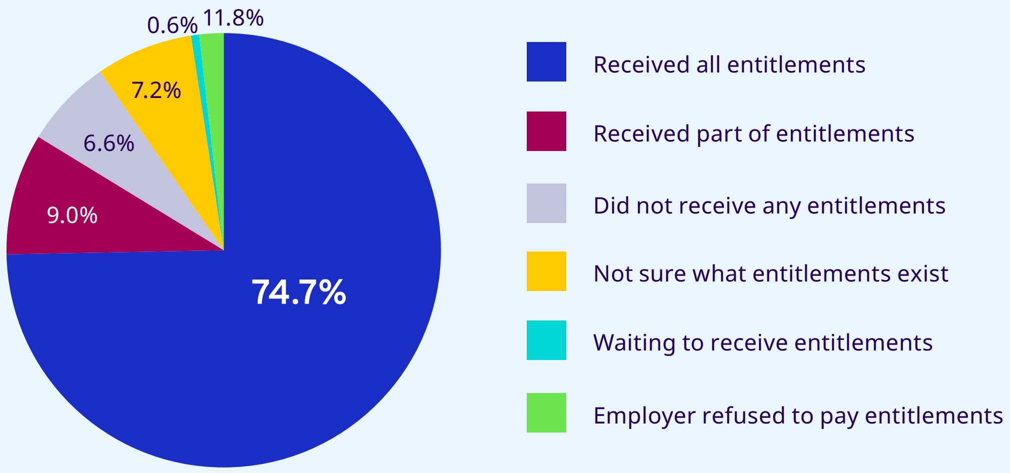
Figure 11. Reason for job loss, post-ceasefire (%)



Focus group participants from FENASOL reported that some workers were coerced into resigning or compelled to accept unfair employment conditions. Additionally, the suspension of operations at the Ministry of Labour in Beirut forced affected individuals to file complaints regarding unlawful dismissals in Jounieh – an onerous imposition for vulnerable workers.

Alarmingly, a quarter of employees who lost their jobs have not received all of their entitlements (figure 12). These benefits serve as a crucial safety net, helping workers navigate economic hardship and sustain their basic needs while seeking new employment. Failing to receive these entitlements exacerbates financial vulnerability, prolonging recovery and deepening economic instability, making it even more challenging for affected individuals and families to regain their footing in an already fragile job market.

▶ Figure 12. Out-of-work employees by status of entitlements (%)



Lebanese workers (77.9 per cent) were significantly more likely to have received their full entitlements compared with non-Lebanese workers (62.9 per cent). Additionally, non-Lebanese workers, both refuges and non-refugees, exhibited a higher degree of uncertainty regarding their rights, with 17.1 per cent unaware of their entitlements – more than three times the rate of their Lebanese counterparts (4.6 per cent). This disparity highlights the vulnerabilities faced by non-Lebanese workers, who may lack access to legal protections, information or advocacy necessary to claim their rightful benefits.

Looking closely at those unemployed and looking for work, the main challenge seems to be linked to displacement (reported by 58.4 per cent of respondents), followed by lack of job opportunities (51.0 per cent) and a mismatch between their skills and available opportunities (18.2 per cent).

Below is a summary of the job loss effect of the war among respondents during the war and post-ceasefire:

▶ Table 15. Share of respondents not working before, during and after the war (%)

Identity/status	Pre-war	During the war	Post-ceasefire
Male	0	22.8	11.9
Female	0	29.2	18.3
Lebanese	0	26.0	16.0
Syrian refugees	0	13.3	2.8
Palestinian refugees	0	59.2	30.6
Other migrant workers	0	34.4	12.9
Area affected by bombing	0	36.0	24.2
Area not affected by bombing	0	17.5	7.1
Currently displaced	0	61.1	53.4
Displaced but returned	0	28.5	11.0
Not displaced	0	13.1	5.7
Total	**0**	**24.7**	**13.7**

Employment mobility

After the ceasefire, 83.6 per cent of workers were working, the vast majority of whom reported keeping their jobs (92.1 per cent). Female workers were somewhat more likely than male workers to change jobs (9.6 per cent versus 7.3 per cent), and some 8.4 per cent of Lebanese workers who were working post-ceasefire reported having changed their job, compared with 2.9 per cent of Syrian refugees, 14.7 per cent of Palestinian refugees and a particularly high share of migrants of other nationalities (22.2 per cent). In terms of sectors, the highest shares of job change were reported in domestic work (22.6 per cent) and construction (20.8 per cent), followed by other services (14.5 per cent).

When asked about the reasons behind changing jobs, 34.9 per cent of workers mentioned closure of the workplace, with half of them laid off and the other half reporting that they had not been. Moreover, 14.8 per cent of workers reported that they had been displaced to a region that was too far from their previous job location. Another 14.8 per cent switched jobs because of the unsafe location of their previous job, and 11.6 per cent said that they were let go by their previous employer because of slower activity.

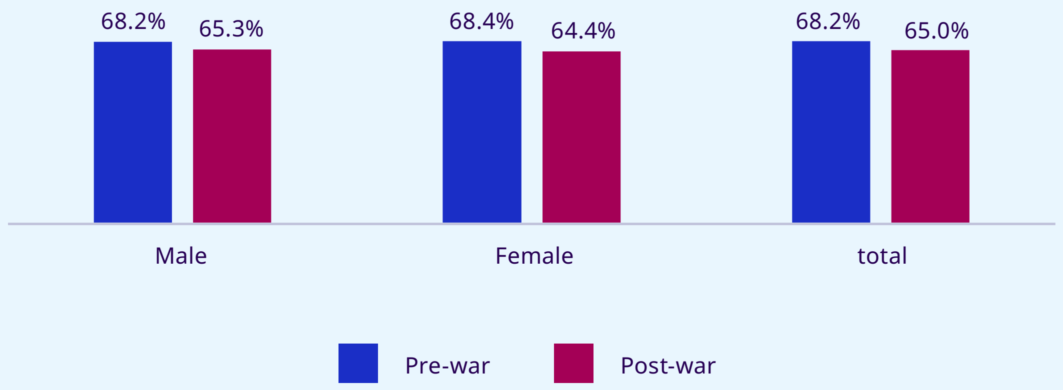
Of those who changed jobs, 55.2 per cent received all their entitlements from their previous employer, while 18.1 per cent received only part of their entitlements, 13.8 per cent were unsure what entitlements they were eligible for, and 11.2 per cent did not receive any entitlements. Unpaid entitlements included wages (64.7 per cent), followed by overtime (29.4 per cent) and severance pay (17.6 per cent).

Formal and informal workers

Although informality is a structural problem that pre-dates the war, informal workers are often more vulnerable to shocks than formal workers because they lack the legal and social coverage that offer protections. In a focus group with CGTL workers, one member said, “War was a blessing for some employers and a curse for vulnerable workers.”

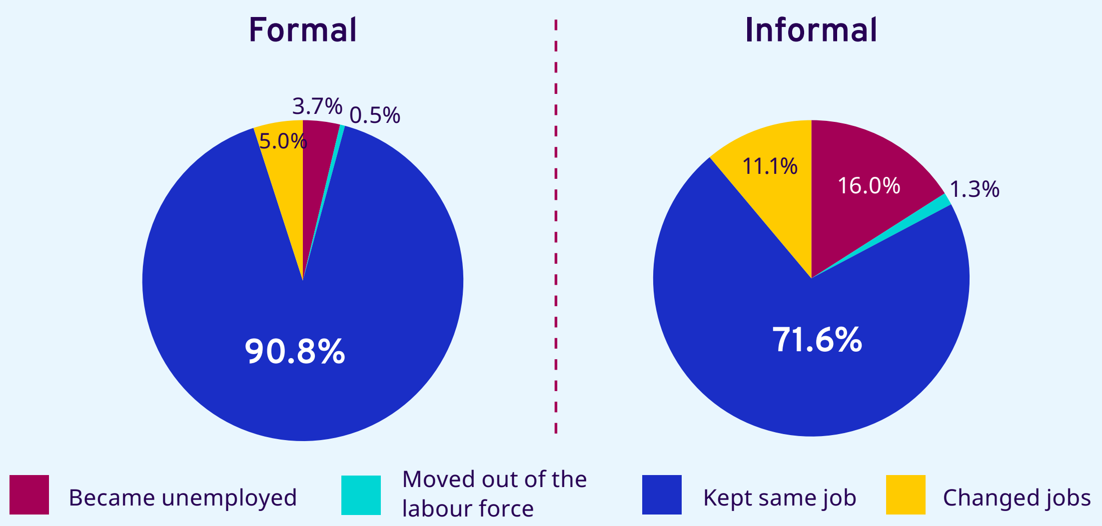
To distinguish between formal and informal workers ILO’s definition of informal employment has been used, according to which “Employees are considered informally employed if their employer does not contribute to social security on their behalf or, in the case of a missing answer, if they do not benefit from paid annual leave or sick leave." On this basis, 65.0 per cent of employees were considered informal at the time of the survey, compared with 68.2 per cent before the war, with no significant differences between men and women (figure 13).

▶ **Figure 13. Informal employment by sex, pre- and post-war (%)**



However, this reduction in informality does not really reflect an improvement in working conditions nor reflect any transition of workers towards more formal jobs. Rather, it is a consequence of higher job losses among informal workers (figure 14). Informal employees were also more mobile as 11.1 per cent of them changed employment, compared with only 5.0 per cent of formal employees.

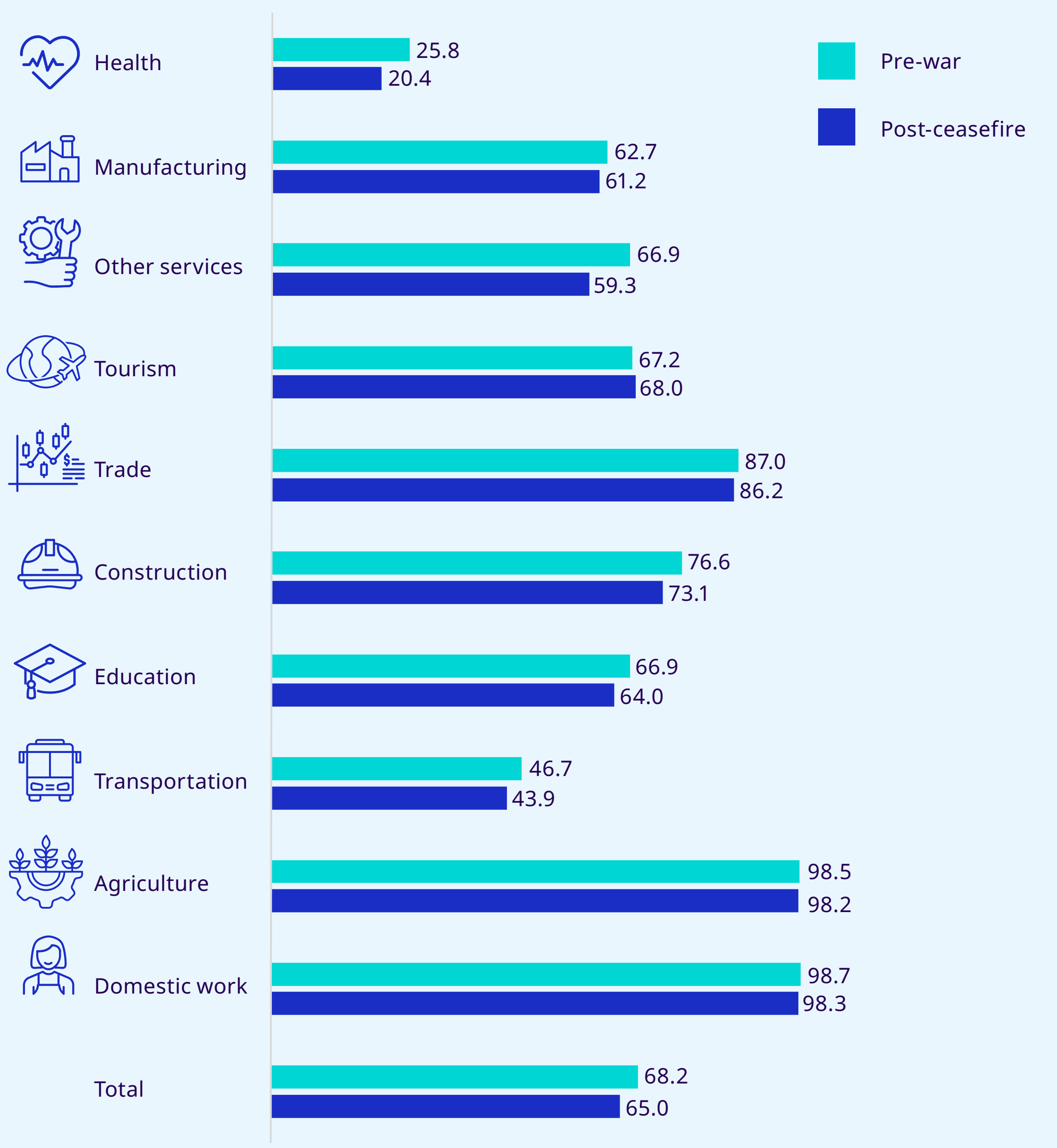
▶ **Figure 14. Change in employment status of formal and informal employees, post-ceasefire (%)**



Of all sectors, the health sector exhibited the lowest level of informal employment at 25.8 per cent. Interestingly, despite the education sector's reputation for regular, stable, formal employment, 66.9 per cent of education workers in the sample were employed informally before the war. This was despite the fact that more than 80 per cent of them had written contracts. This seems to reflect the significant share of contracted teachers, whose status remains informal, without any sort of social protection coverage. Agriculture and domestic work were almost completely informal, while the vast majority of trade (87.0 per cent) and construction workers (76.6 per cent) were also informal.

> I have been working for more than 23 years in private and public education as a contractor. More than 67 per cent of the public sector is contracted, which deprives workers of their rights.
>
> - (FENASOL focus group)

Figure 15. Informality among salaried employees by sector, pre-war and post-ceasefire (%)



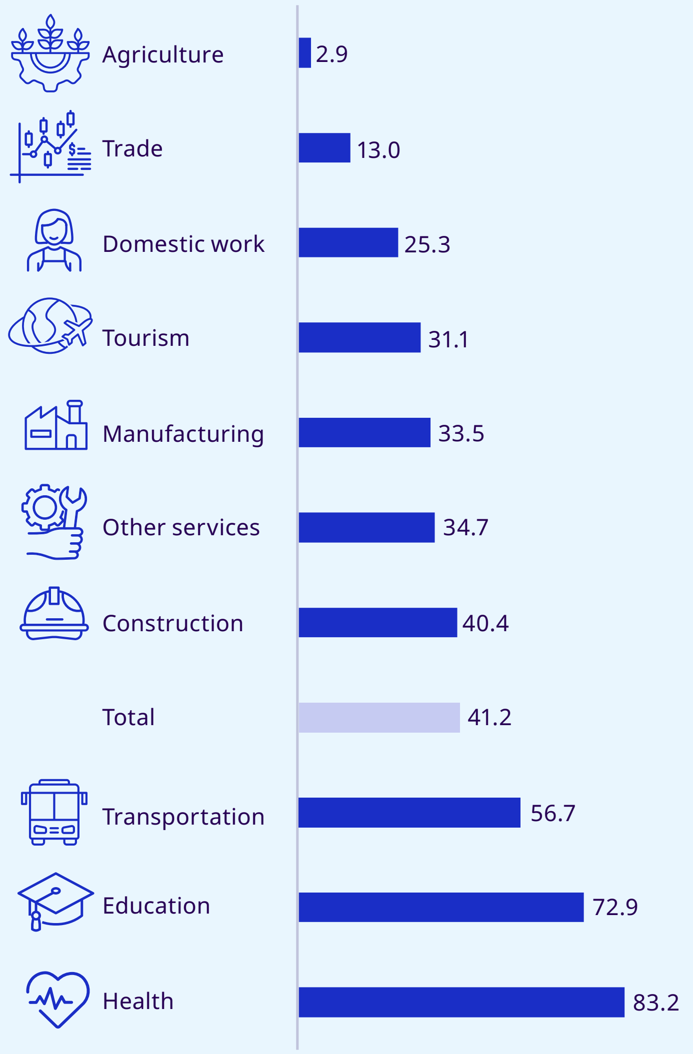
Finally, among formal employees who remained in paid employment after the ceasefire, 1.1 per cent transitioned from formal to informal jobs. In contrast, not a single informal employee was able to move into formal salaried employment, underscoring the persistent challenges of escaping the informality trap.

Contractual coverage and exposure to wartime risks

Another factor closely linked to formality is the presence of a written contract. We also tried to assess whether workers who had a written contract were less affected and managed to keep their jobs compared with their counterparts with no contracts. Although verbal contracts are recognized by Lebanese law, written contracts provide a higher degree of legal protection against potential employer infractions.

Of the surveyed workers, 58.8 per cent did not have a written contract. The share of female workers (48.9 per cent) with written contracts was higher than that of male workers (37.0 per cent), a fact related to the higher prevalence of women in health and education, where contract formalization are generally more established. Indeed, 83.2 per cent of health workers and 72.9 per cent of education workers had written contracts compared with only 13.0 per cent of trade workers and only 2.9 per cent of agriculture workers (figure 16).

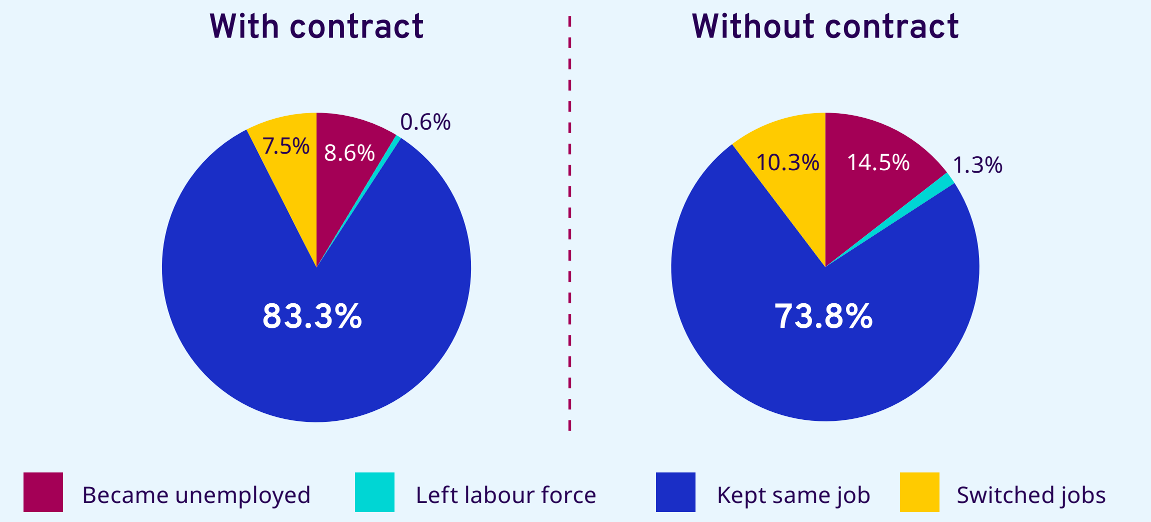
▶ Figure 16. Salaried employees with a written contract by sector (%)



Not surprisingly, only 4.5 per cent of Syrian workers had written contracts compared with 12.5 per cent of Palestinian refugees and 54.0 per cent of Lebanese workers, reflecting the higher degrees of vulnerability of refugee workers. This lack of protection extends to other nationalities (essentially MDWs), only 30.2 per cent of whom reported having a written contract. Importantly, not even a written contract may provide sufficient protection as some participants reported domestic worker "sponsorships" being sold to third parties during the war.[33]

Yet, the data indicate that employees on a contract (9.2 per cent) are less likely to be out of employment post-ceasefire, compared with their counterparts (15.8 per cent). Those with a contract are also more likely to keep the same job than those without one (figure 17).

▶ Figure 17. Pre-war employees by contract status and post-ceasefire employment status (%)



Employment type and exposure to crisis

Before the war, 79.5 per cent of paid employees held full-time positions, 14.3 per cent worked part-time, and 6.2 per cent were employed on a daily basis. After the ceasefire, among those who remained in paid employment, the share of full-time workers rose to 81.9 per cent, while part-time and daily workers accounted for 12.1 per cent and 6.0 per cent, respectively.

This apparent shift toward full-time employment does not reflect an actual increase in stable jobs. Rather, it highlights a disproportionate impact of job losses on part-time and daily workers. In fact, 28.7 per cent of part-time workers lost their jobs, compared with 19.2 per cent of daily workers and only 9.8 per cent of full-time employees.

Income and working time

Beyond job losses, the war had a profound impact on income and hours of work. Even those who managed to retain their jobs were impacted in terms of working hours and income. Individuals who were working post-ceasefire worked an average of 5.3 days per week for 7.7 hours per day and earned an average income of $396 per month. The average number of days per week is a good indicator of economic activity, even though the large share of full-time workers makes it less elastic and less reflective of upturns or downturns in the economy. Nonetheless, the results show a slight decrease on all three indicators. The average number of workdays decreased by 6.2 per cent since

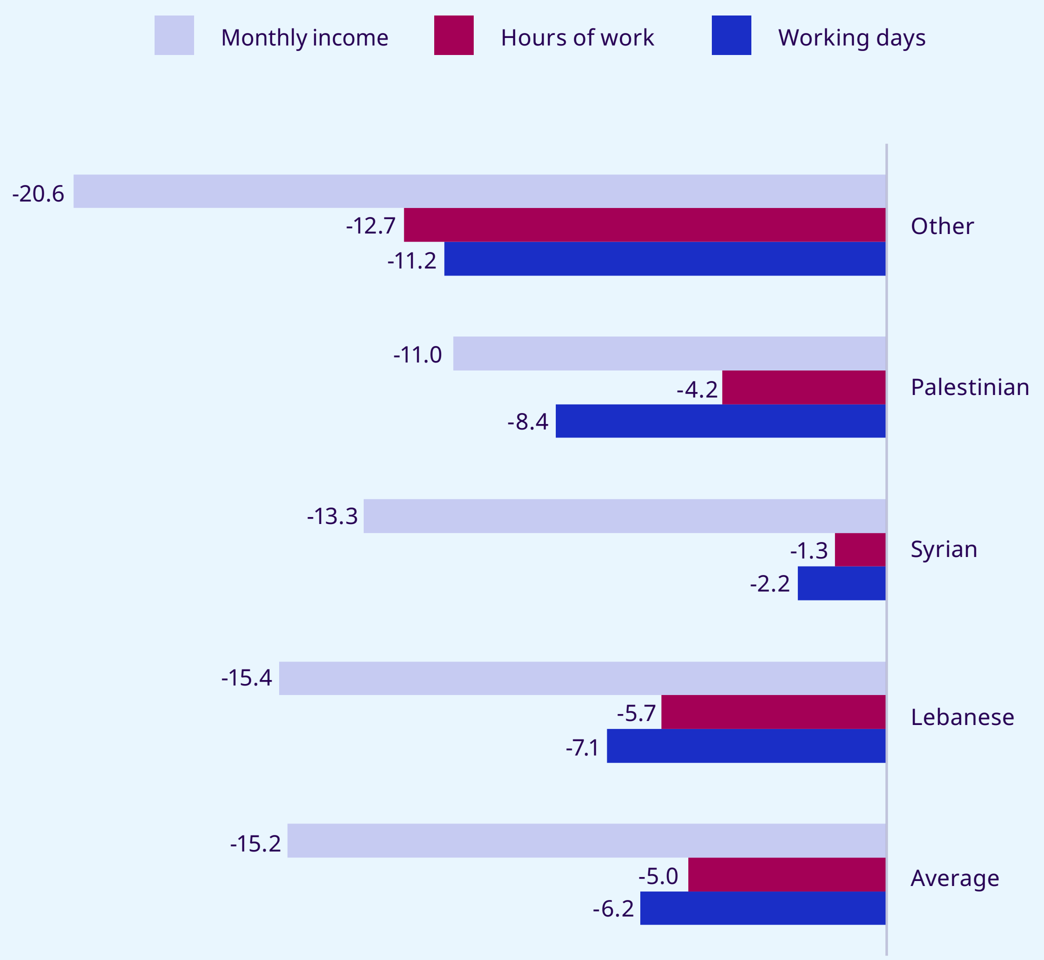
33 FENASOL focus group.

before the war, the average number of working hours dropped by 5.0 per cent, and average monthly income decreased by 15.2 per cent.

The decrease has been much more significant for self-employed workers. Their average days per week dropped by 8.9 per cent (compared with 3.8 per cent for employees), their daily hours worked dropped by 8.4 per cent (compared with 2.1 per cent for employees) and their average monthly income dropped by 23.0 per cent compared with only 5.8 per cent for employees.

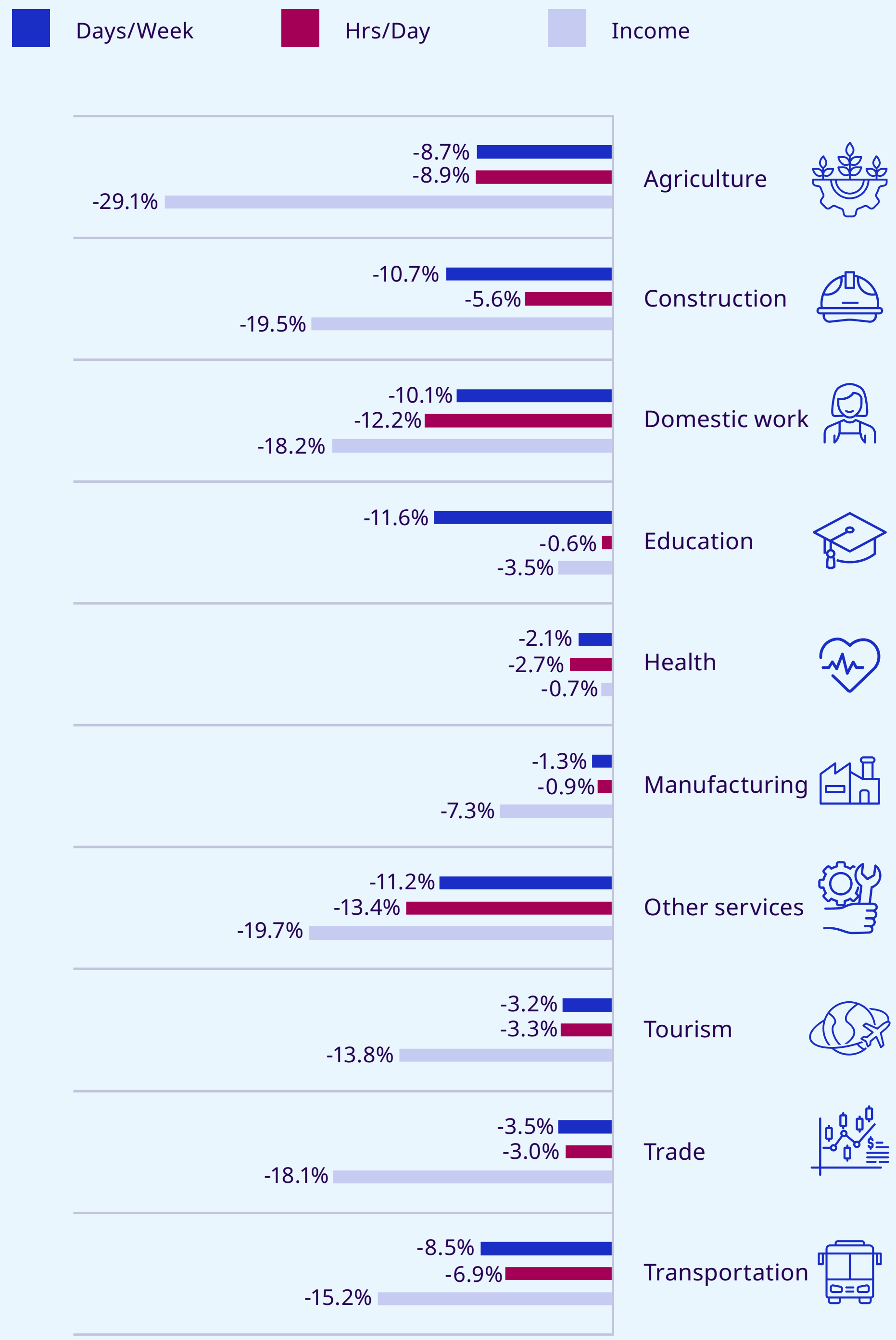
Migrant workers classified as "other nationality" experienced the sharpest declines in both activity and income levels. All these workers are domestic workers, who are reeling not only from the repercussions of the war but also from the compounded vulnerabilities of their employment type, legal status and social isolation. Moreover, although Syrian workers were less affected in terms of average hours and days worked, their average income dropped by 13.4 per cent, close to the drop in income of Lebanese workers, whose level of activity was more severely affected.

▶ **Figure 18. Change in working time and income by nationality, post-ceasefire (%)**



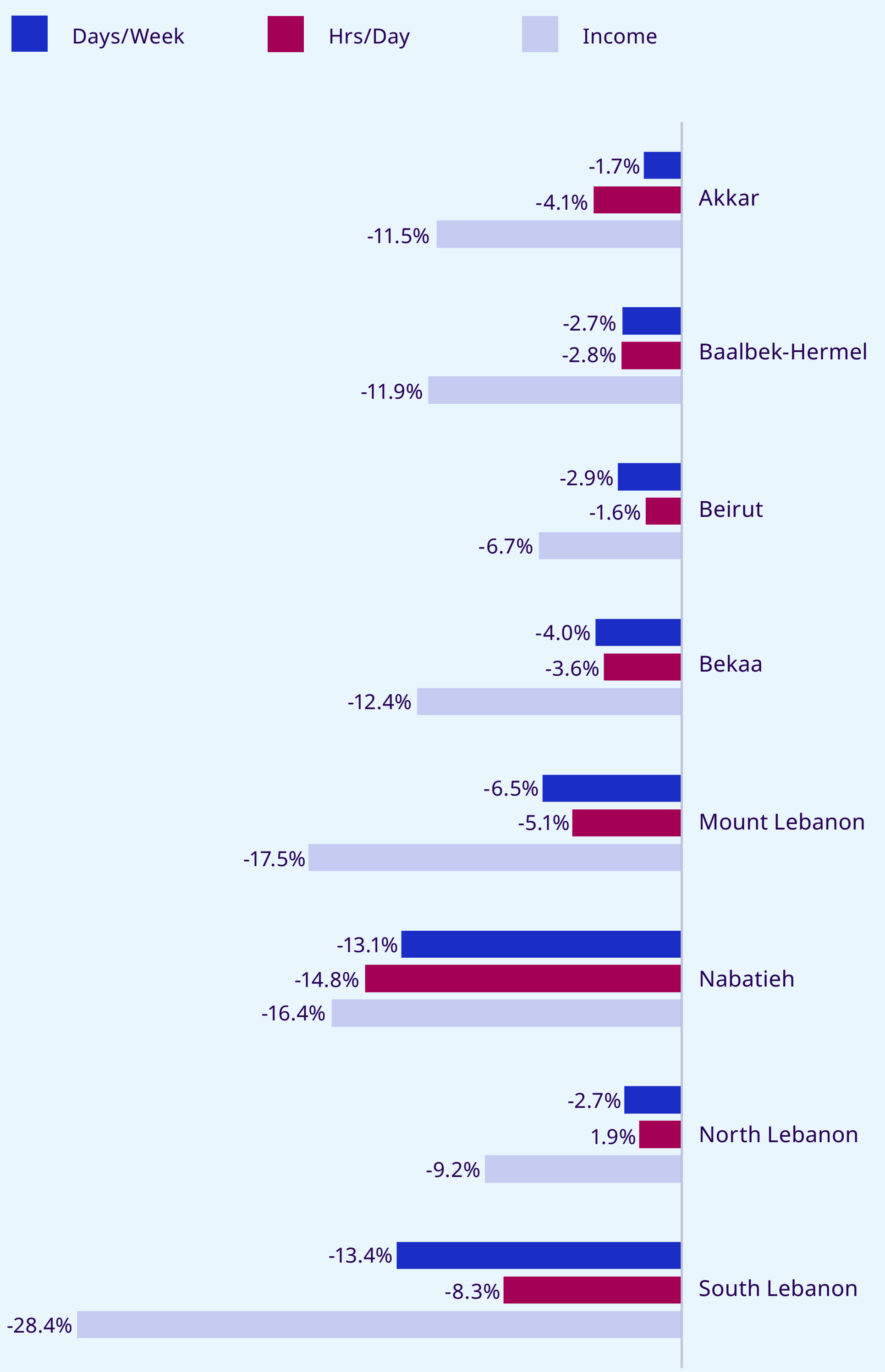
From a sectoral perspective (figure 19), income drops were most severe in agriculture (29.1 per cent), followed by construction (19.5 per cent), domestic work (18.2 per cent) and trade (18.1 per cent). With the exception of domestic work, these sectors are characterized by a high prevalence of self-employment. Generally, income losses outpaced reductions in days and hours worked across all sectors, except health and education, which remained more stable because of their higher shares of full-time salaried employment.

▶ **Figure 19. Reduction in income and working time by sector**



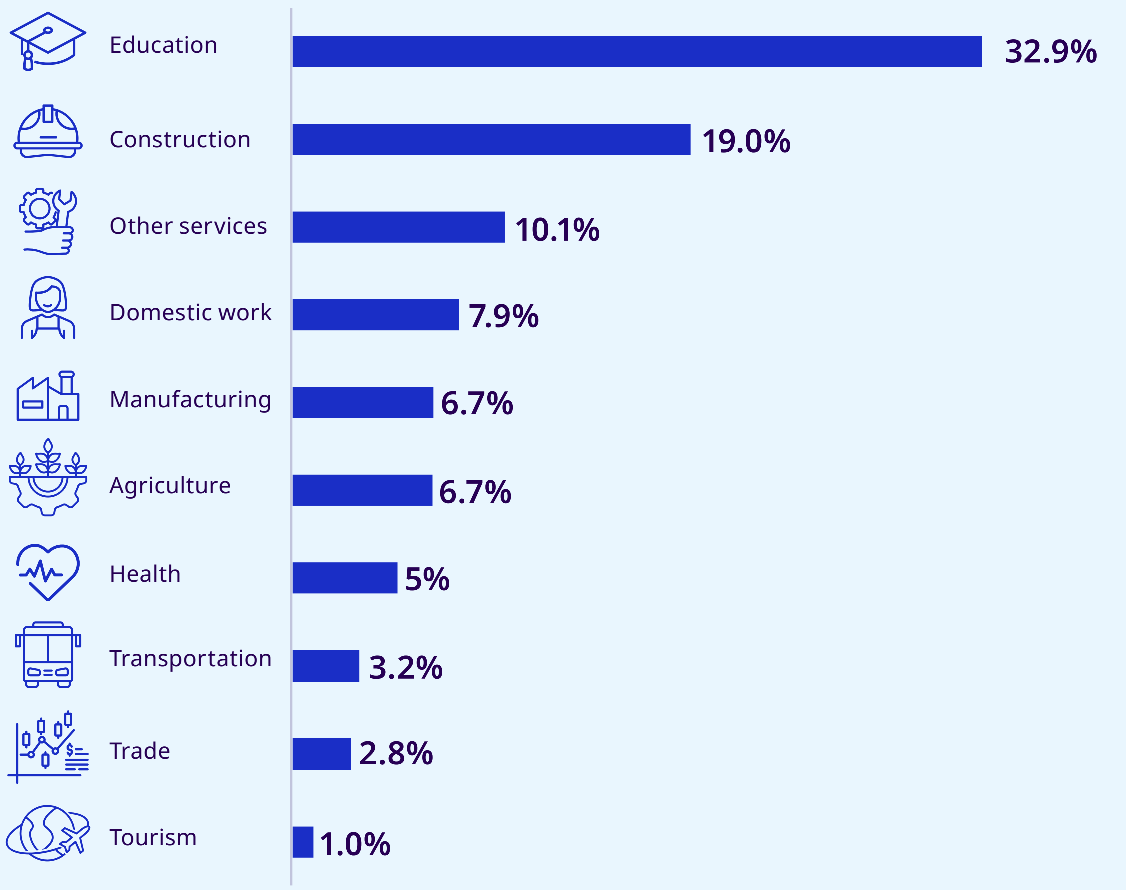
Geographically, working time was most affected in Nabatieh and the South, with the latter recording the sharpest drops in both working days and income (figure 20).

▶ **Figure 20. Income and work schedule drops by governorate**



Salaried workers were asked whether they were paid on time; 10.0 per cent were not, with females (15.2 per cent) twice as likely as males (7.3 per cent) to report not being paid on time. In terms of sectors (figure 21), education and construction recorded the highest shares of late salary payments (32.9 per cent and 19.0 per cent respectively).

▶ **Figure 21. Late salary payments by sector**



Some 29.3 per cent of workers reported that the reduction in income was not proportionate to the reduction in effort. Male workers (31.7 per cent) were more likely to witness disproportionate changes in income and effort than female workers (23.9 per cent).

Syrian workers reported the most disproportionate reduction in income relative to hours or days worked (42.5 per cent compared with the overall average of 29.3 per cent). This aligns with the previously observed discrepancies between workdays/hours and income among Syrian workers. The two sectors with the highest shares of workers reporting disproportionate changes in workload and pay were trade (46.5 per cent) and construction (40.0 per cent).

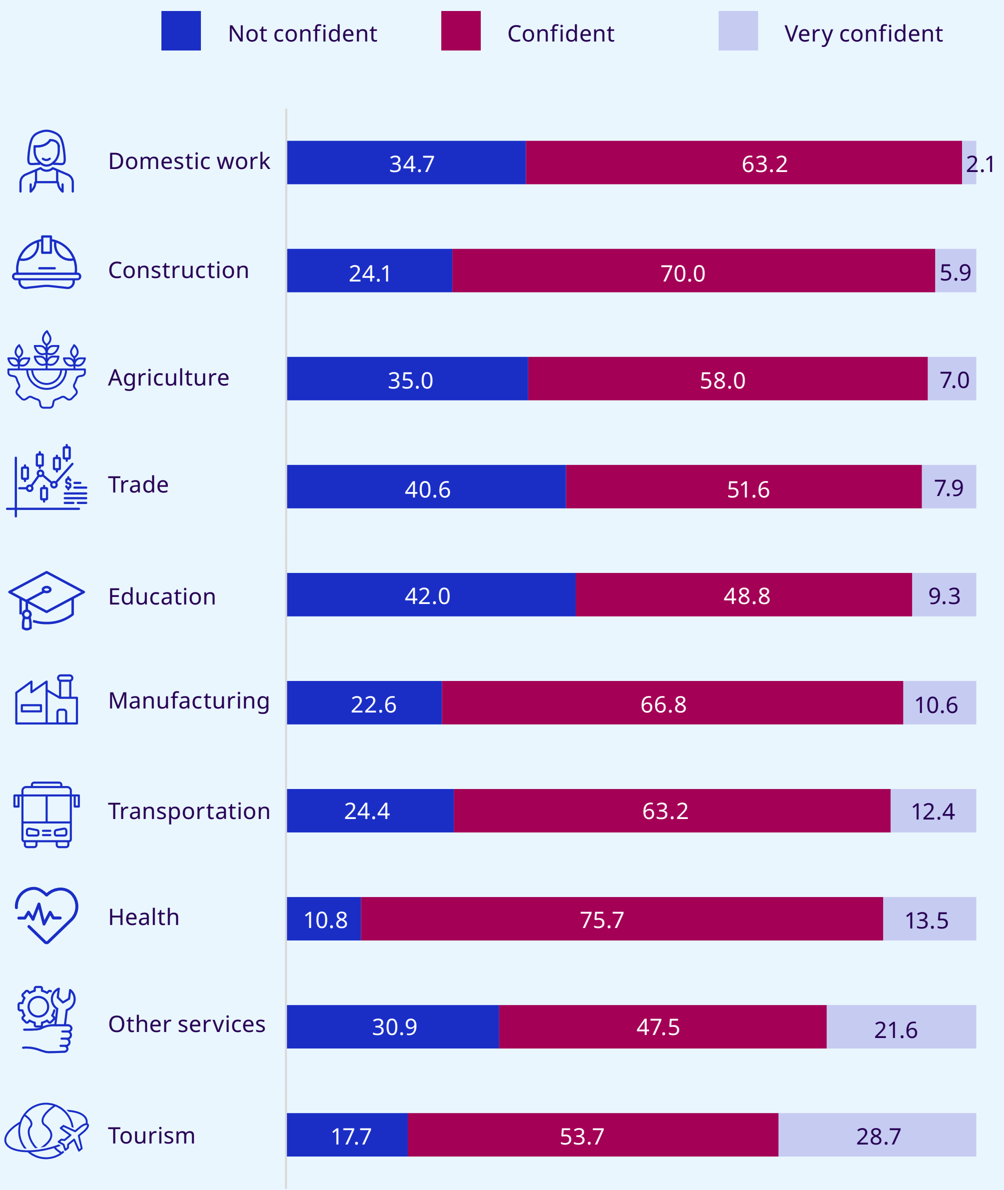
Confidence in employment stability

Workers who were working post-ceasefire were asked about their level of confidence in the stability of their jobs. Most were either confident (59.2 per cent) or very confident (11.5 per cent), while 29.3 per cent were not confident. Confidence levels were higher among males, with 73.4 per cent reporting that they were confident or very confident, compared to 63.3 per cent of females.

Confidence and high confidence were also highest among Lebanese(72.9 per cent), followed by migrants (71.6 per cent) and Syrian refugees (66.2 per cent). However, the majority of Palestinian refugees were not confident in the stability of their job, with only 29.4 per cent of them reporting being either confident or very confident.

In terms of sectors, the lowest levels of confidence were recorded in education and trade, where more than 40 per cent of workers expressed no confidence in the stability of their jobs. This is particularly telling in the case of education, which is usually seen as a relatively stable, but possibly related to the fact that the sample excludes public school teachers. Lack of confidence was also notable in agriculture and domestic work (around 35 per cent no confidence). In contrast, only 10.8 per cent of health workers were not confident in the stability of their jobs, followed by tourism (17.7 per cent).

▶ **Figure 22. Confidence in job stability by sector**



Coping mechanisms and support

Individuals and households coping mechanisms

Interviewees were asked about their coping strategies since the onset of the war. Some 53.9 per cent reported relying on their own savings (57.7 per cent of females and 52.4 per cent of males). Palestinian and Lebanese workers were also more likely to tap into their savings (67.3 per cent and 58.8 per cent respectively), possibly because they have more savings to rely on than their Syrian counterparts (37.1 per cent) or workers of other nationalities (34.4 per cent). In terms of governorates, Nabatieh witnessed a significantly higher share of workers who relied on savings (76.8 per cent).

The next most common coping mechanism was seeking help from relatives and friends (32.3 per cent).[34] Females were slightly more likely to report receiving help from relatives or friends (35.5 per cent compared with 31.0 per cent of males).

Reducing essential expenditure was reported by 25.2 per cent of the interviewed workers, with no difference between males and females. Interestingly, this was more common in Beirut (44.7 per cent) and Mount Lebanon (44.1 per cent) than other regions.

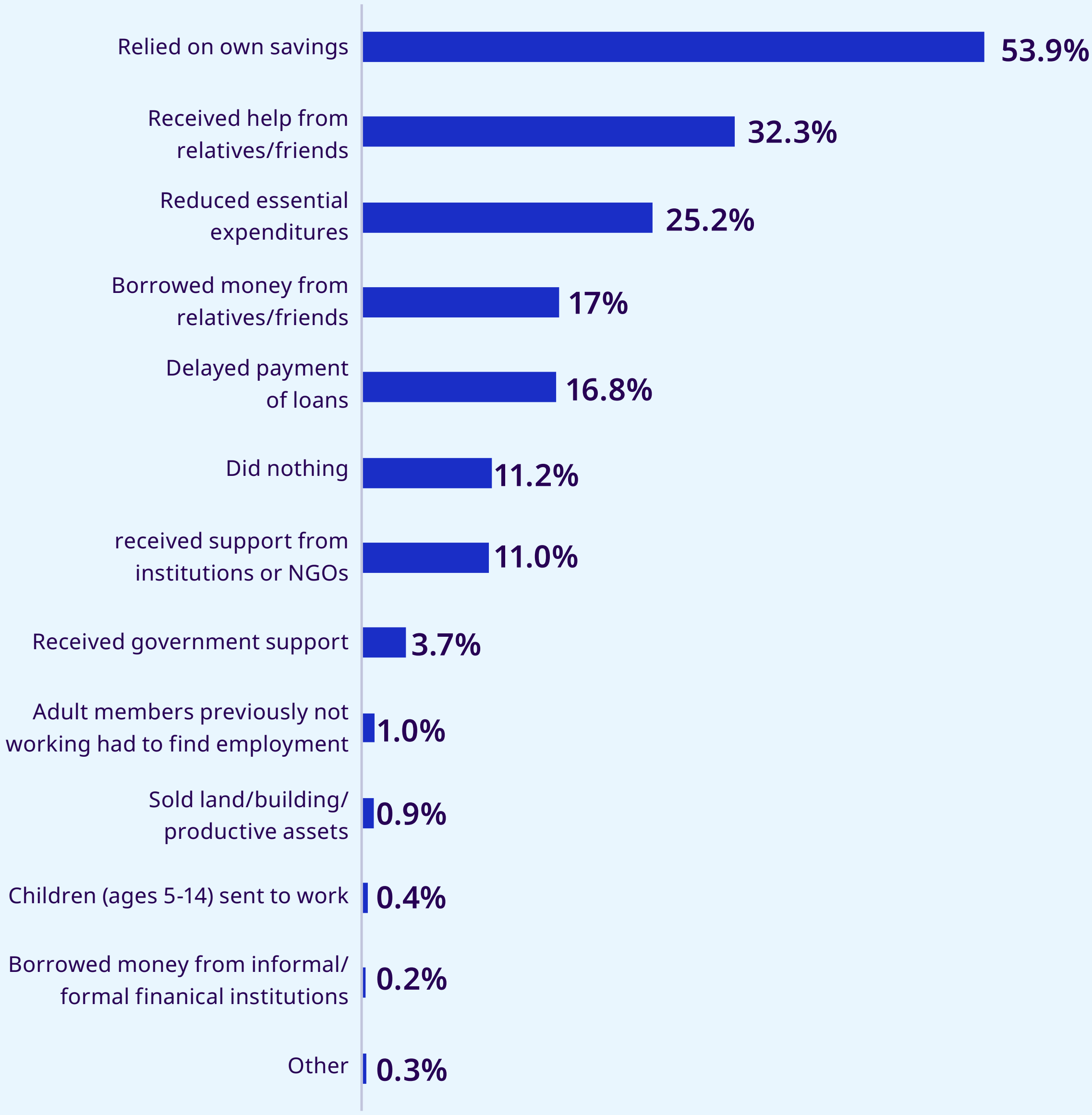
Delaying payments on loans was reported by 16.8 per cent of workers with male workers being more likely to do so (18.6 per cent compared with 12.0 per cent of females), probably because men are more likely to take out loans.

Receiving help from NGOs was selected by 11 per cent of the respondents; Syrian workers were the most likely to receive assistance (28.4 per cent), followed by Palestinian refugees (14.3 per cent), migrant workers (14.0 per cent) and Lebanese workers (6.3 per cent). Assistance from the Lebanese Government was reported by around 5 per cent of Lebanese workers. Interestingly, NGO assistance was more prevalent in Akkar (20.3 per cent), Nabatieh (18.9 per cent) and Baalbek-Hermel (18.4 per cent) than in other governorates.

Some workers (11.2 per cent) did not rely on any coping strategies. Female workers (14.6 per cent) were more likely to be in this category compared with male workers (9.8 per cent). In terms of nationality, 30.1 per cent of migrant workers did not adopt any coping mechanisms. Unsurprisingly, Akkar and North Lebanon were the two governorates with the highest shares of workers who did not rely on coping mechanisms (20.3 per cent and 26.1 per cent, respectively) since they were least affected by the war.

34 Several previous surveys have shown that family and community networks are the primary safety net in Lebanon during times of crisis.

▶ **Figure 23. Coping mechanisms (%)**



Support from employers

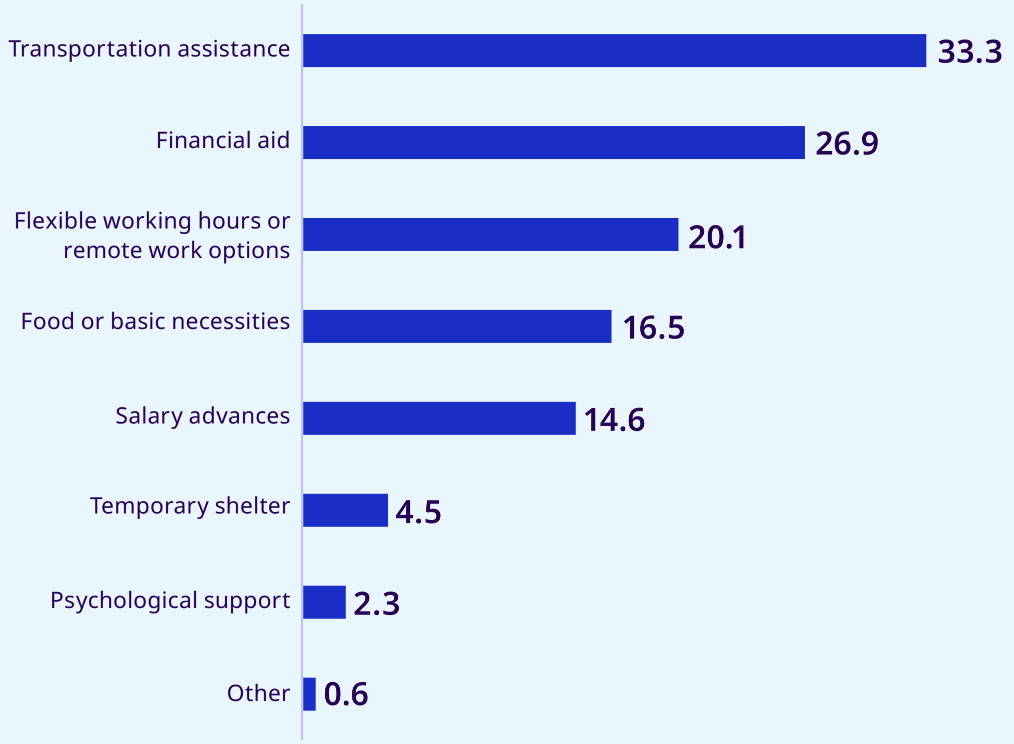
28.7 per cent of the workers, who were working as paid employees post-ceasefire, reported having received support from their employers to help them cope with the impact of the war.. Females (24.5 per cent) were slightly less likely to report employer support than males (31.0 per cent). Migrant workers reported a relatively high rate of employer support (34.0 per cent).

Of those who received support from their employers, one third reported receiving transportation subsidies (figure 24), with a significantly higher share of male workers receiving that type of support (43.3 per cent compared with 9.8 per cent of female workers). Moreover, 45.8 per cent of Syrian workers reported receiving transportation subsidies compared with only 5.9 per cent of "other" nationalities, largely because domestic workers tend to reside at their employer's dwelling or live close to their workplace.[35]

35 Only two Palestinian refugees reported receiving support from their employers.

Some 26.9 per cent of workers received general financial assistance or allowances from their employers (33.7 per cent of females and 24.0 per cent of males). The next most commonly reported type of employer assistance was flexibility in working hours (20.1 per cent). Migrant workers registered the highest rates of this type of assistance (35.3 per cent) while Syrian workers registered the lowest (6.8 per cent). Food and necessities were provided to 16.5 per cent of the workers with females (32.6 per cent) three times as likely as males (9.7 per cent) to report this.

▶ **Figure 24. Support from employers by type of assistance**



Support for recovery

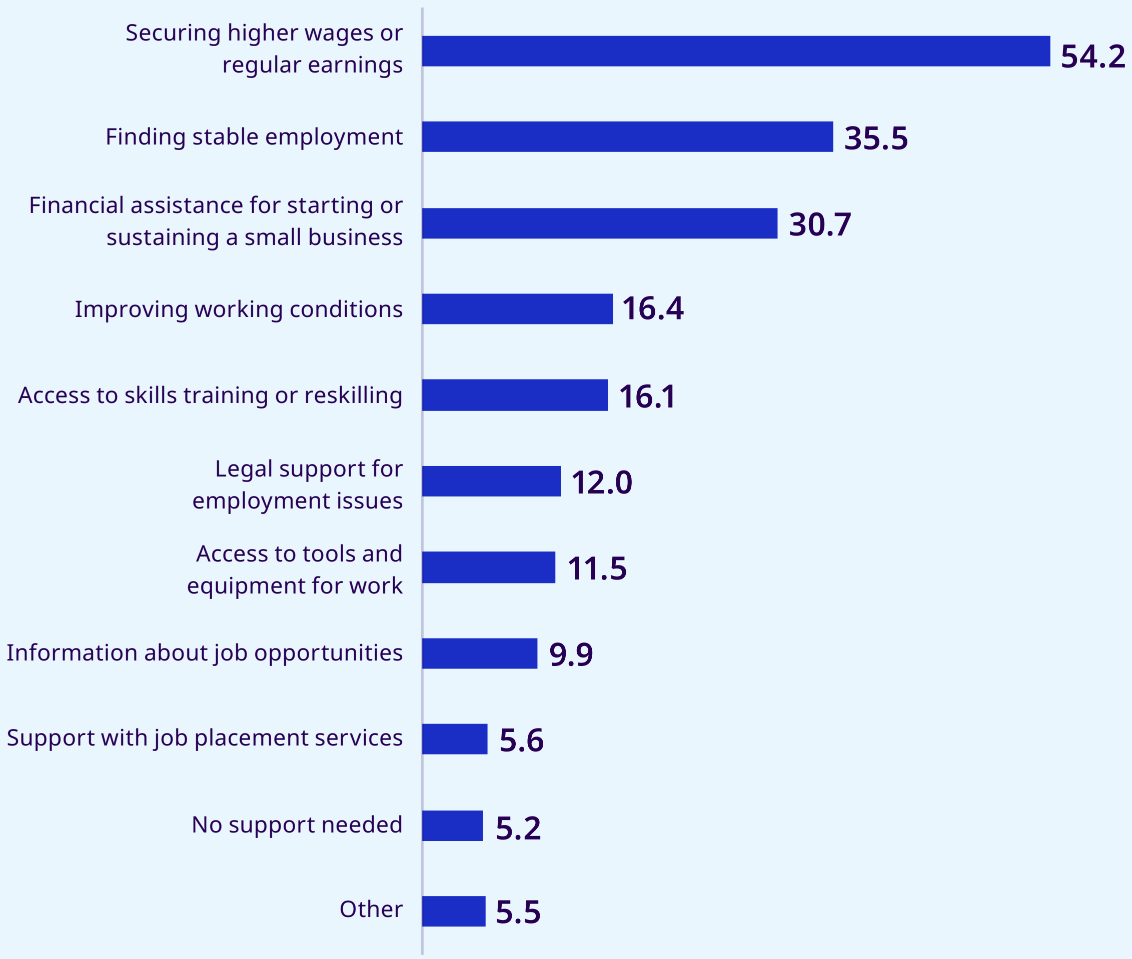
Overall, 94.8 per cent of workers interviewed required additional support to recover their livelihoods (figure 25). The most common type of support required by workers was higher wages or more stable earnings (54.2 per cent). Female workers were more likely to ask for this type of support (63.4 per cent) than males (50.6 per cent), probably because of the gender wage gap. Workers in Beirut and Mount Lebanon recorded a relatively high need for this type of assistance (70.7 per cent each), presumably because of the higher cost of living in these governorates. In terms of sectors, workers from health (81.1 per cent), other services (75.9 per cent) and education (72.2 per cent) were most likely to require income assistance.

The second most common need was help finding stable employment (35.5 per cent). Once again, female workers (42.2 per cent) expressed greater need than male workers (32.9 per cent). In terms of sectors, the need for stable employment was recorded in education, agriculture and construction (50.6 per cent, 43.3 per cent and 42.9 per cent respectively).

More than 30 per cent of respondents expressed the need for financial assistance for starting or sustaining a small business. Interestingly, 51.7 per cent of respondents who were not working and not looking for a job requested this type of assistance. The next largest categories were self-employed (43.1 per cent), unemployed (28.3 per cent) and current salaried employees (20.3 per cent). By sector, respondents in need of such assistance included transportation (45.6 per cent) and trade, agriculture and construction (around 40 per cent each).

The need for skills training was identified by 16.1 per cent of workers, including Syrian refugees (33.3 per cent), trade workers (33.7 per cent) and those working in manufacturing (23.0 per cent). Female workers (21.5 per cent) were more in need of improved working conditions compared with their male counterparts (14.4 per cent). In terms of sectors, workers in construction (26.6 per cent) and transportation (24.9 per cent) were most likely to need improved working conditions.

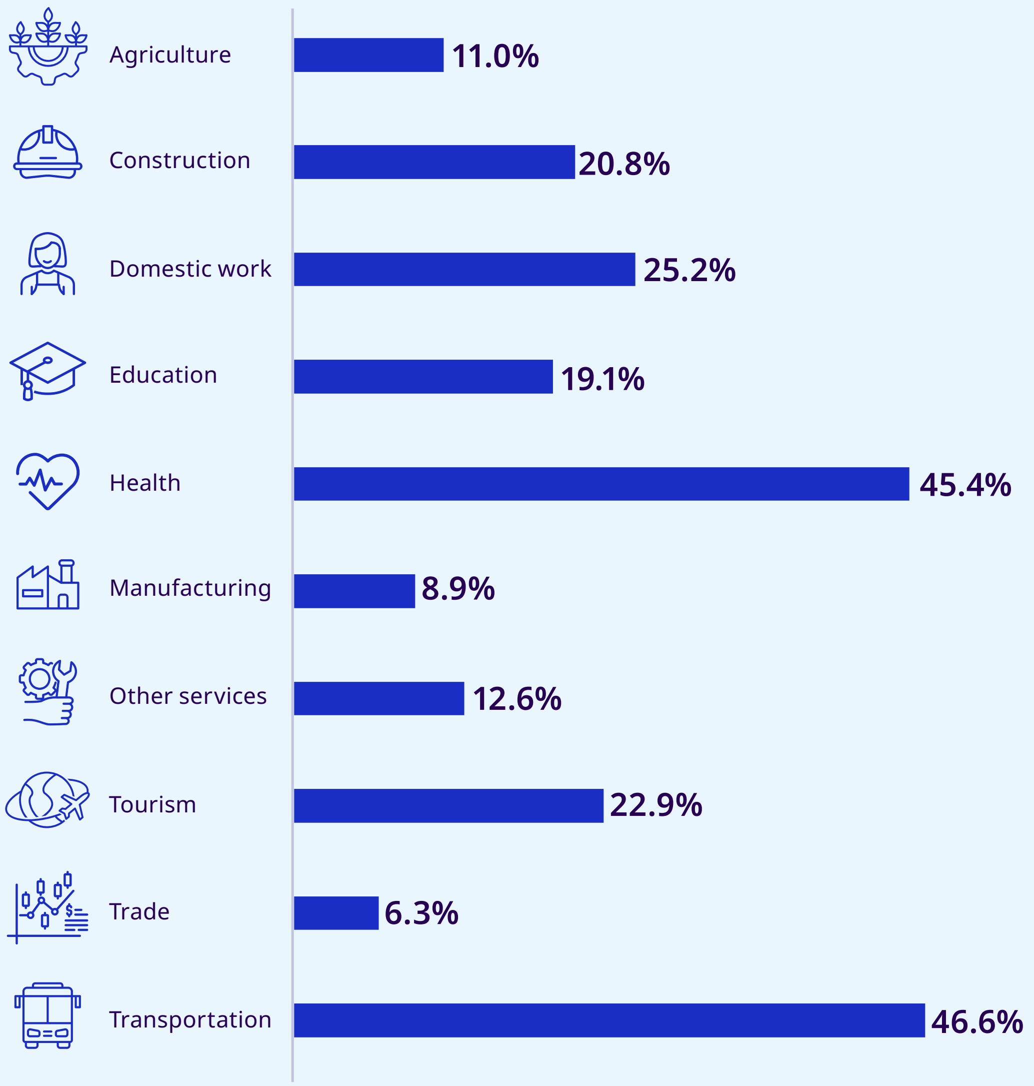
Figure 25. Type of support needed to recover workers' livelihoods



Trade union affiliation

Although this section does not specifically look at the impact of the war on workers, it aims to understand the extent to which workers are represented, and have, in principle, a strong platform to voice their needs, particularly during periods of crisis, including economic downturns and war. Of the sample, fewer than 20 per cent of workers belonged to a trade union, with no significant difference between males and females. Membership was highest in transportation (46.6 per cent) and health (45.4 per cent), and lowest in manufacturing (8.9 per cent) and trade (6.3 per cent). Note that the sample was biased towards trade union members and, therefore, the results are not generalizable.

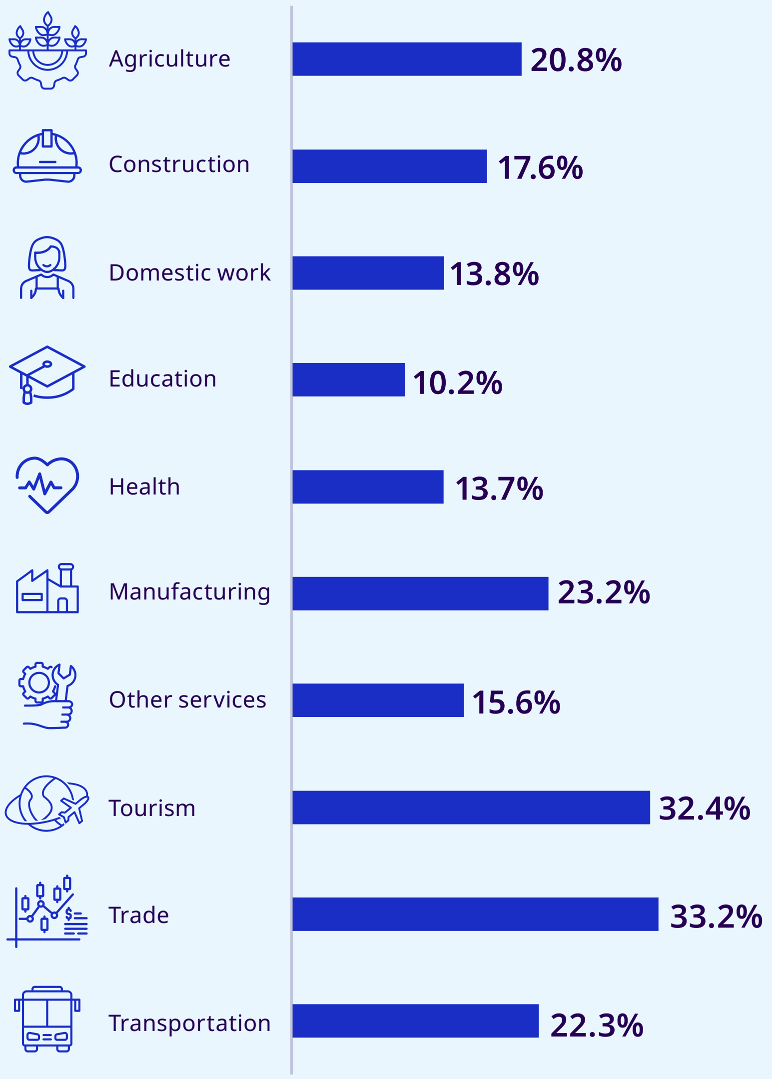
▶ **Figure 26. Trade union membership by sector**



Non-union members were asked whether they had ever considered joining a trade union (figure 27). Some 22.6 per cent had, with males (25.8 per cent) more likely than females (14.7 per cent) to have considered membership. Syrian refugees reported the highest degree of interest (36.8 per cent), compared with Lebanese nationals (18.7 per cent). Interest in joining a trade union was highest among trade and tourism workers, despite the fact that trade has the lowest membership rate, indicating potential for trade union advocacy in these sectors.

In terms of reasons for not joining a trade union, non-members mostly cited "lack of awareness" (55.9 per cent), followed by "no perceived benefits" (34.8 per cent). Just 3.1 per cent mentioned fear of retaliation by the employer and 2.1 per cent mentioned the cost of membership. Lack of perceived benefits was chosen by 51.6 per cent of health sector workers, while lack of awareness was highest among workers in other services.

▶ Figure 27. Workers considering joining a trade union by sector



04

Impact of the war on private-sector enterprises

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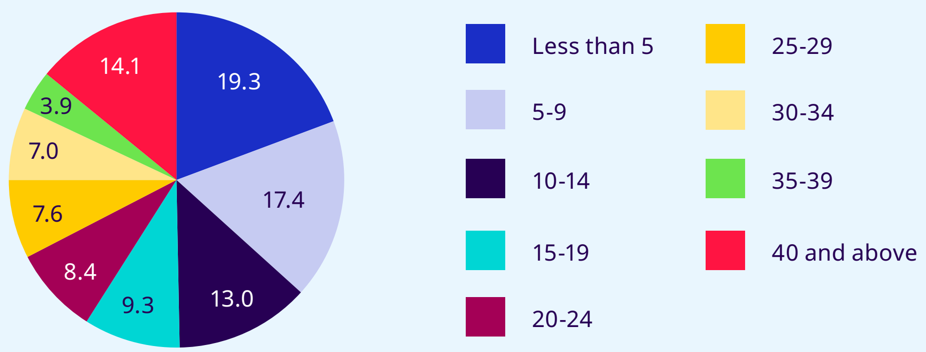
This analysis examines how the war affected enterprises, and whether businesses were forced to scale down operations, adjust investment decisions or modify employment structures. Such shifts not only affect individual businesses, but also have broader implications for productivity, economic stability and job creation.

Enterprise profiles

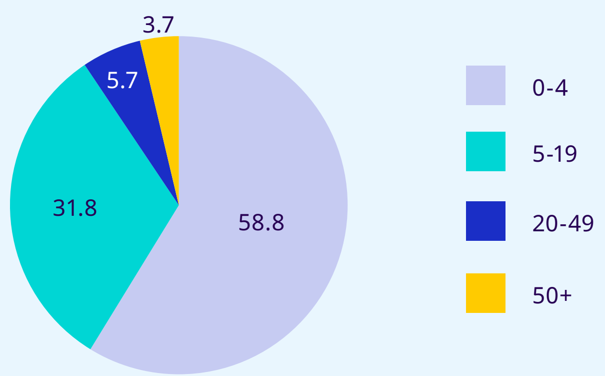
Generally, the enterprises included in the sample were relatively young (figure 28), as half of them were established after 2010. On the other hand, a significant 14 per cent of enterprises were established more than 40 years ago.

Figure 28. Enterprises by years of operation (%)



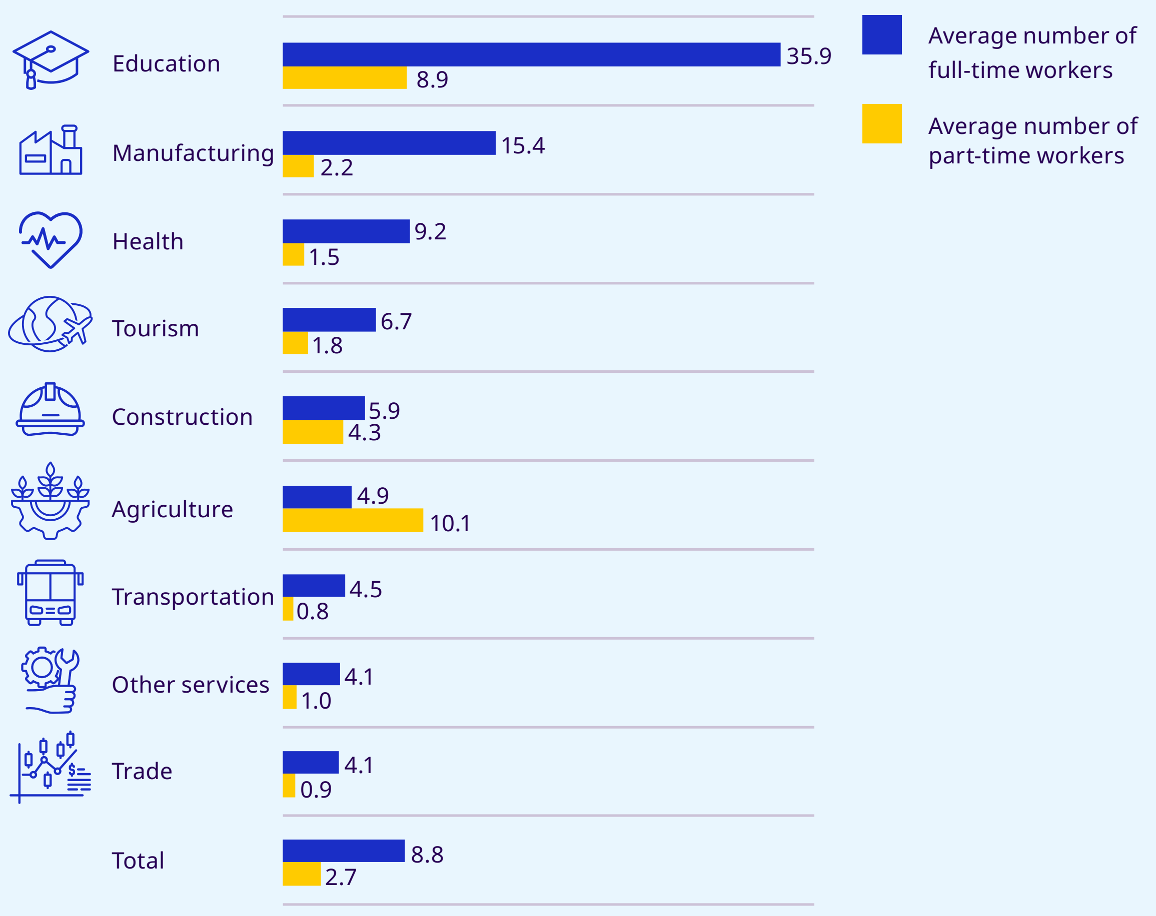
In terms of size, most enterprises employed fewer than five full-time workers, while 31.8 per cent employed 5–19 full-time workers (figure 29).

Figure 29. Distribution of enterprises by size (%)



The average number of full-time workers per enterprise was 8.8. Enterprise size varied significantly by sector, as educational institutions tend to be significantly larger, hiring an average of 36 full-time and nine part-time workers, followed by manufacturing with around 15 full-time and two part-time workers (figure 30).

▶ **Figure 30. Number of workers per enterprise by sector**



In terms of gender, 78.9 per cent of enterprise in the sample were exclusively owned by men, compared to 12.1 per cent with exclusive female ownership. The sector that featured the highest rate of female non-exclusive ownership was health (40.0 per cent), followed by education, manufacturing, and other services (figure 31). This finding may help guide efforts to support female entrepreneurship.

▶ Figure 31. Female ownership (non-exclusive) of enterprises by sector (%)

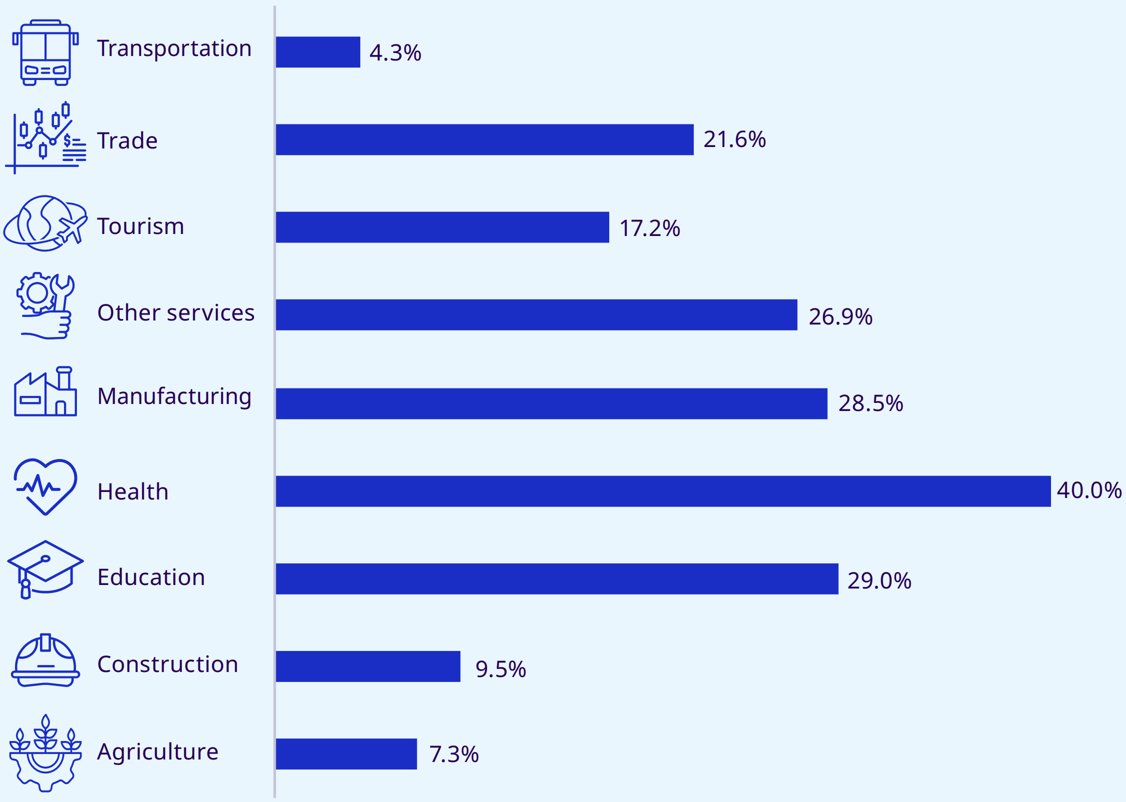
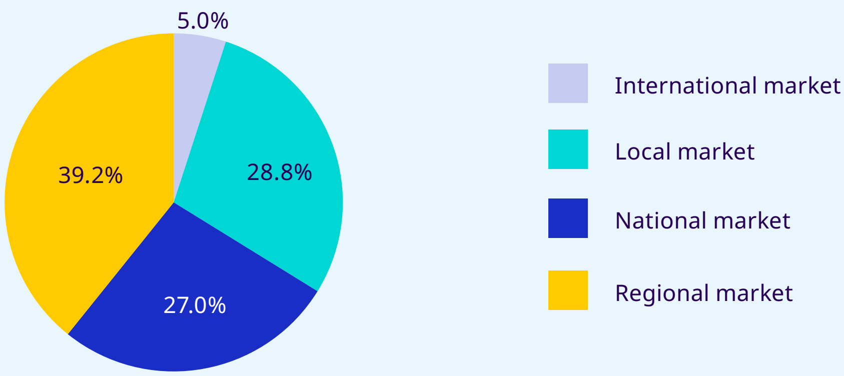


Figure 32 illustrates the sample in terms of market reach. Some 28.8 per cent of enterprises targeted mainly the local market within their district, 39.2 per cent catered to the regional market and only 5 per cent exported their products or services.

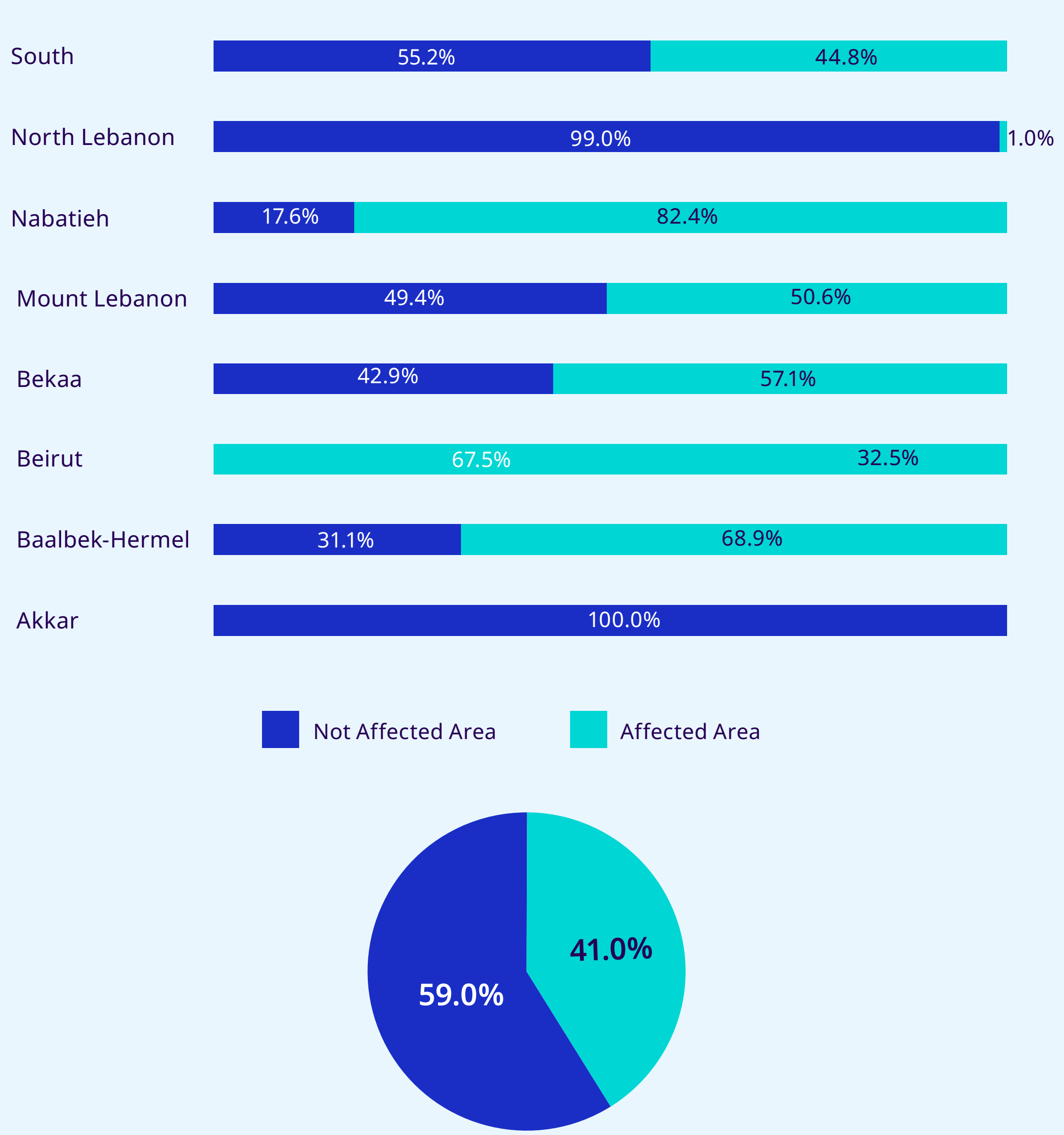
▶ Figure 32. Main target market of enterprises



Health and trade were the most locally anchored sectors as 50 per cent and 41.9 per cent of these enterprises, respectively, were focused on local markets. Education (51.6 per cent) and agriculture (45.5 per cent) were oriented more towards regional markets, whereas 42.9 per cent and 41.9 per cent, respectively, of enterprises the construction and tourism sectors were most likely to target the national market. The highest share of export-oriented enterprises was manufacturing, with 14.6 per cent of these enterprises reporting export activity.

In general, 41.4 per cent of enterprises were located in areas that were bombed. The share of areas affected was higher in Nabatieh (82.4 per cent), Baalbek-Hermel (68.9 per cent) and the Bekaa (57.1 per cent). Akkar was spared from direct bombing.

▶ **Figure 33. Enterprises in areas affected by bombing by governorate**

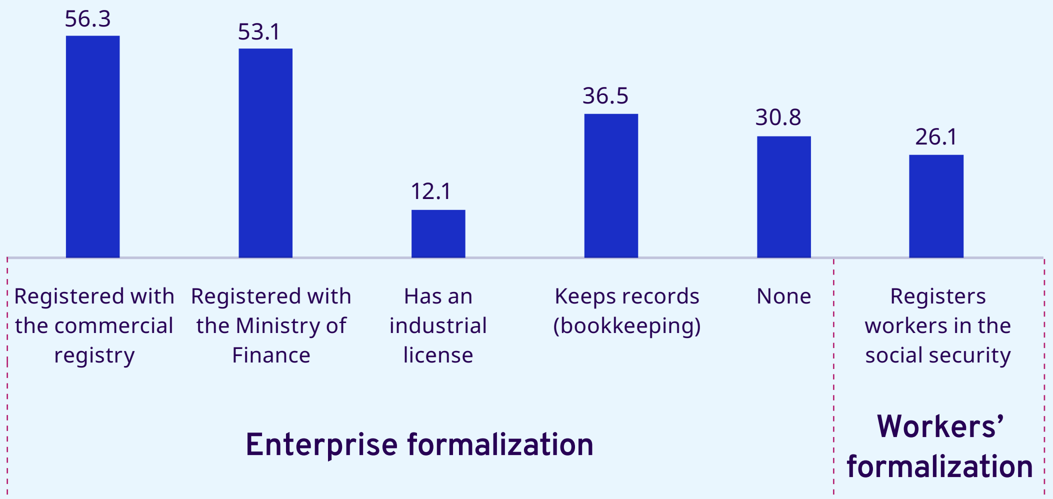


Formality

Several indicators were included in the survey to assess the degree of formality of enterprises (figure 34). Some enterprises were registered in the commercial registry (56.3 per cent) or the Ministry of Finance (53.1 per cent). Another measure of formality was some form of bookkeeping or accounting (36.5 per cent), meaning that around two thirds of enterprises operated on a cash-in cash-out basis, without any kind of formal record keeping. Some 30.8 per cent of establishments were found to be completely informal in that they did not engage in any of these practices.

With respect to workers' formalization, only 26.1 per cent of enterprises reported registering workers in the social security system.

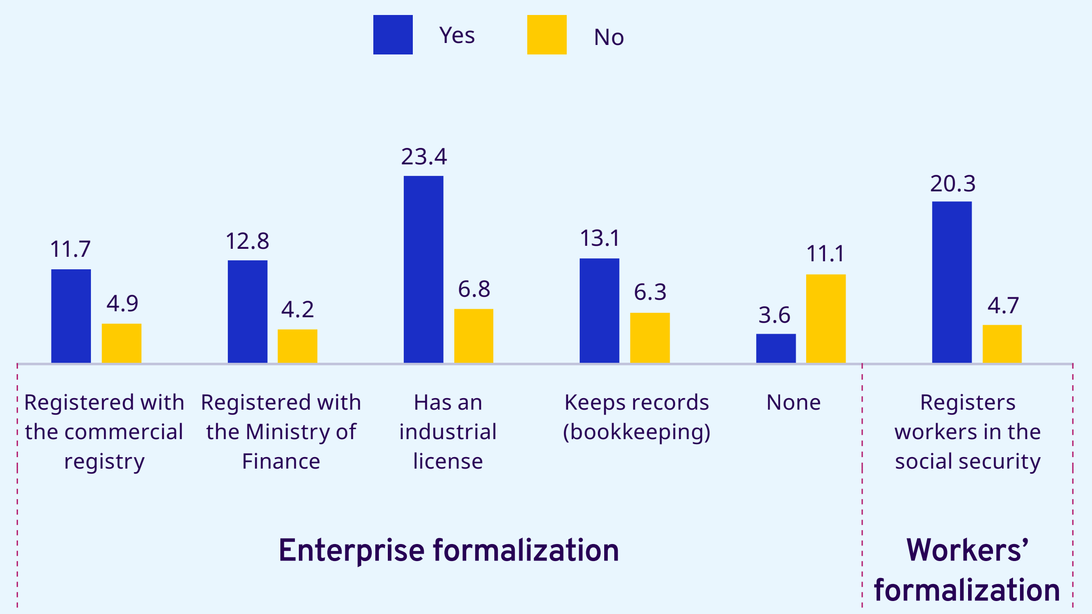
Figure 34. Enterprises by formality indicator (%)



Construction and agriculture were the two most informal sectors, as 47.6 per cent and 45.5 per cent of these enterprises, respectively, did not engage in any formalization practices. Moreover, 79.4 per cent of construction establishments and 100 per cent of agriculture establishments did not register their workers with social security. It is relatively common knowledge that agricultural workers are not protected by the Labour Law and constitute one of the most vulnerable categories of workers. The sector category "other services" also features a high degree of informality, as 42.3 per cent of these enterprises did not engage in any formalization practices. Many educational establishments (58.1 per cent) were not listed in the commercial registry, but the vast majority of them were registered with the Ministry of Education.

Figure 35 illustrates the direct relationship between formality and establishment size, as measured by the number of full-time workers. Larger establishments are more likely to engage in formal practices than smaller enterprises. Enterprises that did not engage in any formal practices employed on average around 3.6 full-time workers.

▶ Figure 35. Average enterprise size (No. of full-time workers) by presence of formality indicator



Enterprise operational status during and after the war

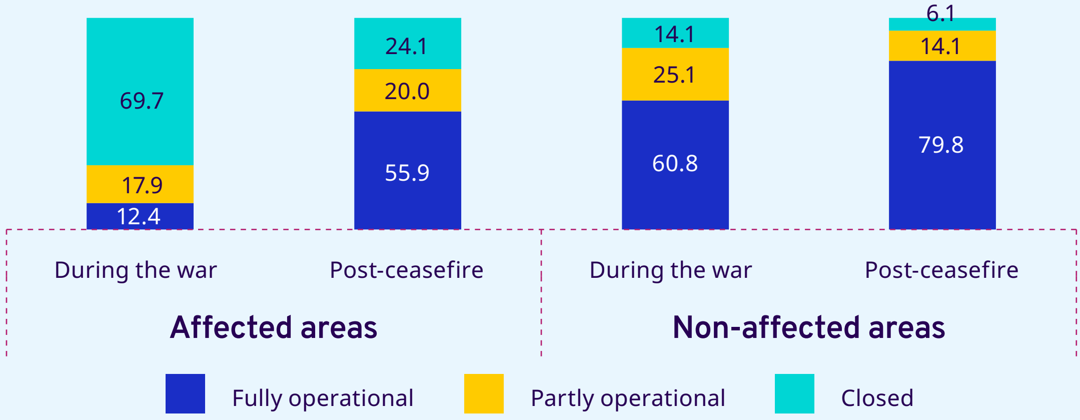
During the war, 37.1 per cent of enterprises were forced to shut down and 22.1 per cent were only partially operational,36 leaving 40.8 per cent remaining fully operational. By the time of survey, a significant degree of recovery was apparent. Yet, 13.6 per cent of establishments remained closed, 16.5 per cent were partially open, while 69.9 per cent were fully operational.

▶ Figure 36. Enterprise operational status, during the war versus post-ceasefire (%)

36 "Partially operational" was defined in the survey as being open "a few days per week or a few hours per day".

As expected, the operational status of enterprises largely depended on whether the business was in a location targeted during the war. Within areas affected by bombing, 69.7 per cent of enterprises were closed during the war compared with 14.1 per cent of enterprises in unaffected areas. At the time of the survey, after the ceasefire, 24.1 per cent of enterprises in affected areas remained closed, compared with 6.1 per cent of enterprises in unaffected areas.

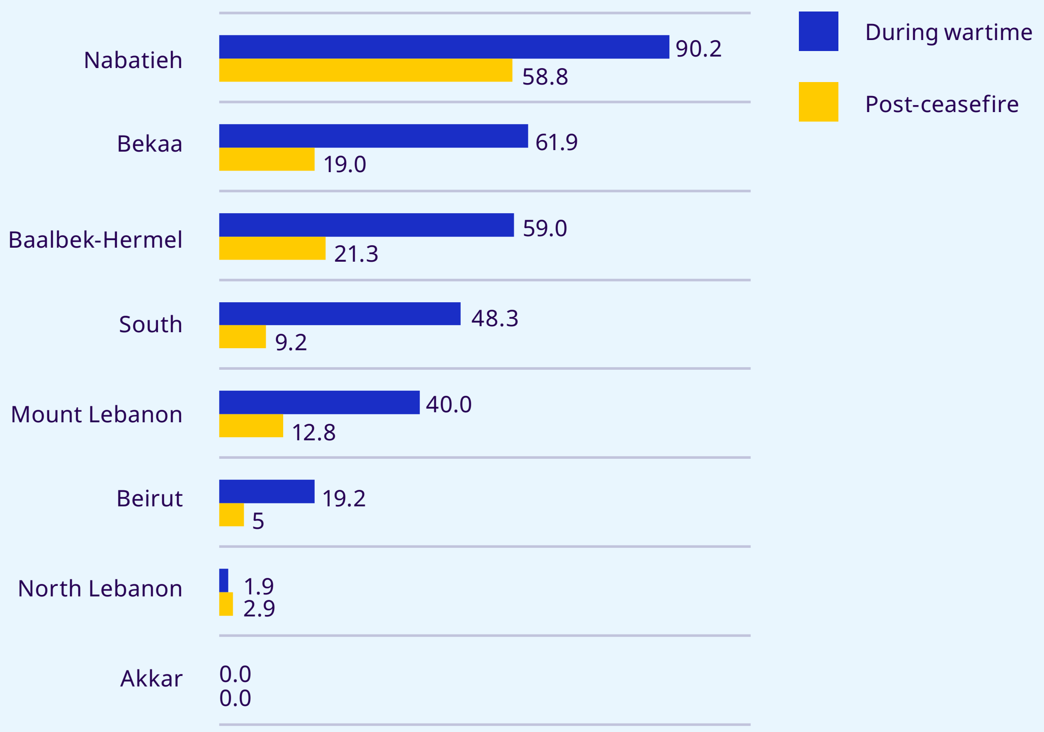
▶ **Figure 37. Enterprises' operational status in affected and non-affected areas, during the war and post-ceasefire (%)**



Respondents were asked whether they relocated their businesses because of the war. The vast majority (94.4 per cent) did not, while 4.3 per cent relocated temporarily, and 1.3 per cent relocated permanently. The ALI focus group revealed that some smaller, more flexible, factories within the war zone areas were dismantled and relocated their equipment and production to more secure regions, especially in North Lebanon. Of those establishments that closed during the war, 39.2 per cent of them are now fully operational and 28.5 per cent have partially resumed activities, while 32.3 per cent remain closed.

In the Bekaa, the share of closed establishments dropped from 61.9 per cent during the war to 19.0 per cent post-ceasefire. A similar trend was observed in the South, where closures declined from 48.3 per cent to 9.2 per cent. The share of closed establishments in Nabatieh also dropped after the war, but remains around 60 per cent. However, in North Lebanon the share of closed establishments increased after the ceasefire, possibly because a number of temporary establishments opened there to cater to the higher economic activity among displaced people during the war.

Figure 38. Enterprises closed during war and post-ceasefire by governorate (%)



Analysis at the district level revealed some differential impacts within governorates, such as the South and Mount Lebanon. In fact, the share of closed enterprises in Bint Jbeil was 93.3 per cent during the war, dropping to 40.0 per cent after the war. In Sour, the share of closed enterprises dropped from 63.2 per cent during the war to 13.2 per cent after the ceasefire. In the district of Baabda, where most of the Southern suburbs are located, the share of shops closed reached 61.9 per cent during the war, dropping to 27.0 per cent after the ceasefire.

The two sectors most affected by closures during the war were construction (57.1 per cent) and tourism (47.3 per cent). In comparison, health (22.0 per cent) and manufacturing (31.9 per cent) experienced fewer closures. In agriculture, 23.6 per cent of enterprises were closed during the war, largely mitigated because of the high share of agricultural businesses in Akkar and North Lebanon, both of which were not directly affected by the war.

A significant degree of recovery was evident in most sectors (figure 39), with post-ceasefire closure rates hovering around 10 per cent, except in construction, agriculture and tourism. Two sectors that seemed to have particular difficulty in recovering were agriculture and tourism, with only 60.0 per cent and 62.4 per cent of establishments, respectively, fully operational, while the rest were only partially operational or closed. Although only 34.9 per cent of construction establishments were fully operational at the time of the survey, there is no doubt that the sector will recover and even witness significant growth once reconstruction efforts begin in earnest.

▶ Figure 39. Share of closed enterprises by sector, during the war and post-ceasefire (%)

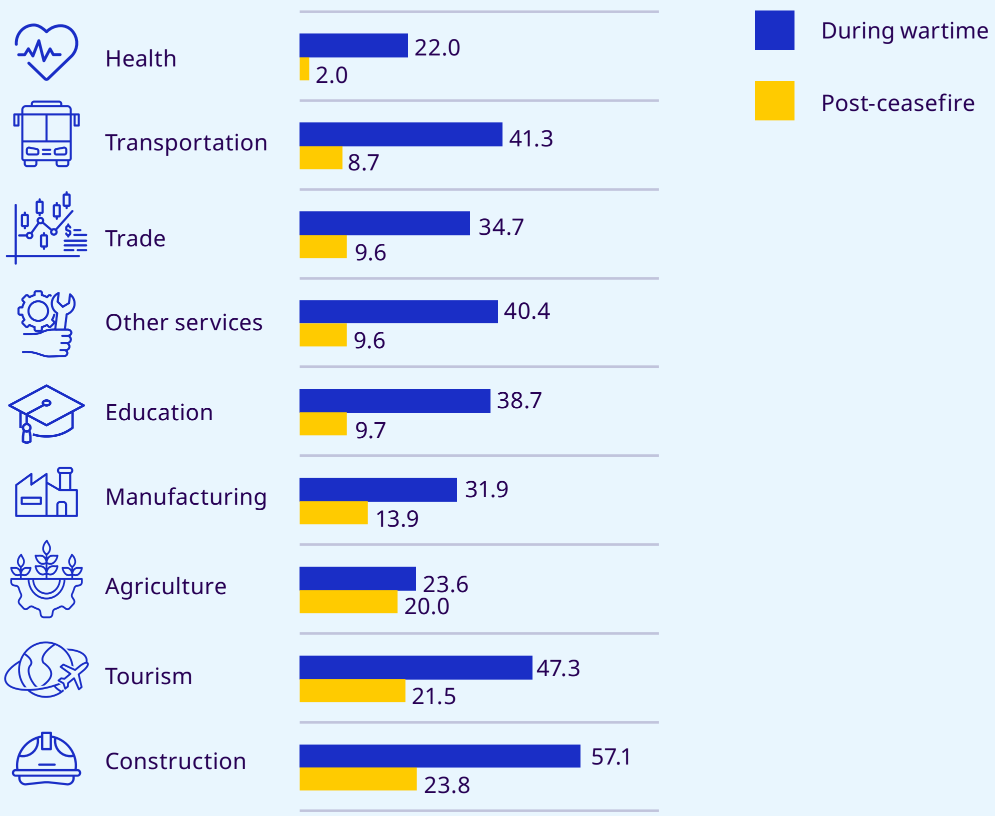


Table 16 below summarizes the share of closed enterprises by locality during the war and after the ceasefire.

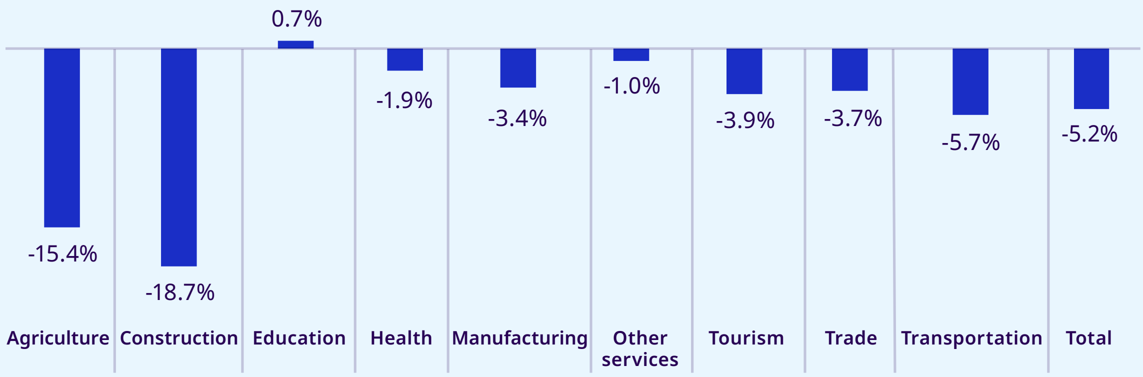
Table 16. Share of closed enterprises by region, during the war and post-ceasefire (%)

	During the war	Post-ceasefire
Areas affected by bombing	69.7	24.1
Areas not affected by bombing	14.1	6.1
Akkar	0.0	0.0
Baalbek-Hermel	59.0	21.3
Beirut	19.2	5.0
Bekaa	61.9	19.0
Mount Lebanon	40.0	12.8
Nabatieh	90.2	58.8
North Lebanon	1.9	2.9
South	48.3	9.2
Overall sample	**37.1**	**13.6**

Business operations

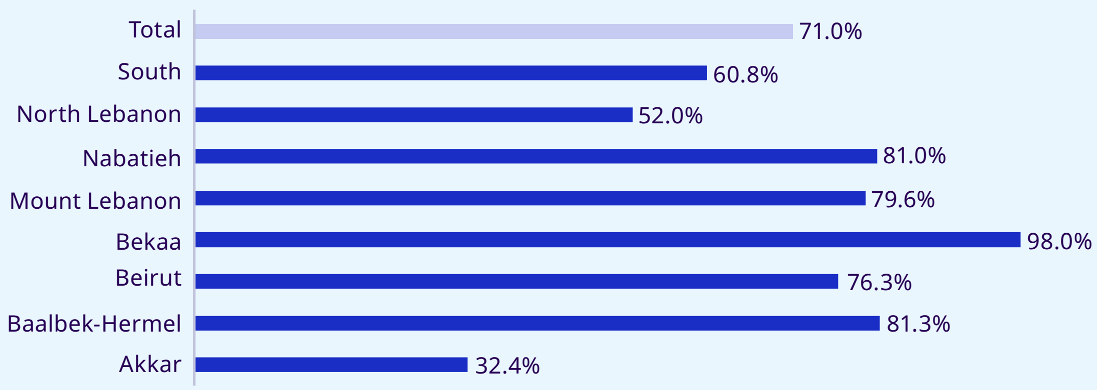
Establishments that were open post-ceasefire were operational an average of 5.9 days per week and 9.5 hours per day, down 5.2 per cent and -8.0 per cent, respectively, from before the war when the average number of operational days was 6.2 and the average number of opening hours was 10.3. The largest decreases in days of operation were in construction (-18.7 per cent) and agriculture (15.4 per cent), somewhat in line with the lower share of enterprises that were open in these two sectors. Nabatieh recorded the highest drop in average number of days open (-28.1 per cent) followed by the South (-11.5 per cent). Loss of workdays was associated with enterprise size, as enterprises with fewer than five employees witnessed a sharper decrease in the number of workdays per week (-9.1 per cent), compared with -4.0 per cent for enterprises of 5–9 workers and only -1.0 per cent for enterprises of ten workers or more.

Figure 40. Change in operational days per week by sector, post-ceasefire relative to pre-war



Open enterprises were asked to assess their level of activity compared with the pre-war situation (figure 41). Some 71.0 per cent had reduced activity below normal, while 25.7 per cent stated that their activity was normal and only 3.3 per cent reported higher activity than pre-war levels. The highest rate of reduced activity was recorded in the Bekaa (98.0 per cent), followed by Baalbek-Hermel, Nabatieh and Mount Lebanon, all hovering around 80 per cent. This reflects a significant drop in activity, number of customers, orders and so on for the vast majority of enterprises across most of the country.

Figure 41. Proportion of enterprises that reduced activity by governorate



In order to delve deeper into the slowdown of economic activity, operational enterprises were asked to rate various business indicators taking the pre-war situation as a baseline. The four indicators included: (a) overall turnover; (b) number of customers; (c) input costs; and (d) selling price.

On average, enterprises declared that their turnover and number of customers had dropped to around 58 per cent of their pre-war levels. Input costs and selling price both increased compared with the pre-war situations with the average increase in input costs outpacing the increase in selling price (+12.7 per cent and +4.6 per cent respectively), which implies a decrease in profitability, especially when combined with the smaller number of customers.

Enterprise size seems to be positively correlated with turnover and number of customers, but negatively correlated with selling price. In fact, while all enterprise size categories witnessed declines in turnover and number of customers, the level of turnover and number of customers were higher in larger enterprises. Conversely, the smallest enterprises reported an increase in average selling price of 7.6 per cent compared with the pre-war period, while the other two size categories reported slight declines. Input costs were not significantly correlated with enterprise size.

▶ Figure 42. Business indicators at the time of the survey compared with pre-war levels (indexed at 100) by enterprise size (%)

Tourism was the worst sector affected: turnover dropped to 46.4 per cent of pre-war levels (customer numbers dropped to around 45.5 per cent of pre-war levels). This affected other sectors. Focus group participants revealed that demand for manufacturing decreased because of declines in the tourism sector. Manufacturing was also affected by value chain disruptions because of heightened transportation risks, which affected packaging and distribution activities.[37] The least affected sectors were education (75.9 per cent of the pre-war level turnover and 74.9 per cent of pre-war customer numbers) and health (69.5 per cent of turnover and 67.4 per cent of customers). Yet, employers in the ALI focus group reported drops in worker productivity related to the psychological impact of the war.

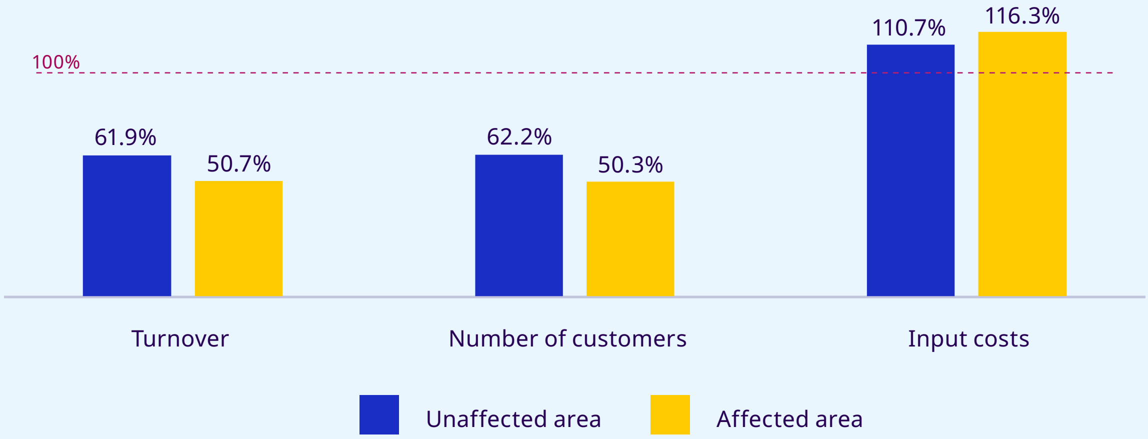
While input costs were assessed at 112.7 per cent of their pre-war level (i.e. a 12.7 per cent increase in input costs), the increase was somewhat higher in tourism (+17.9 per cent) and manufacturing (+16.9 per cent), and lower in education (+2.3 per cent).

From a geographical perspective, enterprises affected by regular bombing reported more negative assessments of turnover, number of customers and input costs. On the other hand, selling price showed no significant correlation. Thus, turnover and number of customers were lower for enterprises

37 ALI focus group.

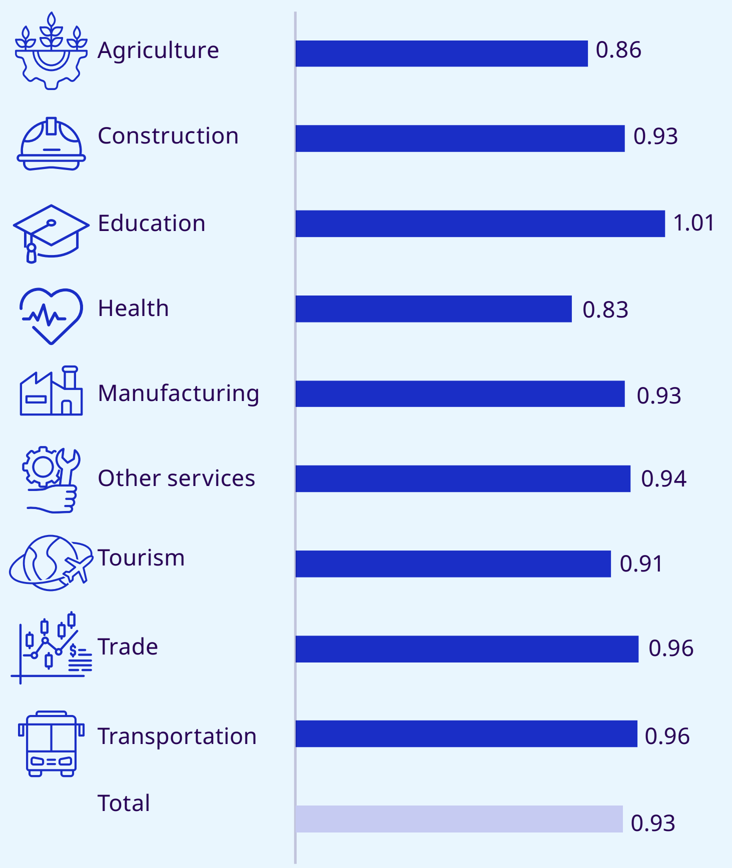
located in affected areas, and inflation of input prices was higher. While the first two reflect a sharper slowdown in activity, the higher input prices are related to the supply bottlenecks, which were obviously more acute in affected areas. Finally, the fact that unaffected regions reported a decrease in economic activity reflects an economic slowdown beyond security concerns.

▶ **Figure 43. Post-ceasefire business indicators, relative to pre-war levels**



Higher sales prices (+4.6 per cent overall) were systematically below the level of the rise in input costs (+12.7 per cent overall) in almost all sectors. Sectors with the lowest ratio of change in selling prices relative to the change in input cost were health (0.83), agriculture (0.86) and tourism (0.91).

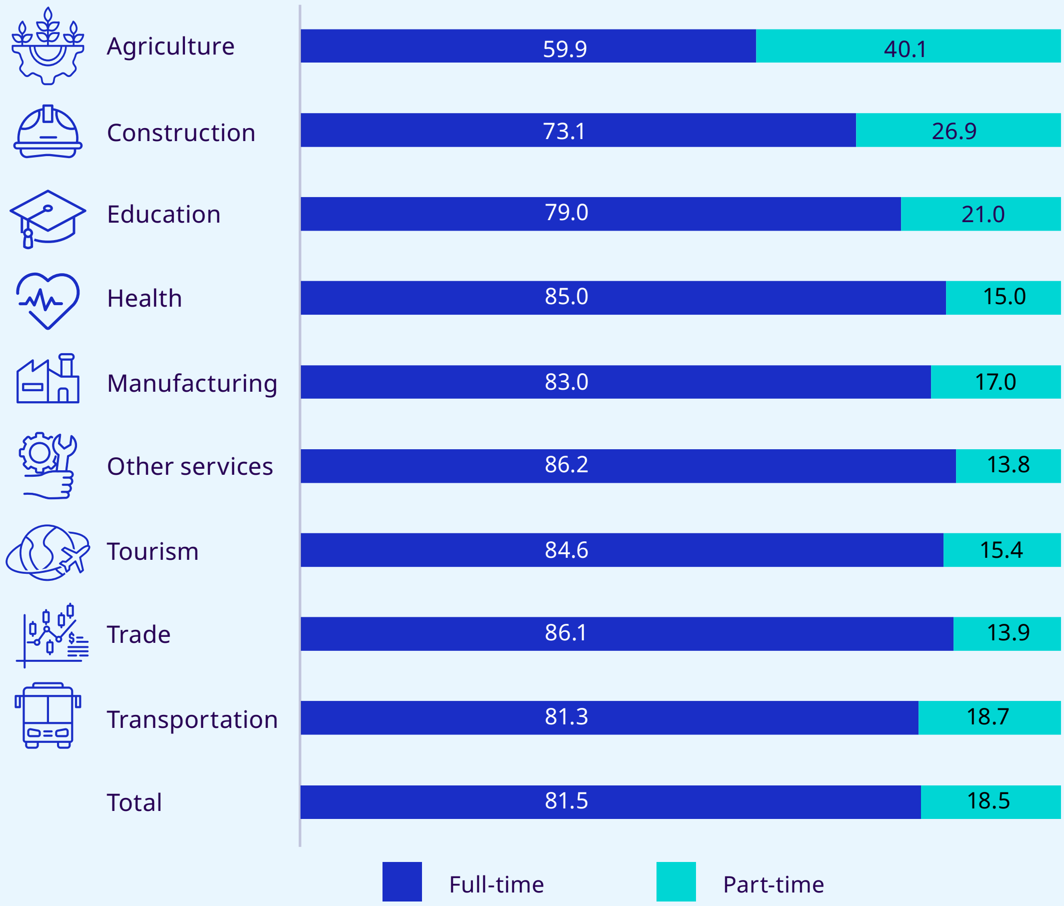
▶ **Figure 44. Ratio of change in selling price to change in input cost by sector**



Impact on employment

The first point to note is that different sectors are comprised of different employment structures. For example, health is characterized by a relatively low share of part-time/occasional workers (15.0 per cent) while 40.1 per cent of agricultural workers and 26.9 per cent of construction workers are part-time/occasional. The share of part-time/occasional workers is lower than expected in agriculture and construction, probably because these two sectors had not resumed normal activity levels at the time of the survey.

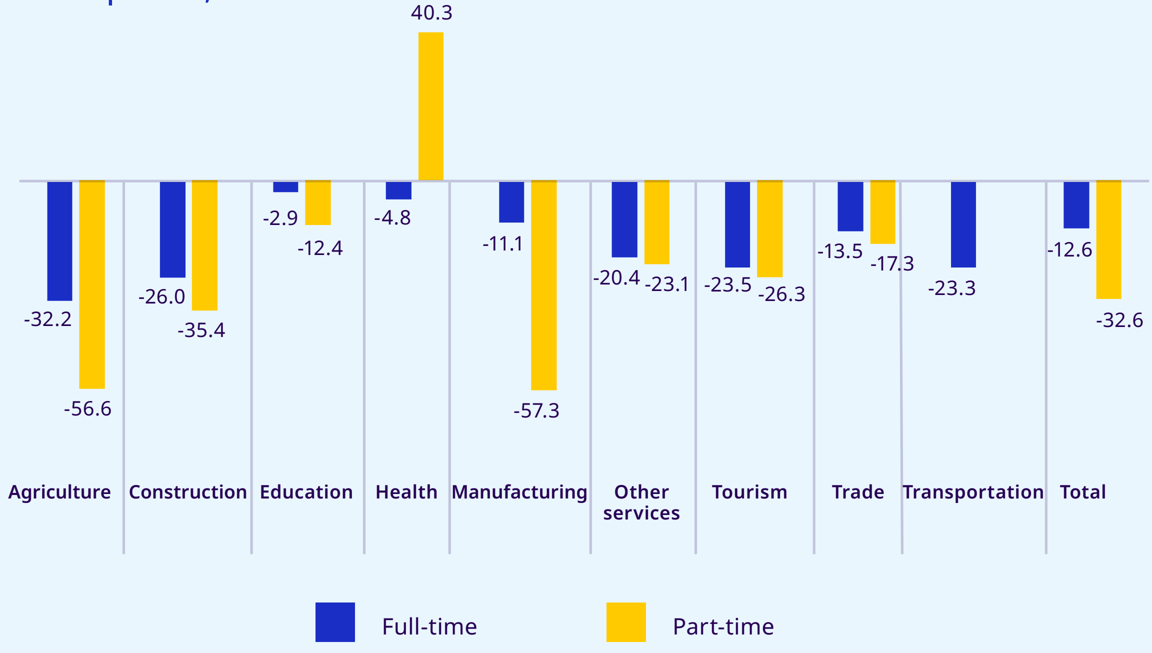
Figure 45. Employment status of workers by sector, post-ceasefire, in %



The average number of full-time workers per establishment declined from 9.2 before September 2024 to 8.0 post-ceasefire (a decrease of 12.6 per cent), while the average number of part-time/occasional workers dropped from 2.4 to 1.6 (a decrease of 32.6 per cent). If we were to add the effect of establishment closures, the impact would be even more striking. Enterprises that are now closed, but which were open before the war, employed an average of 6.2 full-time workers and 4.9 part-time workers, all of whom lost their jobs when these enterprises shut down. This result also shows that enterprises that remain closed are relatively smaller than those that are still open (i.e. larger enterprises may be more resilient).

The sector with the highest average decrease in full-time employment was agriculture (-32.2 per cent), followed by construction (-26.0 per cent). In contrast, health and education experienced the lowest reductions in full-time workers (-4.8 per cent and -2.9 per cent respectively).

Figure 46. Change in number of workers by sector and employment status, post-ceasefire versus pre-war, in %



Formal establishments witnessed a decrease of 11.4 per cent in full-time employment and 22.4 per cent of part-time employment compared with 23.1 per cent and 66.6 per cent respectively among informal establishments. Similarly, enterprises that registered workers in social security were much less likely to reduce their full-time workforce (-8.8 per cent) compared with enterprises that did not provide social security coverage (-19.4 per cent).

The more severe reduction in part-time/occasional/seasonal employment was to be expected; such jobs lack stability and legal protection. Indeed, in all sectors except transportation, the drop in employment was significantly higher among part-time/seasonal workers than among full-time workers. The decrease in part-time agricultural workers was 56.6 per cent (32.2 per cent for full-time workers), while in manufacturing, part-time workers decreased by 57.3 per cent (11.1 per cent for full-time workers). However, the private health sector recorded a 4.8 per cent decrease in full-time workers but saw an increase of 40.3 per cent in part-time workers. This likely reflects the sharp, but temporary, increase in demand for health services.

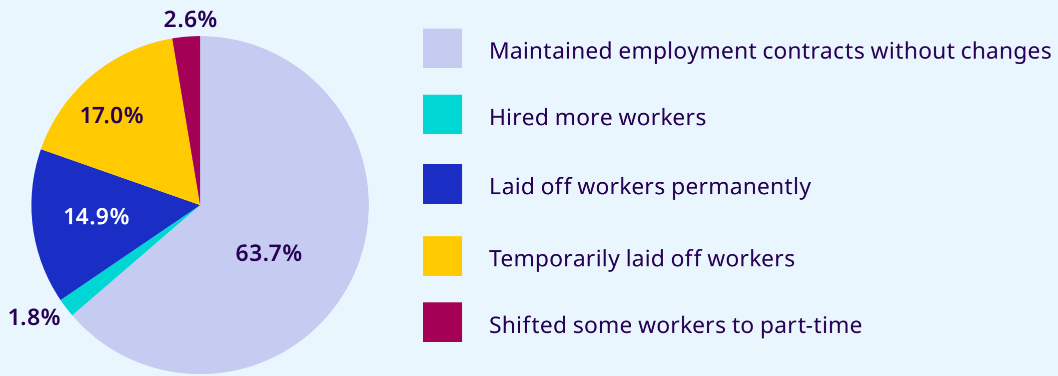
Employers were asked whether their workers were displaced because of the war. Some 49.3 per cent said no, while 25.7 per cent stated that some of their workers were displaced and 24.9 per cent stated that all of their workers were displaced. Of course, enterprises in areas affected by bombing were more likely to report all their workers were displaced (55.9 per cent), compared with those in unaffected areas (7.1 per cent).

The share of enterprises reporting that some of their workers were displaced was 25.1 per cent in affected areas and 29.0 per cent in unaffected areas, perhaps indicative of some workers residing in areas affected by bombing. As a result, some employers cut working hours because their workforce was displaced.

Employers' workforce policies

Employers were asked about changes they made to the terms of employment (figure 47). Of those establishments that remained operational post-ceasefire, 63.7 per cent maintained employment contracts unchanged, while 31.8 per cent laid off workers either permanently (17.0 per cent) or temporarily (14.9 per cent). A very small minority either shifted workers to part-time or hired more workers. It is worth noting that permanent layoffs reached 26.0 per cent in tourism while temporary layoffs exceeded 27.0 per cent in agriculture and construction.

Figure 47. Employer strategies by changes to terms of employment



Similarly, in terms of changes to working hours, 65.7 per cent of operational enterprises stated that there were no changes. Some 27.6 per cent of employers reduced employees' working hours and 2.6 per cent increased working hours with higher remuneration; only 0.5 per cent of employers said they increased hours without remuneration. There were no significant sectoral differences.

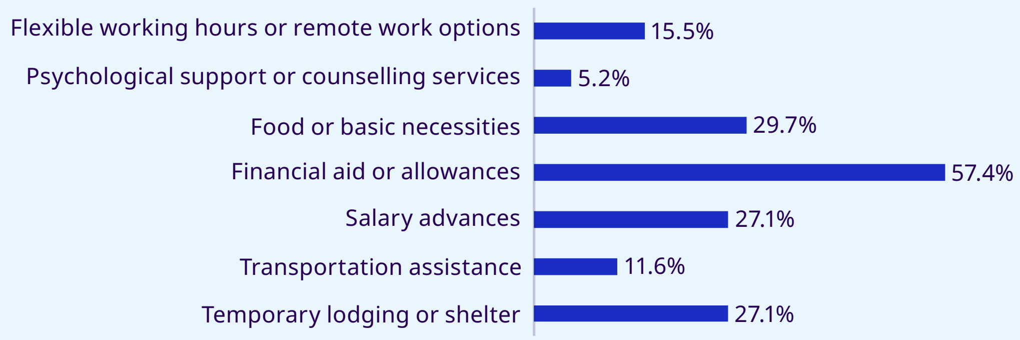
With respect to wages (figure 48), 60.9 per cent of enterprises operating post-ceasefire stated there was no change, while others reduced (10.9 per cent) or increased (10.6 per cent) wages, and 8.6 per cent delayed paying their workers. No sectoral trends were observed.

Figure 48. Distribution of operational enterprises by implemented wage measures

Employers were also asked whether they provided any type of support to workers affected by the war. Some 22.1 per cent of them reported doing so. In terms of regions, 33.3 per cent of enterprises in Mount Lebanon and 35.8 per cent in Beirut provided support to their workers, compared with 21.3 per cent in Baalbek-Hermel, 17.2 per cent in the South, and 15.9 per cent in the Bekaa. Variations may be explained by the fact that most establishments in directly targeted areas were either closed or barely operational, displacing most workers. Many establishments in Beirut and Mount Lebanon employed workers who resided in targeted areas and were displaced.

Support included financial help (57.4 per cent), food or necessities (29.7 per cent), salary advances and temporary lodging (27.1 per cent each), flexible or remote work options (15.5 per cent) and transportation assistance (11.6 per cent). Only 5.2 per cent of enterprises reported providing psychological or counselling services to their workers (figure 49).

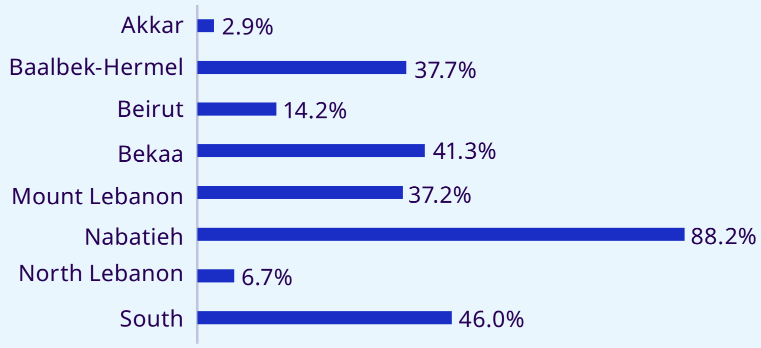
Figure 49. Type of support provided to employees



Physical damage

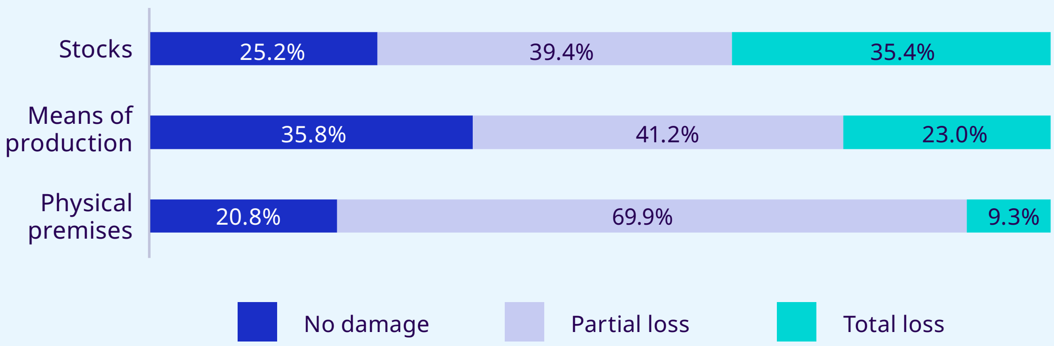
Around one third of the interviewed enterprises reported being physically damaged by the war, concentrated in regions targeted for bombing (66.9 per cent) compared with enterprises located in areas that were only sporadically targeted (7.8 per cent). The share of establishments damaged was, by far, highest in Nabatieh (88.2 per cent), followed by the South (46.0 per cent) and the Bekaa (41.3 per cent). Although 37.2 per cent of establishments were damaged in Mount Lebanon, the war's impact was concentrated in the district of Baabda, in which 69.8 per cent of establishments were damaged. In the South, the physical damage rate hides significant inter-district discrepancies. The extent of physical damage reached 93.3 per cent in Bint Jbeil and 84.2 per cent in Sour.

▶ **Figure 50. Extent of physical damage to enterprises by governorate**



Notably, the majority of establishments reported partial damage, rather than total loss (Figure 51). Around 70 per cent of the damaged establishments reported partial damage; 9.3 per cent reported that their premises would need to be rebuilt. "Partial loss" covers a wide range of damage, from mild to severe. Physical premises and stock were more likely to have been damaged than the means of production (e.g. machinery and tools). According to the survey, a total of 79.2 per cent of enterprises reported experiencing partial damage or complete loss of their physical premises, 74.8 per cent reported similar damage to their stock, while 64.2 per cent of enterprises indicated damage to their means of production.

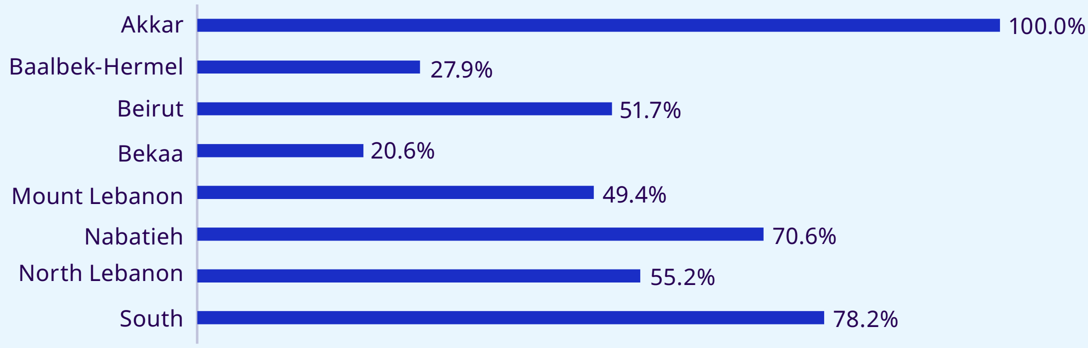
▶ **Figure 51. Type of damage to enterprises**



At the governorate level, damage to physical premises was most prevalent in Mount Lebanon where 91.0 per cent of enterprises reported partial or total loss, followed by the Bekaa (88.5 per cent) and the South (85.0 per cent). Damage to means of production was more prevalent in Nabatieh (88.9 per cent), followed by Mount Lebanon (76.1 per cent). In the case of damage to stocks, there were no significant differences across governorates.

All enterprises were asked whether they were optimistic about the upcoming compensation process. Some 53.8 per cent said it would not take place, while 42.1 per cent stated there would be partial compensation and 4.1 per cent believed there would be full compensation. The highest degree of pessimism was expressed by Akkar employers, none of whom believed there would be any compensation at all, in contrast to North Lebanon, where 55.2 per cent of enterprises shared that degree of pessimism. Figure 52 highlights the differences across governorates.

Figure 52. Share of enterprises expressing pessimism about compensation



Operational obstacles

Employers rated various obstacles that could, conceivably, limit their growth on a scale from 1 (no obstacle) to 5 (very severe obstacle) at two points in time: pre-war and post-ceasefire. All ratings were worse in the post-ceasefire scenario.

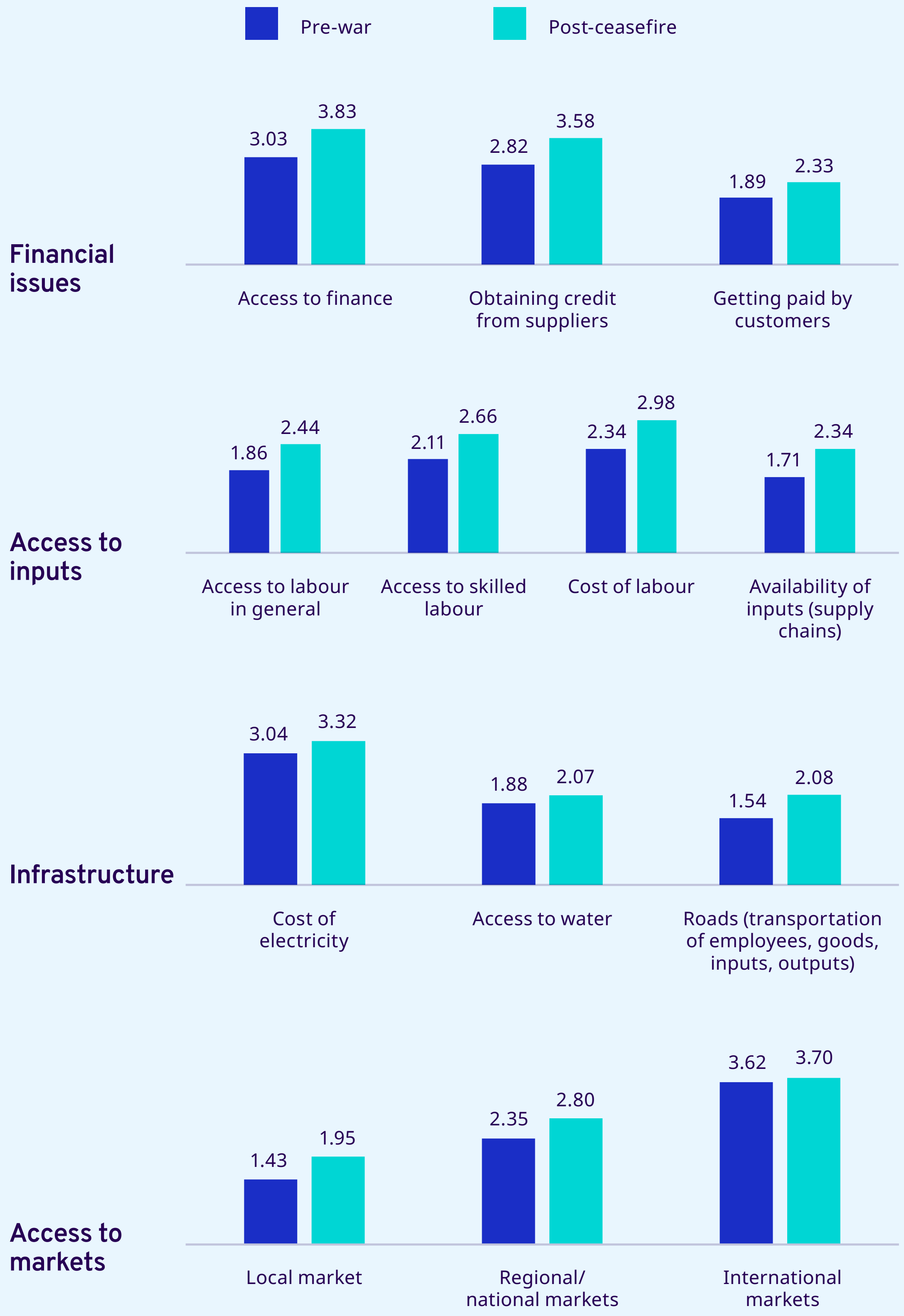
Access to finance was the most severe obstacle, with an average rating of 3.83 post-ceasefire (figure 53). Interestingly, customer delinquency was not rated as a serious obstacle, but obtaining credit from suppliers became much more difficult after the war. There were no interesting differences in terms of sectors.

In terms of access to inputs, labour availability did not seem to be a problem, despite a notable worsening after the war. The cost of labour was rated as more of an obstacle, with manufacturing and transportation rating the lack of skilled labour as a more significant obstacle (3.29 and 3.0 respectively compared with an average of 2.66). Moreover, the cost of labour was more of an obstacle for transport companies (3.29 compared with an average of 2.98).

In terms of infrastructure, the cost of electricity was rated the most significant obstacle. As expected, manufacturing enterprises rated it 3.77, compared with an average of 3.32. Electricity prices hinder the competitiveness of Lebanese businesses, as most incur additional costs of paying for privately generated electricity.

Access to national markets moved from being a minor to a moderate obstacle after the war, possibly because of logistical difficulties in many regions. However, access to international markets was rated as a relatively major obstacle by most enterprises, revealing a structural problem that, just like cost of electricity, needs to be dealt with in a medium- to long-term perspective, rather than from a relief perspective. Interestingly, agricultural enterprises rated access to international markets much more highly (4.57 compared with a 3.70 average). The focus group with industrialists revealed that many Lebanese shipping companies halted activities; foreign demand dropped as customers turned to non-Lebanese suppliers to ensure timely delivery. Indeed, Lebanon was placed on a list of “high-risk countries” by the UK, which impeded trade with Lebanese economic establishments. Geographically, Beirut and Mount Lebanon expressed less difficulty accessing international markets (2.37 and 2.70 respectively) compared with all the other governorates, which rated this obstacle above 4.00.

▶ **Figure 53. Obstacles to business development, as rated by employers**



Note: Obstacle ratings were based on a 5-point scale (1 = no obstacle, 2 = minor, 3 = moderate, 4 = major, 5 = very severe).

Respondents were asked whether they shifted their operations online either partially or fully, to which 91.7 per cent answered negatively; 7 per cent of enterprises partially switched to online operations and 1.3 per cent did so fully. Online operations were more concentrated in the education sector. Just two of the sampled enterprises switched sectors because of the war.

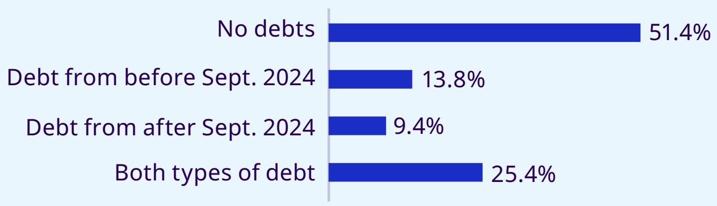
Impact of the war on finances

Slightly more than half of enterprises had no outstanding debts at the time of the survey, higher in Akkar (82.4 per cent) and the North (71.4 per cent). It is also noteworthy that 69.0 per cent of southern enterprises were also debt-free. In these areas, enterprises often have lower levels of debt because of their limited collateral and lack of access to formal credit, as well as greater aversion to debt, the smaller scale of their operations and higher reliance on informal or internal financing.

Nonetheless, 13.8 per cent of enterprises had outstanding debts from before the war, 9.4 per cent were not indebted before the war but took on debt after September 2024, and 25.4 per cent had outstanding debt from before the war, to which they added new debt during the war. The share of enterprises with old debt unrelated to the war was higher in Beirut (20.8 per cent) and Mount Lebanon (20.0 per cent), possibly indicating pre-war economic strain. In terms of war-related debt, 41.2 per cent of enterprises in Nabatieh reported such debt. Accumulated debt was reported by 42.6 per cent of enterprises in Baalbek-Hermel and 52.4 per cent in the Bekaa.

Areas targeted by the war were more likely to witness new debts (after September 2024) than those not directly affected by bombing (12.8 per cent and 7.1 per cent, respectively). The share of enterprises with both types of debt was significantly higher among the former than the latter (34.5 per cent, compared with 19.0 per cent).

Figure 54. Enterprises with outstanding debt, pre- and post-war



Enterprises with outstanding debt were asked whether they were facing problems with repayments. Some 74.2 per cent reported facing major problems, while another 22.3 per cent faced minor problems; only 3.5 per cent did not face any problems.

The share of enterprises facing major repayment problems was higher in Baalbek-Hermel (88.6 per cent), the Bekaa (91.1 per cent), and Nabatieh (97.5 per cent), all regions with a high prevalence of indebtedness. Enterprises in affected areas were also more likely to report major difficulty with repayments (79.8 per cent) compared with those in unaffected areas (68.5 per cent). There were no significant sectoral differences.

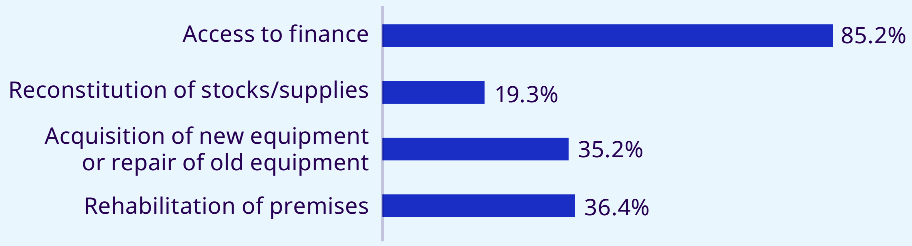
Some 49.1 per cent of enterprises cancelled orders that were placed before the war. Such cancellations were higher in affected than unaffected areas (58.6 per cent and 42.3 per cent, respectively).

Currently open enterprises were asked whether they closed any production lines or stopped selling certain products or services because of lack of demand. Some 45.5 per cent said they did while the rest (54.5 per cent) did not. The share of enterprises that discontinued some product lines rose to 57.0 per cent in the South and 66.7 per cent in Baalbek-Hermel. The likelihood was also somewhat higher in affected (50.9 per cent) than unaffected (42.5 per cent) areas.

Business recovery

Enterprises still closed post-ceasefire were asked whether they planned to reopen for business. The majority (83.2 per cent) expressed a willingness to reopen in the same location, while 9.5 per cent planned to reopen in a different location and 7.4 per cent had no plans to reopen. Those that planned to reopen were asked about their priorities for recovery (multiple responses allowed). Access to finance was selected by 85.2 per cent of these respondents, followed by rehabilitation of premises (36.4 per cent), acquisition or repair of equipment (35.2 per cent) and reconstitution of stocks (19.3 per cent). Availability of labour was selected by only 6.8 per cent of enterprises and access to training by only 1.1 per cent of enterprises.

Figure 55. Priorities for recovery (percentage of closed enterprises planning to reopen)

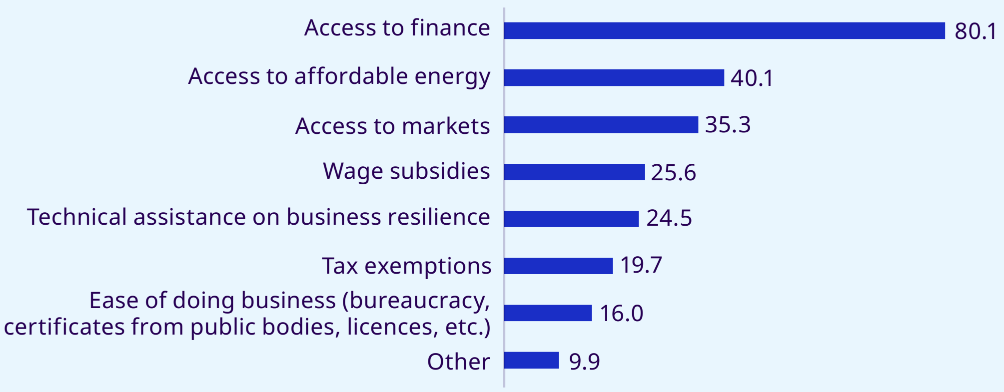


Enterprises that were open post-ceasefire, or which had plans to reopen, were asked about their ability to quickly recover production capacity. Some 46.5 per cent were confident they could do so, while 27.4 per cent were not and 26.1 per cent either did not know or felt that the question did not apply to them because they had not lost production capacity. A significantly higher share of enterprises in Beirut (37.8 per cent) and Nabatieh (64.6 per cent) felt that they could not quickly recover their capacity. This could be related, especially in Nabatieh, to the higher degree of damage to premises and other assets.

Enterprises rated their need for additional business support on a scale from 1 (low) to 5 (crucial). The average rating was 4.1, but higher in agriculture (4.43), education and transportation (4.39 each). It was also significantly higher in areas that were directly affected by bombing (4.38, compared with 3.90 in unaffected areas). Average ratings were 4.92 in the Bekaa, 4.82 in Baalbek-Hermel and 4.52 in Nabatieh.

Operational enterprises, as well as those that planned to reopen, were asked about the type of support they needed to recover (multiple answers allowed). Once again, as was the case for priorities for those closed, the vast majority of enterprises identified the need for access to finance (80.1 per cent), followed distantly by access to affordable energy (40.1 per cent), access to markets (35.3 per cent) and wage subsidies (25.6 per cent). Although interest in training was very low in terms of priorities, a sizeable share of enterprises (24.5 per cent) asked for technical assistance on business resilience. Ease of doing business was identified as a need by 16 per cent of enterprises, something that mainly concerns medium-sized and large enterprises, and enterprises in manufacturing.

▶ **Figure 56. Support needed for recovery, in %**



In terms of sectors, agriculture stood out, with 98.1 per cent of enterprises expressing a need for access to finance, while access to affordable energy was especially important for enterprises in education (58.1 per cent), agriculture (57.45) and manufacturing (52.4 per cent). The need for technical assistance on business resilience was highest in agriculture (40.7 per cent). Access to markets was identified by a relatively high share of manufacturing businesses (44.1 per cent), as were tax exemptions (27.3 per cent) and ease of doing business (27.3 per cent). Wage subsidies were especially important for education (41.9 per cent) and health (40.0 per cent) establishments. This is not surprising, as wages constitute the highest share of operational costs in these two sectors. The needs identified in the survey were in line with those raised in the FGD with Lebanese industrialists, who prioritized access to affordable energy, tax and tariff reductions and access to finance. Interestingly, focus group participants identified the need for timely and valid data, as well as government-subsidized war damage insurance.

Finally, in terms of size, micro enterprises were more likely to require support in accessing markets (40.5 per cent) compared with enterprises with between five and nine workers (26.6 per cent) and enterprises with ten workers or more (20.0 per cent). However, micro enterprises (22.1 per cent) were less likely to request technical assistance on business resilience, despite their higher vulnerability, compared with larger enterprises (34.0 per cent). Conversely, enterprises employing ten or more workers were more likely to ask for tax exemptions (32 per cent compared with 19.3 per cent overall) and ease of doing business (34.1 per cent compared with 15.2 per cent overall).

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Conclusion and recommendations


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Conclusions

Taken together, the surveys and focus group discussions illustrate the dire consequences of the war on the labour market, especially the private sector. The effects included income loss and job insecurity, reduced access to finance and a range of operational challenges, highlighting an urgent need for tailored policy responses and support mechanisms.

The key findings of the study can be summarized as follows:

1. **Household income.** Already considered low, average monthly household income dropped from $586 to $490.
2. **Significant job losses.** Some 13.7 per cent of workers were out of employment post-ceasefire. Workers lost jobs, even in areas that were not directly targeted for bombing during the war. Female workers were more likely to lose their jobs than male workers.
3. **Decreased income and hours of work.** For continuing workers, reduction in income outpaced drops in days and hours worked.
4. **Reliance on savings.** About half of all workers relied on savings to cope with the reduction in work and income.
5. **Enterprise shutdowns.** More than one third of enterprises were concentrated in regions directly impacted by the war. Only around 40 per cent of closed enterprises were able to return to normal operations. Post-ceasefire, 13.6 per cent of enterprises were still closed.
6. **Economic slowdown.** More than 70 per cent of the enterprises saw a reduction in activity because of the war. Input costs and selling prices both increased (compared with the pre-war situation), with input costs outpacing the ability to charge higher prices, meaning a decrease in profitability.
7. **Physical damages.** One third of enterprises were physically damaged by the war. The majority of establishments reported partial losses, rather than a total loss of assets. Physical premises and stocks generally suffered greater damage than the means of production (e.g. machinery and tools).
8. **Debt.** The war exacerbated indebtedness among enterprises, such that around half of all enterprises had outstanding debts at the time of the survey. Some 35 per cent of enterprises took on new debt after the war. Around three quarters of indebted enterprises reported major impediments to making repayments, especially in Baalbek-Hermel, the Bekaa and Nabatieh.
9. **Access to finance and affordable energy.** These ranked highest in terms of enterprises' needs for recovery, followed by access to markets.

Exacerbating factors

Certain types of enterprises or workers were either more vulnerable or more resilient to the impact of the war, as summarized below:

- **Larger enterprises were more profitable and resilient.** Enterprises that remained open were relatively larger than those that closed. Small enterprises witnessed a sharper decrease in the number of operational days per week compared with enterprises with a higher number of workers. Larger enterprises were more likely to be formal and better positioned to weather the consequences of the war.
- **Informal, unstable employment makes workers more vulnerable.** Informal and part-time/seasonal workers were more likely to lack legal and social protections that can shield them from the effects of war. In all sectors, except transportation, job losses were significantly higher among

part-time/seasonal workers than full-time workers. Moreover, 17.2 per cent of informal workers lost their jobs compared with 4.2 per cent of formal workers. Enterprises that had registered their workers in social security were much less likely to lay off full-time workers (8.8 per cent) compared with those that did not provide social security coverage (19.4 per cent).

- **Displacement exacerbated economic vulnerabilities.** At the time of the survey, an average of 13.0 per cent of workers remained displaced, with 53.4 per cent of displaced respondents not working compared with 11.0 per cent of those who were initially displaced but who subsequently returned, and only 5.7 per cent of those who were never displaced.
- **Migrant domestic workers were especially vulnerable.** MDWs experienced the sharpest drop in activity and income. Only 29.4 per cent of these workers had a written contract compared with 56.7 per cent of Lebanese workers. MDWs were more likely to change jobs (22.2 per cent) than Lebanese (8.4 per cent) or Syrians (2.9 per cent). Without savings, barely any aid from NGOs and no extended social network to fall back on in Lebanon, they were also the largest group (30.1 per cent) of workers who did not seek out any coping mechanisms.
- **Syrian workers held the most precarious jobs.** Syrian worker households earned an average monthly income of $388 compared with $529 for Lebanese households. The majority of Syrians (90 per cent) were employed by micro and small enterprises of less than ten employees. Only 3.9 per cent of Syrian workers had written contracts compared with 56.7 per cent of Lebanese workers. Daily work – the most unstable and precarious form of employment – is more prevalent among Syrian refugees. Syrian workers reported the highest increase in workload relative to increases in wages. On the other hand, Syrian workers were less likely to be affected by job losses because the majority of those interviewed resided in areas unaffected by bombing and the cost of Syrian labour is considered cheaper than the cost of employing other nationalities.
- **Union membership protects workers.** During the war, unions remained active in protecting workers from abuse. However, fewer than 20 per cent of the interviewed workers belonged to a trade union, with no significant differences between male and female workers.

Recommendations

Our recommendations are grouped into two main categories: (1) short- and medium-term recovery measures aimed at helping workers and enterprises restore their livelihoods and cope with the consequences of the recent war; and (2) long-term structural measures designed to address pre-existing weaknesses in the Lebanese economy and labour market. Key principles that apply to the recommended interventions include:

- alignment with the Labour Law and ILO Decent Work Agenda;
- inclusiveness, ensuring no one is left behind, especially women, youth, refugees and migrant workers; and
- tripartite social dialogue, ensuring meaningful participation and the active engagement of workers' and employers' representatives in the recovery process.

Recovery-related measures

In the short to medium term, recovery efforts should prioritize those regions, sectors and groups of workers and enterprises most affected by the war. Support must be targeted, coordinated and responsive to local realities in order to maximize impact, increase efficiency and generate valuable lessons that can inform broader recovery efforts.

One of the most effective ways to address local needs is through a Local Economic Development (LED) approach. LED is a participatory and area-based strategy that brings together local stakeholders, such as municipalities, employers, workers and civil society organizations to identify economic priorities, mobilize local resources and design interventions tailored to the unique context of each region. By focusing on locally rooted sectors, promoting inclusive job creation and fostering partnerships at the community level, the LED approach ensures that recovery is not only more responsive and sustainable, but also equitable and locally owned.

In Lebanon, as we aim to address the post-war repercussions, the LED approach serves as a practical, people-centred tool to revive livelihoods, strengthen social cohesion and build long-term resilience. It emphasizes support for small and medium-sized enterprises, investment in productive infrastructure, access to finance and skills development – all guided by the principles of decent work and social dialogue. As such, adopting a LED approach in war-affected areas can provide a solid foundation for both economic recovery and inclusive development, with a focus on sectors with strong local roots and potential for decent job creation.

Importantly, in-depth research and analyses to understand sectoral challenges are key, including in agriculture, tourism and manufacturing.

Short-term measures

A number of short-term interventions should be rolled out immediately to create employment and livelihood opportunities, particularly for the most affected groups of workers and enterprises. These would include the following actions:

1. Provide cash grants to businesses that remained closed more than 3 months after the ceasefire to support reopening and short-term liquidity needs, as well as self-employed individuals in sectors affected most by the war, such as farmers, drivers and others.
2. Implement EIIPs to support infrastructure recovery and job creation in war-affected areas. These programmes are designed not only to rebuild critical infrastructure (roads, water systems, schools and community facilities), but also deliver direct employment, skills development and on-the-job training to local workers, particularly those who were out of employment as a result of the war. EIIPs should be aligned with national labour laws and international labour standards, ensuring fair wages, safe working conditions and equal access for all, and should ideally include local procurement policies to support small businesses and stimulate demand for locally produced goods and services.
3. Encourage simplified access procedures and outreach through local chambers, trade unions, cooperatives and municipalities. Many individuals, as well as small and micro enterprises, particularly those operating in the informal economy, face significant barriers to accessing recovery support in post-war contexts because of a lack of documentation, limited digital literacy or unfamiliar application procedures. To ensure that financial and technical assistance reaches workers and enterprises most in need, it is essential to simplify eligibility criteria, streamline administrative procedures and ensure accessibility at the local level.
4. Bring forward the different pillars under the National Social Protection Strategy, which aims to ensure that people in need of support and protection are provided for by the State.

Medium-term measures

Beyond immediate support, medium-term assistance should target both workers and enterprises according to the following:

1. Develop a recovery package that targets business recovery and aims to help affected establishments grow, leading to greater resilience, formality and an ability to provide decent job opportunities, including the following elements:

a. zero/low-interest loans and wage subsidies to affected enterprises;

b. technical assistance for achieving better horizontal and vertical integration along value chains;

c. technical assistance for restoring and expanding market reach;

d. technical and financial assistance for adopting renewable energy solutions to decrease dependence on privately generated electricity;

e. business resilience training to help enterprises recover in the short term and become less vulnerable to future shocks.

2. Support emergency employment by strengthening the capacity of relevant actors to match labour supply and demand in local economies. This would entail providing job placement services, career guidance and labour market information tailored to the specific needs of war-affected communities, with a particular focus on vulnerable groups such as youth, women and displaced workers.

3. Provide short-term, tailored training linked to recovery (e.g. construction skills, sustainable farming and digital marketing for tourism), with particular attention to women, youth and displaced persons.

Long-term structural measures

The Lebanese economy faces deep structural challenges, including a persistent inability to generate sufficient decent jobs and a weak and inefficient social protection system. These long-standing issues require coordinated, sustained reforms. The following structural measures should be embedded within a broader national economic recovery and development plan that prioritizes investment in job-rich sectors, promotes high-value-added activities, and aligns skills development with labour market needs:

1. **Reform the Labour Law in line with international labour standards.** The law should include legal protections for previously excluded or vulnerable workers (e.g. agricultural, informal, and MDWs), as well as those in non-standard forms of employment, with stronger provisions for occupational safety and health, and the right to organize and bargain collectively.

2. **Promote better social security coverage and improved NSSF service provision.** Place the recovery of the NSSF at the forefront of the policy agenda, given its importance for workers and their households. This will require concerted efforts to guarantee effective coverage of formal workers and their households. It will also require actuarial and financial sustainability assessments to ensure the fund's long-term viability and rebuild trust among contributors. NSSF coverage should be extended to legally employed migrants and refugee workers of all nationalities, as well as workers in previously excluded sectors such as agriculture, fisheries, municipalities and construction. Innovative approaches should include workers in new forms of work.

3. **Promote a more conducive business environment.** Create a more enabling environment for enterprise growth by promoting conditions that encourage enterprise development, formalization and job creation, particularly for MSMEs. Key elements would include reducing administrative and regulatory barriers, simplifying and digitalizing business registration and licensing procedures and providing targeted incentives, such as tax relief and access to affordable finance, for businesses to formalize and invest in decent work practices. Additionally, improving access to markets, value chains and infrastructure, particularly in underserved areas, can help unlock the productive potential of enterprises.

4. **Establish effective public employment services.** Effective and sustainable public employment services, beyond emergency employment services, are essential for connecting jobseekers with decent work opportunities, supporting inclusive labour market participation and enabling governments

to respond to economic shocks through active labour market policies. In Lebanon, the NEO is the principal institution mandated to provide such services. However, its role has been significantly weakened over the years because of limited capacity, underfunding and institutional fragmentation. Revitalizing and strengthening the NEO is, therefore, a critical step towards building a responsive and inclusive labour market. This will involve enhancing the NEO's operational and technical capacity to deliver core services such as job-matching, career guidance, skills assessments and referrals to training opportunities, particularly for vulnerable groups, including youth, women, informal workers and displaced populations. The NEO should also play a central role in implementing active labour market programmes that address unemployment and underemployment, especially in post-crisis settings.

5. **Develop a comprehensive and inclusive National Employment Strategy.** Under the leadership of the Ministry of Labour, and with the active engagement and participation of relevant line ministries and social partners, design and implement a National Employment Strategy that promotes full, productive and freely chosen employment for all. The strategy should address both demand- and supply-side challenges, as well as the mechanisms that connect them, such as labour market intermediation and employment services. Special attention should be given to vulnerable groups, including youth, women, informal workers, migrants and refugees, to ensure inclusive and equitable access to decent work. The strategy should also be fully integrated into broader national recovery and development planning, serving as a central pillar in efforts to rebuild a more resilient and inclusive labour market.
6. **Address labour market inequalities, including gender disparities.** Develop and implement inclusive labour market policies that actively address structural inequalities based on gender, age, migration status, disability and other intersecting factors. Particular attention should be given to reducing gender gaps in employment, pay, working conditions and access to social protection. This would include removing barriers to women's participation in the labour force, such as unequal care responsibilities, lack of safe and accessible transport and discrimination in hiring and promoting employees. Policies should also promote equal access to skills development, entrepreneurship support and leadership roles, while mainstreaming equality principles across all employment programmes, laws and institutions. Efforts must be grounded in data disaggregated by gender and other relevant characteristics, and shaped through consultation with representative organizations, including women's groups, trade unions and employees' organizations.
7. **Implement regular labour force surveys and establish an effective LMIS.** Develop a robust LMIS to generate and disseminate timely, reliable and disaggregated labour market data. This system should support evidence-based policymaking, inform national recovery strategies and guide interventions by international organizations, social partners and educational institutions. To ensure data accuracy and relevance, the LMIS should be underpinned by a regular LFS to gain essential insights into employment trends, labour market dynamics and the needs of both workers and employers. Strengthening the national labour market data infrastructure is critical for aligning policies with real-world conditions and for improving the responsiveness of employment, education and training programmes.
8. **Strengthen representation and build the capacity of workers' and employers' organizations.** Support the effective organization and empowerment of both workers and employers, particularly in the informal economy and crisis-affected sectors, by strengthening trade unions, employer organizations and representative committees. This would include ensuring legal recognition, capacity-building measures and fostering inclusive and institutionalized social dialogue. Strengthening representative bodies on both sides of the labour market would help ensure that workers and employers were meaningfully represented in the design and implementation of recovery measures, labour market reforms and long-term development strategies.

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