



Beirut, April 28, 2021

## **LEBANON: Security and Socioeconomic Brief -- Update**

Lebanese economic growth continues its sharp deterioration which started in 2019 and all through 2020. Economic and financial difficulties mixed with a political crisis fuelled social protests. The already severely weakened economy, civil unrest, together with the Beirut Port Blast (August 4<sup>th</sup>) and the Covid-19 outbreak, have had, and will continue to have, profound and long-term impact on the country's socioeconomic resilience. The first of the impact is the increased poverty rate among the Lebanese as well as the hosted refugees, Syrian and the long-lasting Palestinian refugees.<sup>1</sup>

According to the IMF's forecast of October 2020, Lebanon's GDP growth is projected at -25% in 2020. The traditional engines of growth in Lebanon (real estate, construction, and tourism) have stalled and the banking sector has collapsed. IMF estimated inflation at a record high of 85.5%. By the end of 2020, inflation stood at 145.8%, according to the report.<sup>2</sup>

The severe economic and political crisis of 2019 and a global pandemic have caused a staggering level of unemployment. According to the World Bank, 40% of the country's young people are not in employment, education, or training.<sup>3</sup>

### ***Devaluation of the Lebanese currency and increase in food prices***

Since October 2019, the Lebanese Lira has lost 90% of its value, pushing more than half the population below the poverty line. In mid-March, the US dollar hit the 15,000 LL threshold and people took to the street as inflation skyrocketed. Supermarkets shut their doors, and fights over food produce escalated into armed clashes in some areas. It looked as if Lebanon's hunger revolution has begun!<sup>4</sup>

An unstable currency led to sudden price hikes, with prices of some items tripling or more. Panic-ridden shoppers rushed to stock up on items, fearing they might not be able to afford them anymore. Subsidized goods are short in the supermarkets.

The World Bank's periodic assessment of the repercussions brought about by the COVID-19 pandemic on food price inflation in the MENA region, found that between February 2020 and March 2021 prices surged across all food categories. However, Lebanon's food prices are the highest in the Middle East and North Africa (MENA) region. For instance, fresh and frozen cattle meat prices in Lebanon jumped by 110% within the assessment period, indicating the highest increase in the region, with a rise of over 35%. The price of eggs saw an increase with more than 20%. Potato prices rose by just over 71%, accounting for the highest in MENA, while the prices of frozen chicken rose by 68.4%. Even prices of apples and oranges in Lebanon grew by 58.2% and 58.4% respectively.<sup>5</sup>

<sup>1</sup><https://www.nordeatrade.com/en/explore-new-market/lebanon/economical-context>

<sup>2</sup><https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020#FullReportandExecutiveSummary>

<sup>3</sup>*Ibid*, 1

<sup>4</sup><https://english.alarabiya.net/views/2021/03/17/Lebanon-crisis-Lebanon-s-crises-will-feed-the-hunger-revolution>

<sup>5</sup><https://www.annahar.com/english/article/1206953-world-bank-lebanons-jump-in-food-prices-highest-in-mena-region>

Nevertheless, people in Lebanon are well aware that the worse is yet to happen. There will be no more subsidized items (food and non-food) by the end of May 2021, as Caretaker Economy Minister declared weeks ago. This is linked to the dwindling foreign currency reserve in Lebanon's Central Bank.

### ***Fuel shortage blackouts Lebanon and forms queues at gas stations***

Lack of the foreign currency reserve in Lebanon is forcing a blackout on the population in the country. The government is unable to import petroleum products with the absence of fresh dollars. Thus, Lebanon's residents have to suffer of power outage that has reached 22 hours/day. The power substitute, private generators, tried to fill the gaps in the government's electricity supply. However, generator owners struggle to find fuel at the suppliers. As a consequence, prices hiked rendering these expenses unaffordable for families already suffering from the economic crisis<sup>6</sup>.

The scarcity of fuel at Lebanon's gas stations created long queues of cars and mopeds, portraying a crowded parking-lot image. Vehicles wait for hours to fill the tanks with limited quantities decided by the station owner. Much often, after long waiting hours, the driver finds no fuel available. The amount provided by the distributor has finished. Local distributors are not giving out fuel in sufficient quantities until they are able to secure quantities to keep them in the business. The reason behind it is that the ships carrying fuel have not been paid, and will not unload their cargo until they receive payment.<sup>7</sup>

It is obvious that this crisis will extend to all other services that need to be paid in dollars and are included on the subsidies list. In addition to fuel, subsidized items include wheat, foodstuffs, pharmaceuticals and medical supplies thus affecting the access to health care.<sup>8</sup>

### ***Increased violence expected***

Local security authorities have noted a recent rise in violent crimes, including political violence. Multiple unsolved killings within the past months in Lebanon may have been politically motivated, as reported. The latest statistics published by the Lebanese internal security revealed that crime increased significantly, with murders jumping 45% in the past year, and the reported thefts by 144%.<sup>9</sup>

Analysts speculated some armed groups may conduct attacks targeting tourist locations, markets/shopping malls, and local government facilities.

Family, neighborhood, or sectarian disputes escalate quickly and have led in instances to gunfire or other violence. Armed clashes have occurred along the borders, in Beirut, and in refugee camps. The Lebanese Military Forces have been brought in to quell the violence in such situations.

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<sup>6</sup><https://www.hrw.org/news/2020/07/09/lebanon-dark>

<sup>7</sup><https://today.lorientlejour.com/article/1257841/long-queues-form-at-gas-stations-as-importers-face-delays-in-securing-fuel.html>

<sup>8</sup><https://english.aawsat.com/home/article/2836426/lebanon-fuel-crisis-worsens-amid-warnings-social-explosion>

<sup>9</sup><https://beirut-today.com/2021/01/13/isf-source-lebanon-facing-a-worrying-increase-in-crime-rates/>

### ***Increased inflation, poverty and unemployment increase the likelihood of theft and looting***

Although the Lebanese ISF reports find no relation between unemployment and increase in crime rates, other sources link poverty directly to crime. These reports claim that the incidents of violent crimes such as robbery and assault have become more frequent in Lebanon, though still on petty levels. The Lebanese government lacks sufficient emergency reserves to compensate for businesses' financial losses, and poverty and unemployment are in substantial increase on daily basis with the US dollar exchange rate reaching more than 15,000 L.L. Surpassing 50% of poverty, looting and food riots have become frequent scenes in the supermarkets. Theft and armed robbery have already made the news titles.<sup>10</sup>

### ***Risks of war happening<sup>11</sup>***

War risks between Israel and Lebanon are very high. A war, if occurred, would entail extensive damage to Lebanese infrastructure. According to political analysts, there is an increased likelihood of war breaking out between Israel and Hezbollah since Israel's Prime Minister is more likely to respond with disproportionate force due to growing pressure domestically.

Based on observations and analyses, a civil war is unlikely to happen, yet people sense that chaos is approaching. There is a high risk of localized intra-factional fighting involving small arms, and explosives against party-affiliated assets. Risks involve assassination operations against prominent political leaders.

### ***Social stability broken***

The people's protests against taxes, corruption, poor services, and restrictions on bank withdrawals began on October 17<sup>th</sup>, 2019, across the country. The Beirut Port explosion revealed more of the corruption in the political leadership. The obstacles in forming a government, the poor crisis management, food shortages, and price hikes, are leading to further expanding protests and food riots. In such conditions, there is an elevated risk of fighting between rival party supporters.

### ***Palestinian Refugees in Lebanon most impacted***

The long-suffering Palestinian refugees in the camps are directly influenced by the country security, social and economic problems, as well as the civil unrest. The decline of the local economy has hit the refugees double or three times more than the Lebanese, bringing Palestinian refugees to the brink of survival.<sup>12</sup>

Depletion of the UNRWA services has been in constant increase since 2010 reaching its peak in 2018, when the USA halted its support to UNRWA<sup>13</sup>. In 2019, an unjust decision by the Lebanese Ministry of Labor added to the unemployment number of the workforce among the Palestinians. Despite the intense protests, little has changed. Later in the same year, the break of the Lebanese popular protests nationwide eliminated any hopes of economic improvement. The blast at Beirut Port in the summer of 2020 also claimed a number of Palestinian lives that

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<sup>10</sup> <https://www.reuters.com/article/us-lebanon-crisis-crime-idUSKBN23T1LD>

<sup>11</sup> <https://crisis24.garda.com/insights-intelligence/intelligence/country-reports/lebanon>

<sup>12</sup> <https://www.thenewhumanitarian.org/feature/2020/05/27/Lebanon-Palestine-coronavirus-aid>

<sup>13</sup> <https://www.opendemocracy.net/en/north-africa-west-asia/covid-19-has-deepened-pandemic-poverty-palestinian-refugees-lebanon/>

were in the area, and reached their cracked houses in the camps on the outskirts of Beirut, dislocating doors and windows, and falling of some ceilings.

The Syria crisis is another factor that has added the level of vulnerability among the Palestinians in the camps and gatherings. Now hosting Palestinian Refugees from Syria (PRS) and Syrian refugees, additional socioeconomic difficulties have existed. Consequently, extreme poverty rates have increased among the Palestinian refugees reaching up to 80%<sup>14</sup>.

Already excluded from 39 occupations in Lebanon (including medicine, farming, and fisheries), Palestinians are confined to low-paying, low-skilled occupations in the informal sector. 86% of employed PRLs work without contracts, thus they are often subject to exploitation and insecure working conditions. And while many Palestinians have been hit hard by the Corona virus – UNRWA says unemployment in camps has shot up from 65 to 90 percent<sup>15</sup>.

The overcrowded camps hosting refugees from Syria (Palestinians and Syrians) have been living in tension since 2011. With the spread of COVID-19, the number of infected cases and deaths among the Palestinians is more than double Lebanon's rate of 1%. Being under the pressure of the economic situation, the Palestinian refugees in the camps tend to neglect the safety measures needed to protect themselves from the pandemic. They prioritize providing food for their families rather than staying home, or spending money on hygiene materials, sanitizers and face-masks.

In this environment of disease, lack of jobs, food shortages, price hikes and unrest, internal tensions among the communities sharing the small space have escalated.

### ***Palestinians are treated with discrimination***

Despite their attempts to integrate within the Lebanese community, the Palestinians are treated with discrimination by the majority of the Lebanese. Directly on the explosion scene at Beirut port, Palestinian youth --individuals and institutions—stepped to aid their fellow Lebanese. The national news broadcast the hostility and aggression they were met with by the angry crowds, and how they were driven away from the affected areas.

Discrimination and racism encompassed the purchase of the subsidized food items in the supermarkets. A film was shot in a grocery store and circulated on the social media showed men with the “State Security” vests asking for personal identification cards before allowing the purchase of an item of the subsidies. Only those with Lebanese IDs were allowed to buy the items. This type of discrimination applies to all non-Lebanese, ignoring the fact that generations have been born to Palestinian refugees during the past 73 years of refuge on the Lebanese territories.

### ***Violence emerging widely in the camps***

Marginalized, deprived of rights, trapped in the camps! Palestinian refugees live in an environment that is more likely to nurture risky behaviors of delinquency and crime, especially among the youth. According to a published study, Palestinian youth in the camps have turned to drugs and enrolment in armed factions and radical groups that encourage violence as they have desperately reached a deadlock<sup>16</sup>.

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<sup>14</sup> <https://www.aa.com.tr/en/middle-east/ngos-offer-lifeline-to-palestinian-refugees-in-lebanon/2089203>

<sup>15</sup> [Ibid, 13](#)

<sup>16</sup> <https://daleel-madani.org/civil-society-directory/norwegian-peoples-aid-lebanon/resources/future-without-hope>

The Palestinian refugee camps are no void of the chaos prevailing in Lebanon. Increased violence domestically and in the streets has been frequent. In the past year and early in 2021, several cases of murders in the camps made up national news stories<sup>17</sup>. Some of those crimes were the causes of theft, while others reported to be the result of family disputes, or drug dealers "'arguments". In addition, victims of gender-based violence have increased recently, according to reports.

In short, the crises have laid heavy influence upon the Palestinian refugee communities in Lebanon demonstrated by increased drug abuse and smoking, increased depression and mental disturbances, and an increase in domestic problems leading to divorces and family disintegration<sup>18</sup>.

*Information in this document is based on researching various sources of published news reports on local and international media, published studies and research papers, documented social media footage videos, and first-hand eye-witnesses.*

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<sup>17</sup> <https://observers.france24.com/en/20200617-footage-shooting-death-mother-insecurity-shatila-camp-traffic-drug>

<sup>18</sup> [https://www.alzaytouna.net/2021/01/28/التقدير الاستراتيجي\(124\): تأثيرات تطورات الأزمة اللبنانية على اللاجئين الفلسطينيين في لبنان/](https://www.alzaytouna.net/2021/01/28/التقدير الاستراتيجي(124): تأثيرات تطورات الأزمة اللبنانية على اللاجئين الفلسطينيين في لبنان/)