

Research Briefing Notes

Understanding the Link Between Employment and Conflict in Lebanon

Summary

This project is part of the overall project on *Strengthening Social Protection, Security, and Welfare in the MENA Region (MENASP-CP)*, which explores the connections between social policy, social welfare, and the promotion of human security in the MENA region. Within the framework of this project, the Issam Fares Institute for Public Policy and International Affairs (IFI) undertook a proof-of-concept study exploring the relationship between employment security and conflict in fragile and displacement-affected settings. Specifically, the study explored how employment opportunities—or the lack thereof—impact social cohesion, tensions, and stability in Lebanon. The study further aimed to identify the confounding factors affecting this relationship. The study relied primarily on consultative meetings with relevant stakeholders, including representatives from local and international NGOs, and trade unions. Drawing from the consultative meetings, the key themes investigated are related to labour market dynamics, refugee-host employment interactions mitigating or exacerbating local conflicts and tensions, and the relationship between the different concepts.

Research Background

This study explores the link between employment, social cohesion, and conflict in Lebanon, a country facing economic instability and hosting a large refugee population. Conducted under the Global Challenges Research Fund (GCRF) project, the research aims to explore the relationship between employment and the different forms of tension or conflict in Lebanon. The study was carried out in Lebanon, where qualitative data was collected through consultative meetings with various stakeholders. Key participants included academics, representatives from local and international NGOs, and trade unions, providing diverse perspectives on labour market dynamics and characteristics.

Key Findings

Structural Labour Market Crises and Political Economy

Findings underscored Lebanon's deeply fragmented labour market, characterised by inefficiencies in both the public and private sectors. Participants noted that political patronage, clientelism, and sectarian influence have played a central role in shaping employment opportunities and access to resources. The public sector remains overstaffed yet underperforming, often used as a tool for political gains rather than effective governance, while the private sector struggles with limited investment and weak regulatory oversight.

Key Labour Market Characteristics

- **High Informality in Employment:** A large segment of Lebanon's workforce operates in the informal sector, lacking social security, legal protection, and stable wages. This leaves workers vulnerable to exploitation, particularly among refugees and low-income Lebanese.

- **Skills Mismatch and Brain Drain:** The Lebanese education system produces skilled graduates who are often faced with limited work opportunities in the labour market. This mismatch between labour supply and market needs drives a high rate of emigration, particularly among young professionals, further weakening the country's economic recovery prospects.
- **Low Female Workforce Participation:** Cultural norms and lack of gender-sensitive workplace policies continue to restrict women's participation in the labour force, limiting household incomes and economic growth.
- **Competition and Rising Tensions Between Lebanese and Foreign Labour:** The presence of a large refugee workforce, particularly Syrian refugees, has intensified competition for low-wage jobs. Participants pointed out that discriminatory policies, anti-migrant rhetoric, and scapegoating have fuelled social tensions, with many Lebanese workers blaming refugees for decreasing wages and limited job opportunities.
- **Lack of Labour Protections:** Lebanon's labour laws offer minimal protections to informal and foreign workers, leaving them vulnerable to abuse and precarious working conditions. Meanwhile, labour unions remain largely ineffective due to political interference, fragmentation, and declining membership, further weakening workers' bargaining power.

The Relationship Between Social Cohesion, Employment and Conflict

Participants also delved into the broader societal implications of economic hardships and how these have exacerbated sectarian divisions and social fragmentation. Rising economic inequality, coupled with political inaction, has created an environment of frustration and discontent among both Lebanese citizens and refugee communities. Participants noted that hate speech and xenophobic policies targeting Syrian refugees have increased, reinforcing negative stereotypes and fuelling resentment against them.

The weakening of social cohesion was a key concern, with some participants warning that deepening economic despair and rising intercommunal tensions could lead to further instability or conflict. Participants concurred that without structural reforms, improved labour policies, and inclusive economic strategies, Lebanon risks entrenching cycles of poverty and social unrest, making long-term economic recovery even more challenging.

The relationship between employment, social cohesion, and conflict remains deeply interconnected. Participants emphasised that addressing these issues in silos is ineffective. A key concern is the direct link between employment and rising social tension, noting that as employment opportunities decrease, social cohesion is likely to weaken, leading to greater social fragmentation, as has been demonstrated elsewhere.

Recommendations

To mitigate these challenges, participants suggested several interventions:

- **Strengthening Labour Protections** – Enforcing existing labour laws, expanding protections to informal workers, and ensuring fair wages could help stabilise the job market and reduce worker exploitation.
- **Enhancing Job Creation and Skills Training** – Investing in vocational training programs and aligning education with labour market needs could bridge the skills gap and reduce unemployment.
- **Promoting Economic Inclusion** – Encouraging female workforce participation and ensuring equal access to employment opportunities for both Lebanese and refugees could contribute to economic resilience.

- **Addressing Discrimination and Hate Speech** – Implementing anti-discrimination measures and fostering dialogue between communities could help reduce tensions and promote social cohesion.
- **Reforming the Political and Economic System** – Tackling corruption, reducing clientelism, and promoting transparency in labour policies and public sector employment could create a more equitable and sustainable labour market.

Key Implications for Policy Action or Further Ways to Address Knowledge Gap

- **Impact of Informality on Economic Growth:** Research is needed to quantify how informal labour affects productivity, and social mobility.
- **Mapping Labour Market Needs:** Studies on emerging job sectors, digital economy potential, and industries with the highest employment potential (future of work to keep up with latest work industries) must be undertaken. This should include a study of public vs. private sector employment trends and dynamics, including hiring practices, wage differences, and job security in both sectors.
- **Barriers to Women's Employment:** Research on socio-cultural, structural, and legal barriers preventing greater female workforce participation is necessary to enhance their labour market integration.
- **Perceptions of Labour Market Competition:** Studies on how Lebanese and refugee workers perceive employment competition and whether these perceptions align with actual labour market data can support work toward mitigating social tensions.
- **Impact of Political Patronage on Employment:** Studies on how clientelism affects labour market outcomes and what policy interventions can curb its negative effects.

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More about the Research

The Issam Fares Institute for Public Policy and International Affairs at the American University of Beirut, with the support of the MENASP-CP project, conducted a research project titled *"Understanding the Link Between Employment and Conflict in Lebanon."* The study explored the complex relationship between labour market conditions, economic vulnerabilities, and social tensions, particularly in the context of Lebanon's economic crisis and the presence of refugees.

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