

Localized Actors Lead Lebanon's Socioeconomic Response to COVID-19

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Introduction

Due to limited government efforts to assist citizens and residents across the country during the COVID-19 lockdown, other actors launched initiatives to provide assistance. While some are municipalities, political parties, or established NGOs, many are spontaneous efforts by individuals or loosely organized community members. This article – part of ongoing research - includes preliminary findings of initial data collected and mapped on the types of actors and initiatives that are providing socioeconomic relief to families and individuals affected by the COVID-19 outbreak.

The proposed article is organized around three questions:

- In the absence of a concentrated national government response to alleviate the socioeconomic burdens that have emerged (and been exacerbated) due to the COVID-19 outbreak, which stakeholders have stepped in to provide relief?
- What types of initiatives have been organized and who do they target?
- What are the motivations of these stakeholders to provide support?

This research utilizes a qualitative methodology. First, data on socioeconomic initiatives was collected using 16 open source platforms comprised of social media, initiative websites, and news sources. Second, the data was mapped to organize information according to developed criteria, including type of actor, region of initiative, beneficiaries, perceived motivation, funding sources, etc. Sixty-five initiatives were mapped in total. Third, as three types of actors emerged from the data (municipalities, NGOs, and emerging actors), a key informant interview was conducted with each type of actor.

No Rest for the Weary: Effects of Compounded Crises

The first case of COVID-19 in Lebanon was recorded on February 21, 2020, as the number of cases rose, the government took swift action in closing schools on February 29 and a full nationwide lockdown began on March 15. On April 27, the country started an easing of lockdown measures. Prior to the COVID-19 outbreak, Lebanon was already struggling with a crippling financial crisis, rising unemployment, increasing business closures, and growing poverty rates.² During the nationwide lockdown, all but essential businesses

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² Agence France Presse. (2019) "Job losses and pay cuts as Lebanon's economy crumbles." *The Daily Star Lebanon*, 29 Nov. Available at: <https://www.dailystar.com.lb/Business/Local/2019/Nov-29/496470-job-losses-and-pay-cuts-as-lebanons-economy-crumbs.ashx> (Accessed: 28 04 2020); Rahman, F. "Lebanon sees sharpest fall in private sector activity on record in March." *The National*, 3 April. Available at: <https://www.thenational.ae/business/lebanon-sees-sharpest-fall-in-private-sector-activity-on-record-in-march-1.1001089>; (Accessed: 28 04 2020) Rahhal, N. (2020) "Job

were ordered to close, leaving likely hundreds of thousands with a sudden loss of income. The lockdown saw an increase in poverty rates to over 50% of the population and an estimated 75% of Lebanese – not to mention refugee and migrant populations – now require aid.³ People across Lebanon face challenges in covering their basic needs including food, medicine, rent, and utilities.⁴ The compounding effects of the financial crisis continue to bring protesters to the streets across Lebanon since the beginning of the country-wide October 17 uprising – including during the lockdown. While the national government succeeded in controlling the first wave of the virus and the public managed to “flatten the curve”, the national government fell short in supporting a growing number of individuals, families, and businesses in need of aid as a result of the strict lockdown measures.

National Government Offers Piecemeal Response

While it is important to acknowledge the government’s success in the public health response to COVID-19, it is also vital to underline the shortfalls in its socioeconomic response whether due to a lack of capacity, coordination, or political will. While the national government ordered the provision of 400,000 Lebanese Lira to the most in need Lebanese families, many will not be reached by this aid.⁵ From the offset, the aid faced hurdles as the majority of the 187,500 families in the Ministry of Social Affairs (MOSA) database were linked to political connections that placed them on the list. Eventually, only 40,000 families were approved by the national government.⁶ Currently, MOSA is coordinating with municipalities to provide forms and assistance to additional families applying for aid.⁷ As the Lebanese Lira falls on the parallel and black markets alongside rising cost of goods, the purchasing power of any government aid shrinks.

In other measures, the government extended tax and utility payments,⁸ but did not enact a commercial or residential rent freeze nor a moratorium on evictions. For all businesses with existing loans, the Central Bank’s circular 547 allows banks to extend five-year zero interest rate loans to businesses who are unable to meet expense and salary payments. However, the circular does not regulate if businesses must keep staff employed. Beyond these measures, there is no comprehensive government support for micro, small, or medium businesses.

insecurity and unemployment on the rise.” *Executive Magazine*, 11 April. Available at: <https://www.executive-magazine.com/special-report/job-insecurity-and-unemployment-on-the-rise> (Accessed 28 04 2020)

³ Human Rights Watch. (2020) “Lebanon: Direct COVID-19 Assistance to Hardest Hit.” *Human Rights Watch*, 8 April. Available at: <https://www.hrw.org/news/2020/04/08/lebanon-direct-covid-19-assistance-hardest-hit> (Accessed 20 04 2020)

⁴ *Ibid.*

⁵ D.K. (2020) “Abdel Samad: LBP 400,000 to be allocated to families in need.” *National News Agency*, 31 March. Available at: <http://nna-leb.gov.lb/en/show-news/113974/nna-leb.gov.lb/en> (Accessed: 28 04 2020)

⁶ Middle East Monitor (2020). “Lebanon: Coronavirus cash assistance postponed indefinitely.” 15 April. Available at: <https://www.middleeastmonitor.com/20200415-lebanon-coronavirus-cash-assistance-postponed-indefinitely/> (Accessed on 30 04 2020)

⁷ Azhari, T. (2020) “Lebanon launches coronavirus aid measures with cash payments.” *Al Jazeera English*, 8 April. Available at: <https://www.aljazeera.com/ajimpact/lebanon-launches-coronavirus-aid-measures-cash-payments-200408150728617.html> (Accessed on 30 04 2020)

⁸ International Monetary Fund (2020). “Policy Responses to Covid-19.” *International Monetary Fund*, 28 April. Available at: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#L> (Accessed on 04 05 2020)

The above measures are sporadic and not part of a cohesive COVID-19 socioeconomic response plan. Despite the few measures taken by the national government, most in the country are choked by the layered crises. Lebanon has a long history of weak social assistance to citizens and residents, with gaps being filled by political parties and sectarian groups, as well as religious, community, charitable, and more recently INGO programs.⁹

Data Findings and Discussion

During the mapping process, three types of actors providing socioeconomic aid were identified: municipalities, NGOs, and community groups or individuals. While municipalities and NGOs are established actors with a history of working within their target communities, most of the community or individual initiatives are led by “emerging actors” who mobilized for the purpose of aid provision during the lockdown period. Some also emerged since October 17 as initiatives spurred by the country’s national uprising. The 65 mapped initiatives represent only a fraction of the overall response. Speaking with one interlocutor, he was aware of approximately 70-80 community led initiatives in Tripoli alone. Other actors not included in this study - such as political parties and leaders - also provide aid, however they are outside the scope of this article as an analysis of political parties’ and leaders’ initiatives would be an interesting separate study. Instead, this paper explores the type of actors, aid, sources of funding, and beneficiaries, as well as the topics of transparency, trust, motivation, coordination, and sustainability.

Types of aid, beneficiaries, and sources of funding

All three actors provide similar aid, particularly food aid in the form of food boxes or occasionally food vouchers. Some ensure the provision of chronic medication. However, due to actors’ various limitations and capacities, differences in aid provision appear. Uniquely, some municipalities lowered or fully covered generator fees for a limited period, others in agricultural areas provided seeds and seedlings to farmers. Legal restrictions prevent municipalities from providing cash assistance, making community initiatives more likely to provide direct cash aid. NGOs provided other forms of assistance, including provisions for rent, hygiene boxes, and financial support.

Some community and NGO initiatives directly targeted daily wage earners, or particular groups such as taxi drivers. However, most were indiscriminate and sought to provide aid to anyone in need. Interviews with interlocutors revealed that a growing number of middle class families slide closer to the poverty line and thus the number of first time aid recipients is rapidly rising. An NGO interlocutor reported that their number of food boxes distributed from January – April 2020 already totals 2019 distribution. Many NGOs altered their work to begin offering new types of aid to the beneficiaries, or expanded aid projects in size and reach. Most mapped initiatives are targeting Lebanese, although initiatives for Syrians, Palestinians, and migrant workers were launched largely by NGOs already working with these target populations. The data revealed

⁹ Bou Khater, L. (2020) “Poverty Targeting is not the Solution for Much Needed Social Policy.” *The Lebanese Center for Policy Studies*, March. Available at: <http://lcps-lebanon.org/featuredArticle.php?id=280> (Accessed on 6 May 2020)

strong perceptions that non-Lebanese populations are supported by dedicated NGOs and initiatives, but the rapidly rising poverty rates among Lebanese demand increased aid.

Most mapped initiatives are sustained through donations, although some municipalities rely on a mix of local government funds and donations. Some NGO efforts publicize celebrity donations and support, and municipalities thank wealthier local benefactors on social media. However, it appears that a majority of donations come from “everyday” individuals donating small amounts. An interlocutor from a community based initiative reported that all donations came from individuals who themselves live “from paycheck to paycheck”. One community based initiative in Beirut’s suburbs saw individuals donating gold jewelry to be sold for cash, in the absence of being able to donate money. All interlocutors mentioned that the Lebanese diaspora donated funds to their initiatives, often to support their communities of origin.

Actors are facing several barriers in regard to receiving and using donations due to capital controls and the liquidity crisis - an example of ripple effects from the compounding crises. First, people wishing to donate face capital controls on their bank accounts and limited access to cash. Second, one interlocutor explained that within Lebanon, they are only able to receive cash donations, as bank transfers are increasingly difficult. Third, the current banking crisis imposes barriers to accessing donations made through bank or online transfers (largely by the diaspora). However, one NGO interlocutor affirmed that they were able to receive online donations as “fresh money” dispersed largely in USD. Other initiatives rely on diaspora volunteers who withdraw funds in USD or Euro abroad and then transfer them by Western Union to Lebanon, where they are withdrawn in Lira at the market rate. Finally, as the Lira continues to lose value, the donations’ purchasing power diminishes and less aid can be purchased.

While donations during the COVID-19 lockdown have spiked, there are strong concerns regarding sustainability and the public’s ability to provide support as growing numbers of individuals require aid themselves. All interlocutors expressed worry about the sustainability of theirs and others’ initiatives.

Motivation, Coordination, and Transparency

What has led hundreds of individuals, NGOs, and municipalities to launch a multitude of initiatives across the country? First, municipalities have an obligation towards their residents, and NGOs embrace missions to assist those in need. Second, a collective sense of obligation to help one another during these tumultuous times emerged as the primary motivation. Both interlocutors and publicly available data frequently referred to a lack of a national government response, and highlighted the need for collective support. Few mapped NGO or community led initiatives had political affiliations that could taint the motivation of actors towards political gain.

While coordination across initiatives varies, it is largely limited. An interlocutor of a community initiative reported witnessing uncoordinated efforts among the local municipality and multitudes of NGO and community initiatives, resulting in some families receiving no aid while others were reached by multiple initiatives. At the NGO level, coordination largely exists with other NGOs as they rely on each other to

develop nationwide beneficiary databases. Data collected on municipalities shows coordination both with NGOs and religious institutions in order to receive in-kind donations, identify beneficiaries, and distribute aid. Both NGOs and municipalities reported coordination with the army and local police, particularly for aid distribution. Community initiatives have less coordination with others and rely strongly on the personal networks of involved individuals. However, a reliance on community networks, especially to identify beneficiaries, was also evident at the municipality level.

Sporadic efforts to support families and individuals in a time of crisis are lifesaving. However, questions of transparency and trust arise. As all initiatives were mapped using data on open source platforms, analysis reveals that actors are using social media as a means to communicate amount of funds raised and aid distributed. Through established monitoring measures, municipalities and NGOs can (in theory) provide greater degrees of transparency. However, due to the centralized nature of community led initiatives and tight community networks, high levels of trust appear to exist as organizers operate largely within their direct networks and donations are made with an already established degree of trust.

Conclusion

The above analysis results in several conclusions and recommendations. First, the current scattered socioeconomic response is not sustainable as the pool of individuals able and willing to donate will continue to shrink. As the situation nears succumbing to a humanitarian crisis, larger actors such as INGOs, donors, and international governments must work with the above actors to increase support. Perhaps more importantly, the national government must develop a more cohesive socioeconomic response, particularly in regard to its plan for economic rescue. In the long-term, it is ultimately the task of the national government – watchdogged by civil society – to strengthen and widen Lebanon’s social protection programs, as well as to address and remedy the structural causes of poverty.

Second, a more coordinated national response stands to benefit from the various strengths, flexibilities, and obligations of the three actors discussed. For example, NGOs and community initiatives are reliable for cash assistance, which is prevented to municipalities. While potential future actors, such as INGOs, donors, and international governments are likely to reach out to municipalities and NGOs, they must also consider community initiatives as reliable, effective, trusted, and transparent partners. Community initiatives offer strength in regard to their speed to deliver aid and trust among the community, and individuals leading community initiatives can be crucial focal points.

Third, current and future initiatives will continue to struggle in accessing cash, including international transfers – effects of the banking and liquidity crises. All initiatives, especially those relying on community and diaspora donations must take this into considerations. Banks can do their part by ensuring that all international transfers are categorized as “fresh money” and allowed to be withdrawn in USD.

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