Empty hotel in Halba

Emergency Market Mapping and Analysis (EMMA) of the Service Sector in North and Bekaa, Lebanon

A menu of options for supporting livelihoods of refugee and host community families

April 2013

International Rescue Committee
Save the Children
Danish Refugee Council
OXFAM
UKaid from the British people

Table of Contents

I. INTRODUCTION

In the wake of movements for revolutionary change across the Arab Levant and Maghreb, civil protests against the Assad regime began in Syria in spring 2011. The ensuing 24 months have seen civil unrest proliferate across Syria, and in several instances, spill over the boarders into neighboring countries, including Lebanon. The gradual escalation of violence, which has effectively brought the country to civil war, has resulted in escalating numbers of people seeking refuge outside of Syria. Tens of thousands have fled to neighboring Turkey, Lebanon, Jordan, and Iraq, and as of the 3rd of April, 2013, 403,766 Syrian refugees have either registered or are awaiting registration in Lebanon[1]. The growing number of new arrivals, and the increasingly protracted nature of the conflict, is gradually leading to increased vulnerability amongst members of the host community. As the number of refugees in Lebanon is expected to exceed one million by the end of 2013, tensions between host and refugee populations are expected to rise as competition over jobs and resources becomes ever more important to the survival of members from both communities.

Within this context, an Emergency Market Mapping and Analysis (EMMA) assessment was launched to specifically analyze the key market systems upon which refugees and vulnerable host communities rely to earn income in the North and Bekaa Governorates of Lebanon. Although many humanitarian agencies are providing a variety of assistance to meet needs of refugees, and to a lesser extent host communities, a better understanding of the market systems upon which refugees and host communities depend for livelihoods is critical in order to promote self-reliance of the refugee population, assist host and refugee communities to earn greater income to meet their immediate needs, and to reduce tensions between refugees and hosting communities. During this assessment three specific labor market systems were selected for analysis – construction labor, service-sector labor, and agricultural labor. The purpose of this rapid assessment and analysis is to identify opportunities for humanitarian agencies to promote market-based income-earning possibilities for Lebanese host and refugee populations. As such, this report seeks to answer the following two key analytical questions:

1. How has demand for the service sector labor changed since the refugee crisis in Lebanon began?
2. What are the possible job opportunities for Syrians and host community to work in the service sector? How can we support them access these opportunities?

This report includes the findings from the EMMA assessment of the service sector labor market system in the North and Bekaa governorates. In this assessment, the service sector is defined as hospitality and restaurants, as well as the service-providers for those hotels and restaurants (including food stores, cleaning services, security services, fuel providers, etc.). Although hospitality and restaurant businesses are spread broadly across rural and urban areas, the main drivers of the service sector is tourism from Lebanese diaspora or gulf coast countries, both of which have diminished dramatically since the Syrian conflict began. As a result, the service sector has contracted since the start of fighting in Syria, there are very few work opportunities available for refugees in service sector and employers are cutting back on staffing levels. However, there is a potential opportunity to link the large number of refugees seeking shelter with those hospitality providers struggling to find guests for hotels and lodges. The report

[1] UNHCR Daily Statistics, Syrian Refugees in Lebanon. Wednesday 03 April 2013

concludes with programmatic recommendations to assist Lebanese and refugee workers meet their household income needs.

II. METHODOLOGY

EMMA (Emergency Market Mapping and Analysis) is a rapid market analysis approach designed to be used in the short-term aftermath of a sudden-onset crisis. It is premised on the rationale that a fuller understanding of the most critical markets in an emergency environment enables key decision makers (donors, NGOs, government policy makers, etc.) to consider a broader range of responses based on market realities. The EMMA methodology focuses on analysis of specific, existing market systems which have been impacted by an emergency but are nevertheless critical for providing goods, services, or income for a target population in a defined geographical area.

EMMA is a rapid tool designed to be used in a matter of days but to still develop a strong evidence base for decision-making. It is not a complete value chain analysis methodology, and as such focuses on analyzing market systems which currently exist in a given context, and offers only modest insights into the feasibility or availability of alternative or potentially new market opportunities.

The methodology used for this study adapted the standard EMMA approach to the protracted displacement and predominantly urban context of the Syrian refugee crisis in Lebanon. Nevertheless, the data collection and analysis procedures used in this assessment followed closely the EMMA 10-step process including a focus on key critical market systems and a combined gap, market, and response analysis. For each critical market system there is a comparison of the current market system to a baseline model of market functioning, enabling the identification of key constraints on the market systems brought on by the crisis in Syria and inflow of refugees to Lebanon. Additionally, to a limited extent, this EMMA looks forward to the next six months to anticipate the future impact on the market systems of the ongoing crisis. Recommendations to support market-based livelihoods for host communities and refugees are based on the constraints and opportunities identified in the current market system (as compared to a baseline) and taking into account the anticipated future impact of the crisis on the market systems analyzed.

The EMMA was initiated and lead by the IRC, with participation of 30 team members from four organizations – IRC, Save the Children, DRC, and Oxfam. Three of the team members had received EMMA training prior to the assessment taking place. A 3-day workshop was held in Beirut from 11-13 March 2013 to introduce the EMMA methodology to all EMMA team members and to prepare for the assessment fieldwork. The 30 EMMA team members were divided into six sub-teams and each sub-team was responsible for analyzing one critical market system. Three teams assessed the selected critical market systems in Bekaa, and three teams in the North. Each team had a designated Team Leader and was comprised of 3-4 additional team members from the different participating agencies, ensuring a diversity of experience, local knowledge, and agency representation on each assessment team. The six sub-teams were supported by an overall EMMA Team Leader and a Co-Team Leader providing technical support and guidance throughout the assessment and analysis process, as well as a Logistics Assistant providing administrative support to all teams.

This assessment took place from 11-26 March 2013, including a three-day pre-assessment workshop in Beirut, 10 days of field data collection in the Bekaa and North governorates of

Lebanon, and two days of analysis and report preparation. The assessment included qualitative and quantitative data collection from secondary sources, focus group discussions with target populations, key informant interviews, and individual interviews with a variety of actors in the market system. The primary data for this assessment was gathered from semi-structured interviews 20 key informants, 48 market actors and 93 male and female individuals representing host community members, refugee households, and migrant workers. Three mixed-gender focus group discussions were organized with Syrian refugee workers and separately with migrant workers. The majority of assessment informants from the sector were male, though gender diversity amongst respondents was sought wherever possible. Although information on youth workers in the service sector was obtained during field activities, as their numbers are small, no direct interviews were conducted with them.[2]

III. TARGET POPULATION

The EMMA team identified two specific target populations for this analysis. All EMMA recommendations across the three critical markets assessed are intended to provide feasible programming recommendations to improve the income-earning opportunities available for these two target populations. The overall target population of this EMMA assessment was the host community populations in the North and in Bekaa, as well as the refugee population living in these same areas. Geographically, the EMMA focused on Tripoli and Akkar in the North, and Central, Western, Balbeck, and Hermel cazas in Bekaa. Large portions of the host community and refugee populations either currently rely on agricultural, construction or service-sector labor for income, or believe that these markets offer opportunities for them to derive some income. Because this assessment focuses on identifying income-earning opportunities, the majority of the analysis emphasizes working age adults, however child and youth labor is a feature of the labor markets in some areas of Lebanon and these groups are included in the broad population of analysis for this assessment. Palestinians living in Lebanon are by definition considered members of the host or refugee communities due to the rising numbers of people fleeing Syria and taking refuge in the Palestinian camps. However, these groups were effectively not included in this analysis due to security and administrative challenges for visiting the Palestinian camps. The estimated number of host community members and refugees of working age who make up the target population are listed in Table 1 below.

Table 1: EMMA Target population

Target Population	Number	Location
Host communities in the North and in Bekaa receiving refugees from Syria	1,303,980[3]	In the North Governorate: Tripoli and Akkar (640,980 people) In Bekaa Governorate: Western, Zahle, Baalbeck, and Hermel Cazas (663,00 people)

[2] According to the NEO Report, about 4.6 percent of workers in Lebanese hotels and restaurants are aged 15-19 years old.

[3] http://www.statoids.com/ylb.html, 2004 estimates

Refugees from Syria living in the North and Bekaa governorates	197,867[4]	In the North Governorate: Tripoli and Akkar (83,703 refugees registered and estimated awaiting registration) In Bekaa Governorate: Zahle, West Bekaa, Baalbek, and El Hermel cazas (114,168 refugees registered and awaiting registration)

Within the services sector labor market system, mainly focused on income opportunities in restaurant or hospitality-oriented businesses, the target population was largely urban and predominantly male. The largest concentrations of service sector businesses are located in the urban centers of the North and Bekaa, including Tripoli and central Bekaa. For comparison purposes, the assessment also focused on rural and tourist-centered areas in the North and Bekaa, but the majority of work opportunities in the service sector were still identified in the urban areas. Men held the majority of paid positions throughout the sector, and the few roles observed to be filled by women were mostly restaurant kitchens, and very rare.

In addition, according to occupation statistics provided by UNHCR in Lebanon in March 2013, of 23,247 Syrian refugees surveyed, 477 had a professional background in the service sector. Although many refugees seek work in the service sector, these statistics demonstrate the relatively small level of experience among the refugee population in service sector labor.

Table 2: Syrian Refugee Occupation Background, UNHCR Tripoli, March 2013

Occupation	Females	Males
Bakers, pastry-cooks	1	70
Cooks	80	103
General managers of restaurants and hotels	0	12
Helpers and cleaners in offices, hotels	0	1
Housekeeping and restaurant workers	11	3
Production managers in restaurants and hotels	0	2
Street food vendors	2	98
Waiters, waitresses and bartenders	4	90
Total	**98**	**379**

IV. SELECTION OF CRITICAL MARKET SYSTEMS

The EMMA methodology is based on the analysis of specific markets which are critical for supplying goods or income for the targeted crisis-affected population. As agreed between the participating agencies prior to the launch of the assessment, this EMMA would focus primarily on market systems which are critical for supporting the livelihood and income needs of host community members and refugees, with the intention of promoting livelihoods for host

[4] Registration Trends for Syrians: Weekly Statistics. UNHCR, 14 March 2013

communities and refugees which are economically feasible and linked to market conditions. Additionally, the participating agencies agreed that the analysis should include market systems which have the potential to offer income opportunities to women and youth, as well as men, and cover both rural and urban contexts.

A two-step approach was used for identifying and then prioritizing three critical markets for this study. First, prior to the launch of the EMMA assessment, participating agencies developed a long-list of possible market systems which could contribute to the livelihoods of host and refugee populations. Markets in which refugees and host communities are currently engaged, as well as markets potentially offering options for further livelihood opportunities were identified. These included agricultural labor; construction labor; home-based food production; commercial food processing (including dairy); and skilled labor (including teachers, secretaries, nurses, accountants, etc.). During the EMMA fieldwork preparation workshop in Beirut, the complete EMMA assessment team added further market systems to this list, including: home based embroidery, electronic repair and vehicle mechanics; service sector labor (including restaurants and hospitality); livestock raising; and fishing and sale of fish.

These 10 income market systems were then ranked according to 6 criteria in order to determine which market systems are the most appropriate for supporting livelihoods in the targeted regions. Given the differences in economic activities and refugee flows between the North and Bekaa, separate ranking exercises were carried out for each region, with the understanding that some markets may be more appropriate for analysis given the different contexts in the North and in Bekaa. As such, the critical market selection was conducted independently for each region, using the following criteria to rank relative importance of each market system:

1. The market is the most significant in contributing income opportunities
2. The market system is affected by the refugee influx and/or crisis in Syria
3. Programming options in the market system are likely to be feasible
4. The market system fits the competencies and mandates of participating agencies
5. Seasonal factor and timing are appropriate
6. Potential program options in this market system would complement (and not duplicate) government or other actors' plans for the sector

Based on this ranking exercise, the teams in Bekaa prioritized service sector labor (primarily hotels and restaurant services), agricultural labor, and construction labor, in that order of importance. For the North, agricultural labor and construction labor were the clear priority market systems for analysis, but the ranking exercise did not highlight a clear prioritization of a 3rd critical market system. Home-based food production was ranked low given the poor performance of past programs for Lebanese families in the North, and perceived limited feasibility of these activities for refugees. Livestock raising and service sector labor, were equally ranked, but divided between predominantly rural and urban markets, respectively. The team opted to select service sector labor as the 3rd critical market system for the North in order to foster consistency of data gathering and reporting with the Bekaa analysis and given the importance of service sector employment in Tripoli.

Three critical income market systems were analyzed in this EMMA:

1. Agricultural Labor
2. Construction Labor
3. Service Sector Labor

These market systems take into account income earning opportunities available in rural and urban areas, and also represent market systems which are broadly accessible to women, men, and youth refugees and host community members.

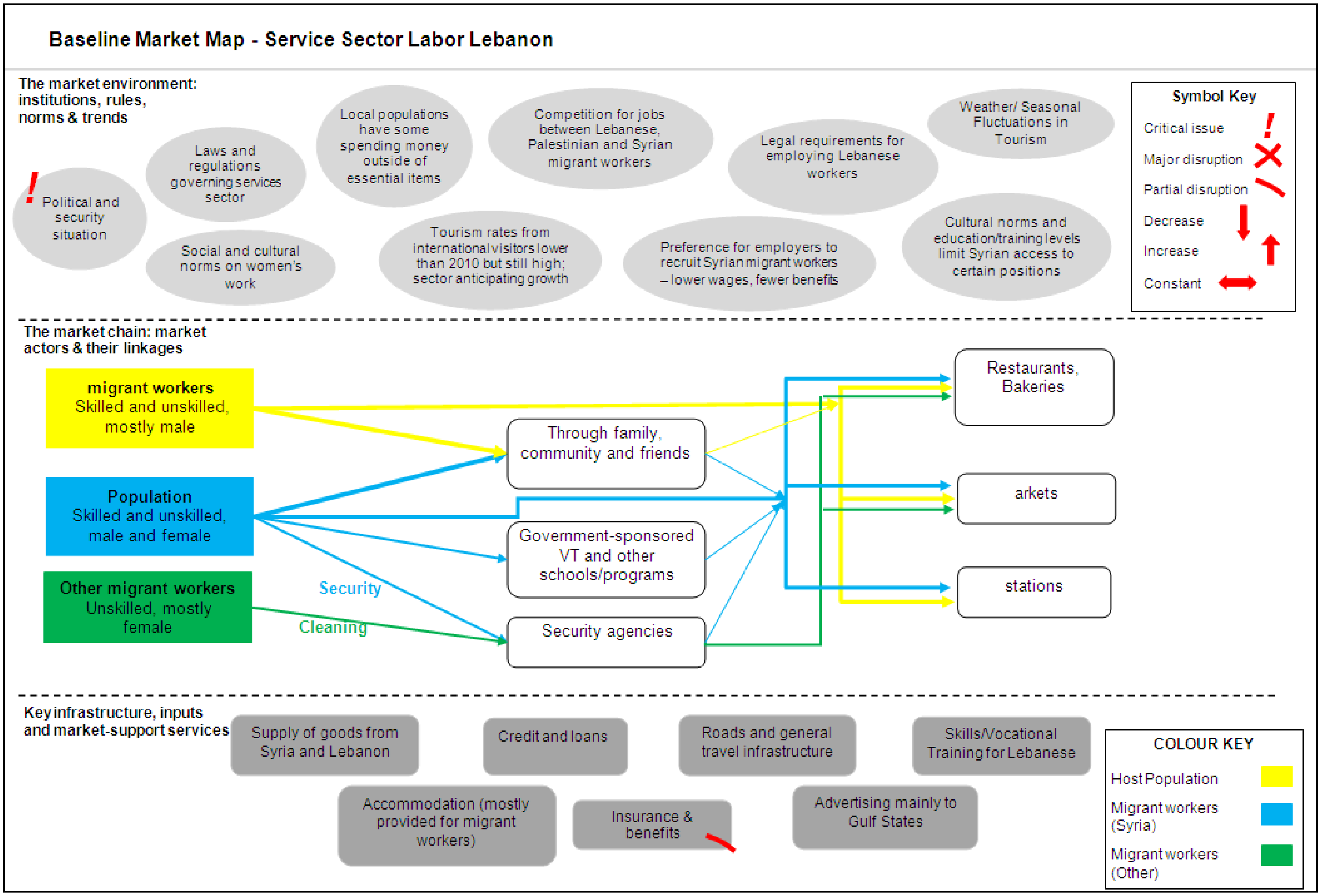
V. THE SERVICE SECTOR LABOR MARKET SYSTEM

The market maps, below, are visual depictions of the service sector labor market system in the North and in Bekaa. These maps demonstrate the connections between those people working or seeking work in the services sector and the hotels, restaurants, and other businesses that employ them. The market chain, the middle portion of each market map illustrates the connections and pathways through which Lebanese, migrants and refugees can seek work. In addition, there are a series of institutions and policies which regulate the functioning of this market system as well as infrastructure, inputs, and services which facilitate the connections between workers, businesses, and customers. Policies, regulations and institutions are represented on the upper portion of the market map, whereas the infrastructure and inputs upon which the service sector market depends is represented at the bottom third of each map.

The patterns of employment and functioning of the service sector market systems in both the North and Bekaa are very similar, and are represented below on the same market map, unlike the other markets analyzed in this assessment which have opted to include separate maps for each region. For the service sector employment, the market systems in the North and Bekaa were found to be similar enough to analyze together. Several maps are presented below – a baseline map outlining the functioning of the service sector labor market at the beginning of 2011, prior to the outbreak of conflict in Syria – and a post-crisis market map which reflects the service sector labor market today. Comparing the current situation to the baseline assists in rapidly identifying how the specific market system has been impacted by the crisis, and the specific constraints to using this market as a driver for income opportunities for both Lebanese host communities and refugees.

Baseline Market Map

Below is a brief description of the key elements of the service sector labor market system prior to the Syria crisis.



The Market Chain

According to a report on the hotel and restaurant sector issued in 2011 by the National Employment Office (NEO Report), workers in Lebanese hotels and restaurants nationwide are typically young, male and single[5]. Of the more than 13,280 hotel and restaurant workers surveyed for the NEO Report in 2010, 18.1 percent were female and 81.9 percent were male.[6] Approximately 44.7 percent of hotel and restaurant workers were aged 20-29; 61.2 percent of workers were 20-34 years old.[7] In addition, approximately 89.4 percent of restaurant and hotel workers in Lebanon were Lebanese, 4.9 percent were Syrian, 0.9 percent were Sudanese and 0.6 percent were Palestinian.[8] On average, the education level of restaurant and hotel workers was higher than the labor force as a whole.[9] Lebanese and non-Lebanese workers in the

[5] "Employment Needs Assessment for the Hospitality Sector: Hotels and Restaurants in Lebanon." Lebanon National Employment Office and ILO. 2011. Information from the report was collected in 2010 and reflects baseline hospitality sector market information.
[6] ibid
[7] ibid
[8] ibid
[9] ibid

services market assume different tasks, with Lebanese generally holding managerial positions while non-Lebanese are mainly hired to perform low level jobs such as cleaning, washing the dishes, delivery, loading and unloading equipment/items etc.

Further, the NEO Report found that the percentage of workers in hotels and restaurants who work more than 40 hours a week was increasing as of late 2010. It also observed a decrease in average wages in the sector and the number of sector workers who had completed professional trainings.

Syrian Migrant Workers; Skilled and Unskilled, Mostly Male

There were approximately 650 Syrian migrant workers employed in the service sector in Lebanon as of late 2010.[10] Nearly all male, they work typically as waiters, bakery workers, argilah runners, cleaners, delivery boys and other positions. Syrian migrant workers employed in the service sector typically earn about $438 USD a month in the north and about $333 a month in Bekaa, about 15 percent less than their Lebanese counterparts. They typically work 10 or more hours per day, 26 days a month. No Syrian migrant workers interviewed for this assessment had a work contract, and few received any formal benefits, such as social security or health insurance. However, many Syrian migrant workers do receive other benefits, including free accommodation, utilities and food. Many Syrian migrant workers in the Lebanese service sector are single young men in country on their own who send a significant portion of their monthly earnings to their family in Syria. Syrian migrant workers typically find jobs in the Lebanese service sector through informal referrals by friends, family and community members, and by approaching the businesses directly.

Host population workers; Skilled and unskilled, male and female

There were approximately 11,872 host community workers employed in the service sector in Lebanon as of the end of 2010.[11] Both male and female host community members work in the service sector, though male workers are predominant; female workers tend to be found more in managerial and administrative positions, yet the wages paid to men and women are not substantially different. The large majority of Lebanese host community workers earn between $333 and $800 USD a month[12] depending on position, and tend to work more in semi-skilled and skilled positions in the sector, including as waiters, cashiers, bakery workers, chefs and managers/owners. Competition between Syrian and Lebanese workers does not typically feature at the establishments, as there is often a division of roles, tasks and positions by national origin. In many cases, Syrian workers are hired for specific, lower-skilled jobs, while Lebanese host community members obtain the higher positions, including the managerial ones. Lebanese workers typically work less than 10 hours a day, and average 22 days of work per month. Approximately 25 percent of host community workers have a formal work contract. Lebanese host community members typically find jobs in the service sector through informal referral processes, agencies providing services to other businesses (primarily security services), through recruitment agencies (mostly for cleaners), through schools and vocational training institutes and by approaching businesses directly.

Other migrant workers, unskilled, mostly female

It is estimated that there were approximately 200,000 female migrant domestic workers working in Lebanon through employment agencies or hired directly by the host community as of March

[10] ibid
[11] ibid
[12] ibid

2011.[13] No exact figures for the number of illegal domestic workers in Lebanon exist at present. In general, many of these migrant workers get no days off and work up to 18 hours per day. Lured into coming to work in Lebanon by employers who promise to pay a living wage but then compensate far below this, many migrant workers also have their passports confiscated by employers and are subjected to physical and verbal abuse.[14] In the hotel and restaurant sector, approximately 5.1 percent of workers are non-Syrian migrant workers. Also mostly female and employed as cleaners, they earn, on average, about $250 USD in the service sector per month, and typically work eight to nine hours per day, 26 days a month.

Government-sponsored VT and other schools/programs

There are three types of hospitality training schools in the north and Bekaa: (1) Government supported schools for chefs, pastry chefs and waiters[15]; (2) Private schools for the same; and, (3) University hospitality management programs. All students at the government-supported schools are Lebanese. There is some female participation in these schools in recent years (in 2000, there were very few or no female students; at present, female students account for about 7 percent of students). Many cooking graduates in Akkar find positions with the Lebanese army. Teachers in some instances help students find their first job out of school; many/most teachers own or work in restaurants themselves. Employees of the large hotels and schools typically all have university or training program credentials of some sort.

Bakery in Halba

Hotels, Restaurants, Bakeries

Statistics provided by the Ministry of Tourism indicate that there were at least 531 hotels in Lebanon as of March 2013, including 18 in Bekaa and 50 in the north. According to the NEO report, there were more than 415 restaurants in Lebanon, including 41 in Bekaa and 70 in the north, as of the end of 2010. Overall, hotels and restaurants in Lebanon employed approximately 13,280 people as of late 2010, including 10,875 males (81.9 percent) and 2,405 females (18.1 percent). Of the total workers, approximately 6.1 percent work in Bekaa and 9.3 percent work in the north. These businesses typically employ Lebanese and Syrian workers, as well as migrant workers from other countries. Most management and skilled positions are filled by Lebanese citizens.

[13] Yara Bayoumy, "Trapped maids face life of abuse in Lebanon", Reuters, 18 December 2008, available at: http://uk.reuters.com/article/2008/12/18/lebanon-maids-abuse-idUKLNE4BH06F20081218 (last accessed 16 April 2013).

[14] According to a 2008 Human Rights Watch statement, the organization found that there had been an average of one death a week from unnatural causes among migrant domestic workers in Lebanon, including suicide and falls from tall buildings. Human Rights Watch, Lebanon: Migrant Domestic Workers Dying Every Week, 27 August 2008, available at: http://www.hrw.org/news/2008/08/24/lebanon-migrant-domestic-workers-dying-every-week (last accessed: 15 April 2013).

[15] In the north, they include: Mehaniet Al-Mina Al-Rasmieh, Mehaniet Dedde Al-Rasmieh, Ma'had Abi Nader Al-Fanne, Mehaniet Zgharta Al-Rasmieh, Mehaniet Al-Hishe Al-Rasmieh, Ma'had Al-Mankoubin Al-Rasmeh, Ma'had Al-Fares, Ma'had Jabbour, Mehaniet Al-Kebbe Al-Rasmieh, Al-Ma'had Al-Watane, Mehaniet Halba AL-Rasmieh, Mehaniet Al-Qubayat Al-Rasmieh.

The Market Environment: Institutions, Rules, Norms & Trends

In 2010/2011, the services sector in Lebanon saw the high numbers of foreign travelers (including tourists) arriving into the country since the war in July 2006 and the general forecast for hotels and restaurants was one of increasing skill development and growth.

According to figures from the Ministry of Tourism Department of Studies, Research and Documentation, in 2010, there were a total of 2,167,989 arrivals into Lebanon. Of this, 894,724 (41.2 percent) visitors were from Arab countries. By comparison, the year 2011 saw a total of 1,655,051 arrivals into Lebanon, a decrease of 23.66 percent from the previous year. Arab country visitors fell to 581,597 in 2011, comprising 35 percent of the total.

According to the NEO Report, the hotel and restaurant sector in 2010 was characterized by an increase in demand on technical skill building[16] and anticipated an increase in demand for labor by 20 percent in the subsequent years. According to the report, businesses that provide food, beverages and/or accommodation services were among the fastest growing in Lebanon during the previous three years, with approximately 40 percent of enterprises then working to expand and develop their services. Further, the number of workers employed in the hotels and restaurants surveyed increased from nearly 12,500 in 2007 to more than 15,400 in 2010.[17]

Legal requirements for employing migrants

The Ministry of Labour in Lebanon is responsible for issuing work permits to workers in Lebanon. All non-Lebanese citizens who have a visa are eligible for a work permit from the Ministry. A special department for Syrian migrant workers is located in Beirut, but it is of limited effectiveness in practice.

Supply of goods

In north Lebanon, all businesses interviewed indicated that they sourced their meats, produce, baking supplies and other goods from within Lebanon, primarily from local markets, butchers, suppliers and their own kitchen gardens and small plots of land.

Working conditions

During the interviews, employers and employees mentioned that non-Lebanese and mainly Syrians do not sign contracts and can be employed for a short term and then replaced by others. On the other hand, Lebanese employees have contracts and benefit from the social security and transportation in many cases. Insurance is provided to all employees for work accidents regardless of the nationality but Lebanese have the social security as well. On the other hand, employers provide accommodation for the non-Lebanese workers in addition to running cost such as electricity, water etc. Working conditions differ since Lebanese follow the Lebanese labor law and as a result work 8 hours per day while for the Syrians and other non-Lebanese workers, they work very long hours, sometimes for more than 12 hours a day without a break.

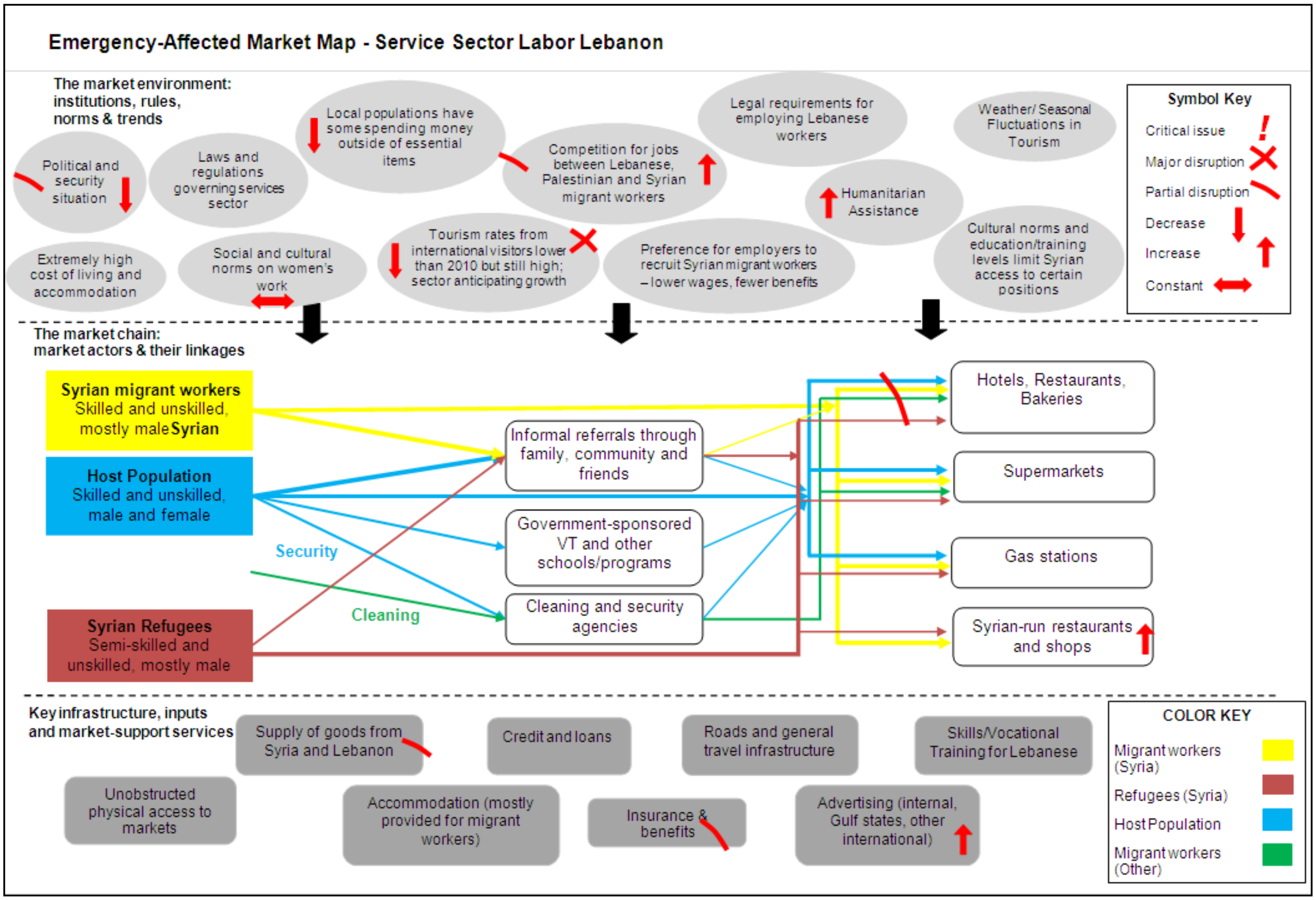
---

[16] The report indicates that training demand would focus increasingly on sales skills rather than production (cooking), as well as hotel management.

[17] ILO Press Release, “Hospitality sector growth holds promise of job creation amid poor working conditions, says National Employment Office”, 23 June 2011, available at:
http://www.ilo.org/public/english/region/arpro/beirut/downloads/info/press/pr_230611.pdf (last accessed 26 March 2013).

Emergency-Affected Market Map

With the onset of the conflict in Syria in March 2011 came a resulting tide of refugees into Lebanon and other surrounding countries, dramatically altering the market map for Lebanese hotels and restaurants. This section analyzes the impact of the crisis inside Syria and the refugee crisis in Lebanon on the impact of the service sector labor market. Overall, the conflict in Syria, the influx of refugees into Lebanon, and the resulting insecurity has impacted tourism and reduced hotel occupancy rates and restaurant business. More specifically, the maps show areas where the crises have caused partial or major disruptions to the service sector labor market system, and highlight critical issues that have arisen in the market. These disruptions and critical issues are explored in more detail in the paragraphs following the market maps.



The Market Chain

Syrian Refugees; Semi-Skilled and Unskilled, Mostly Male

As of the time of the assessment, there are no figures on the number of Syrian refugee workers in the service sector in Lebanon. During the course of this assessment, the team spoke directly with 10 refugees working in the service sector in the north and 14 in Bekaa. The majority of refugees interviewed during this assessment were unemployed and had been in Lebanon for an average of eight months. Of the Syrian refugees profiled by UNHCR, only two percent have a professional background in the service sector, however most express willingness to work in the service sector, or wherever else any jobs are to be found. Although almost all informants for this assessment felt that social relationships between refugee and host communities remain quite positive at present, Syrian refugees report experiencing numerous areas of discrimination in hotel and restaurant employment. To wit, Syrian refugees working in the sector interviewed during the assessment report earning between $250-300 USD per month. In addition, the sheer number of workers approaching hotels and restaurants on a daily basis, both refugee and host community, is driving these wages even lower. Business owners are receiving job applicants on daily basis, mainly refugees. It was mentioned by some managers/owners that around 5 to 10 people ask for a job on daily basis; others estimated a 20 to 200 percent increase in the number of applicants. Refugees employed in the sector also work an average of nine hours per day, 23.3 days per month.[18] They have no job security and few remedies should they be cheated out of their wages or dismissed summarily.[19] Syrian refugee workers typically find jobs in the Lebanese service sector through informal referrals by friends, family and community members, and by approaching the businesses directly.

One Syrian refugee working as a waiter in a Tripoli area restaurant noted that finding a job is sometimes only the first challenge that refugees face in earning an income in the service sector. Previously employed as a waiter in a restaurant in the Mina area of the city, he worked seven days a week for two months before quitting when the owner refused to pay him any wages. His brother, who worked alongside him as a waiter for the second month, was also unpaid. Both brothers have heard of this happening to other refugee friends and family in Lebanon, but felt there was little they could do to seek a remedy.

Lebanese workers

Very little information was collected on the current trend of how the crisis has affected Lebanese workers. However, considering the highly differentiation between types of jobs held by Lebanese and Syrians, with Lebanese holding mostly skilled and managerial-level positions, we can realistically expect that Lebanese workers are relatively insulated from the effects of the crisis. Although there is an abundant supply of refugee workers, the low-level of experience in the service sector (waiting, cooking, managing, etc. – See Table 2) means that the jobs held by Lebanese will be somewhat protected from competition with refugee workers. Based on this analysis, Lebanese workers are not competing with Syrian refugees, and their wages are likely to remain within the same range as at the baseline, between $333-800 per month.

Impact on hotels, restaurants and bakeries

Hotels and restaurants have been severely impacted by the precipitous drop in people arriving in Lebanon, even fewer people traveling to the North and Bekaa where there are increased security risks. As a result, nearly all hotels and restaurants in Bekaa and the north reported a decrease in revenue in their businesses. In fact, in 2012, the occupancy rate of four and five star hotels was 54 percent, compared to 58 percent in 2011 and 68 percent in 2010. Although most informants indicated that they did not intend to close their business in the near future should the situation fail to improve, cost-cutting measures were in some places already in use.

[18] Although the average days worked per month approximates a traditional full-time work schedule, it fails to reflect some important context. Namely, the increasing use of forced unpaid leave in establishments experiencing financial difficulties, and the true range of workloads for refugee workers, which tends to be either very low, such as two days a month to very high, such as 30 days a month. Thus, the typical refugee work experience is either not enough days of work to support family or being made to work seven days a week without a break.

[19] One refugee interviewed spoke of working for a restaurant in the Tripoli area of north Lebanon before being fired one day for being a member of the "wrong" political party.

Many hotels are hiring fewer staff, although there is some turnover as some employees are released in favor of those receiving lower wages. Seasonal positions will be added with the upcoming summer tourist high season, but owners and managers anticipate hiring fewer seasonal workers than in the past. Despite the reduced hiring, owners and managers report an increase in the number of workers coming to their service sector businesses looking for jobs, from an estimated 20 percent increase in job seekers, both Lebanese and Syrian, to two or three times as many as previous years. As one article on hotel closures provides, it is the employees who are paying the full price of the crisis at present: [20]

> "Hotel management will hire graduates for the standard three-month trial period, fire them at the end, and bring on a new cohort…Some employees have reported that hotel management requires them to work for pay three weeks of the month and work without pay the fourth week. They also force the new employees to sign an agreement that they will work one week a month without pay, and fire those who refuse. Hotel managers have even cancelled the health insurance to which their employees are entitled in addition to their inclusion in the National Social Security Fund."[21]

In response to the dropping levels of consumer demand, hotels and restaurants in the north and Bekaa are increasing their advertising efforts to internal audiences[22] and are researching alternative marketing efforts internationally. According to the Ministry of Tourism, many such businesses have pushed for Ministry assistance in developing new international advertising strategies (including those aimed at western audiences), and in promoting a good image for Lebanon.

Impact on fuel stations

All Fuel stations reported hiring Lebanese and non-Lebanese but not specifically refugees, but the impact of the crisis on fuel stations differed from no impact to slight improvements in business. Some station owners reported that business is still the same and that so far the Syrian crisis did not affect their business in any way. On the other hand, fuel stations contracted by the Humanitarian organizations for fuel vouchers were satisfied and reported that the assistance to the Syrians had a positive impact on their business.

Impact on supermarkets

In general, supermarkets in north Lebanon experienced some reduction in business with the onset of the refugee crisis, but far less than hotels and restaurants. None reported reducing the number of staff or taking other cost-cutting measures. By contrast, supermarkets that are involved with the voucher system operated as part of the refugee response report increasing profits and an increase in the number of employees hired – the only sector informants to report any increase in business following the start of the refugee crisis. One supermarket in Akkar that is part of the voucher system was even intending to construct an additional storage facility for goods in anticipation of continued increased levels of business. It is worth noting that this increase in business was heavily reliant on the continuation of the voucher system in its current state – expanding the number of businesses involved, reducing the number or monetary amount

[20] Stalled construction plans signal negative outlook in hospitality sector, Kataeb.org via The Daily Star, 21 January 2013, http://www.kataeb.org/en/news/details/399008 (last accessed 26 March 2013).

[21] Cherif Jendoubi, "Lebanese Hotel Employees Suffer in Crisis", Nuqudy Newsletter, 26 December 2012, available at http://english.nuqudy.com/Levant/Lebanese_Hotel_Empl-4207 (last accessed 26 March 2013).

[22] For example, both the Nakhal and Barakat tour agencies have developed discounted weekend holiday packages for Lebanese tourists to various locations within the country.

of vouchers or discontinuing the system altogether would all likely bring these businesses into line with the more general experience,

Impact on cleaning/security agencies
Both the Lebanese and the international security agencies interviewed reported no real change in regards to the refugee crisis, other than an increase in Lebanese workers interested in positions. The cleaning agencies contacted reported a significant reduction in business, and increased competition from refugee workers who they believe approach businesses and private homes directly offering cleaning services for low rates. Neither the security agencies nor cleaning agencies hire Syrian workers, migrant or refugee.

Syrian-run restaurants and shops
Many locations, Syrians are recently opening their own businesses in Lebanon and especially in central Bekaa. Syrian business owners recruit family members or even bring employees from Syria with whom they have a relationship or worked previously. In some areas, Syrian refugees are using their own shelter as a shop selling clothes for instance. On the other hand, many families who used to run restaurants and snacks in Syria moved their businesses to Lebanon. Lebanese business owners are facing stiff competition from the Syrian shops, especially because most of the businesses are concentrated in the same area, as well as rising cost of rent for their stores and businesses as demand has increased for retail locations. Barber shops reported being highly affected since many other shops opened which lead to an increase in rent but also reduction in income compared to before the crisis. Lebanese barbers charge 3.33 USD for a men's haircut while Syrian barbers are charging 1.33 USD. It was mentioned by the Lebanese barber shops owners that Syrians encourage and support each other by mainly preferring the Syrian shops.

The Market Environment: Institutions, Rules, Norms & Trends

The current map reflects the considerable deterioration of the political and security situation in Lebanon, which has led to a dramatic reduction in tourism throughout the country, in turn leading to stagnation of demand for labor in hotels and restaurants in Bekaa and the north.

- **Deteriorating Security Situation and Strong Decline in Tourism in Lebanon**
  According to Ministry of Tourism figures, there were 1,365,845 arrivals into Lebanon in 2012, down 17.47 percent from 2011 figures, and down 47 percent in comparison to 2010 figures. In an interview with L'Orient Le Jour, Syndicate of Lebanese Hotel Owners President Pierre Achkar described the 2012 summer high season, which is supposed to represent the largest source of revenue for Lebanese hotels, as "the worst since 1945."[23] In mid-May 2012, the UAE, Kuwait, Qatar and Bahrain advised their citizens to avoid all travel to Lebanon and urged those in the country to depart given the tense security situation.[24] As of the end of the year, visitors from Arab countries, long positioned as the largest bloc of visitors to Lebanon (one figure credited 60 percent of hotel occupancy in

[23] Michael Jansen, "Lebanon caught in fallout from Syrian crisis", The Irish Times, 12 March 2013, http://www.irishtimes.com/news/world/middle-east/lebanon-caught-in-fallout-from-syrian-crisis-1.1322544 (last accessed 26 March 2013).
[24] "Abboud downplays Gulf states' Lebanon travel advisory", *The Daily Star*, 15 June 2012, http://www.dailystar.com.lb/News/Politics/2012/Jun-15/176955-abboud-downplays-gulf-states-lebanon-travel-advisory.ashx#ixzz2Oeduk4po (last accessed 26 March 2013).

Lebanon to Gulf state tourism[25]) was down to just 33 percent of all entries. According to the Tourism Ministry office in Tripoli, the number of foreign tour groups in the northern city to register through their office in February 2013 was down to 20 groups. In February 2012, by comparison, there were around 150 groups.

> The manager of a restaurant in Bar Elias, Bekaa described how his restaurant begun to expand its premises and rehabilitate the second floor of the building to use for weddings and big events. However, when business waned with the reduced tourism, the entire floor was instead transformed into small apartments for three Syrian workers and their families, who now live there.
> *"2012 was the worst year and this year looks even worse. I recruited two Syrians expecting the season to begin and to start receiving customers as we used to in the past but I had to dismiss them because there's no work,"* he said. He is expecting business at his restaurants in 2013 to be as bad as or worse than 2012.

- **Rise in the Cost of Living for All Residents**
  Meanwhile, all informants noted that the costs of living in Lebanon have gone up, and housing prices in areas of the north and Bekaa have risen considerably.[26] In border areas, on major driver of increased cost of living is reduction in availability of cheap goods from Syria sold inside Lebanon.

Future Market Map: Anticipated changes to market system from March to December 2013

At the time of this EMMA, UNHCR, the Government of Lebanon, and humanitarian actors were undertaking the Regional Response Planning process for the Syria refugee crisis, planning to respond to the humanitarian needs in Lebanon until December 2013. As a planning figure UNHCR estimates that up to 1,000,000 Syrians will enter Lebanon as refugees, in addition to over 1,000,000 Lebanese host community members affected by the crisis. Using these figures as a scenario, the EMMA analyzed the impact and opportunities for supporting these quantities of refugee and host communities through the service sector labor market system.

Market actors and key informants agree that over the course of 2013 the security situation in Lebanon driven by the conflict in Syria will either remain at the current level or perhaps deteriorate even further. This will lead to further reduction in international tourism and may reduce internal tourism as well. All interviewees mentioned worries of a huge crisis in the coming months affecting the economy and particularly affecting the service sector.

Accordingly, informants interviewed believe that continued low levels of tourism and dollars in the service sector businesses in the coming months will first result in lowered wages and reduced benefits, and then increasing numbers of employee layoffs, starting with the lower level employees. Thereafter, hotels and restaurants in the north and Bekaa might be forced to begin closing, especially if they have no Syrian customers and rely on foreign visitors for their main clientele. These closures would affect the service sector labor force drastically as workers lose

---

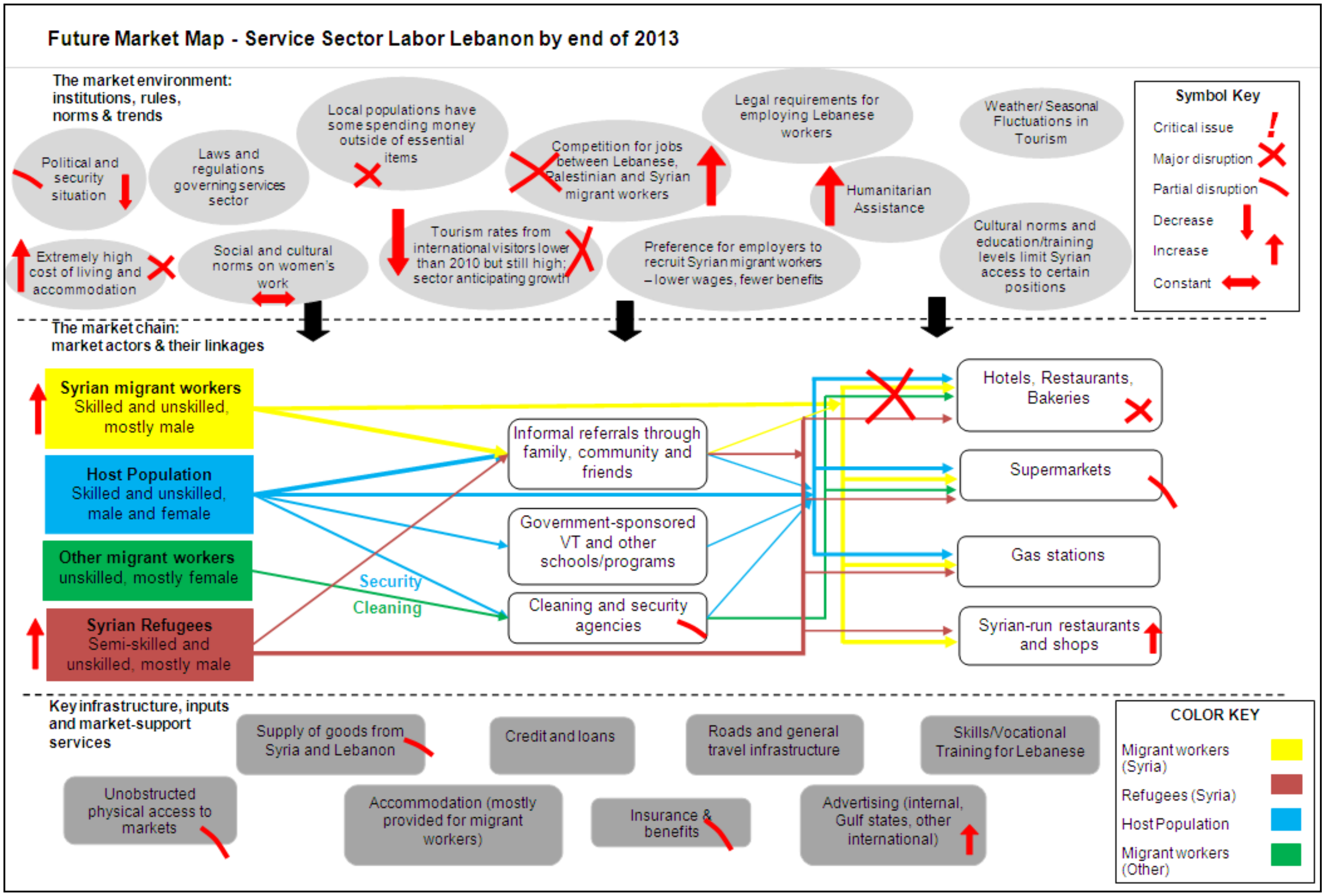
[25] Nabila Rahhal, "Starved for business: Hospitality sector struggling with shortfall of tourists", *Executive Magazine*, 2 October 2012, available at: http://www.executive-magazine.com/consumer-society/Starved-for-business/5244 (last accessed 16 March 2013).
[26] One landlord interviewed in the Tripoli area said that rental prices on his properties have tripled in the last year and are still climbing.

their jobs. Some restaurants might be affected more than others but most restaurants will be impacted negatively and restaurant owners might need to stop recruitment and even dismiss staff. These business closures and layoffs have the double burden of reducing labor opportunities for those who are already in a bad situation (such as refugees and unemployed Lebanese), but also further exacerbate the position by adding to the number of people without an adequate source of income.

The exacerbated refugee and security situation, although significantly impacting the hotel, restaurant, and tourism industries, does present a distinct opportunity. Tourism, the main economic driver of the hotel and restaurant industries in Lebanon has decreased dramatically, but the number of refugees arriving into Lebanon exceeds the number of tourists lost. In 2012, Lebanon lost about 300,000 tourists compared to 2011[27], whereas the number of registered refugees in Lebanon in April 2013 has exceeded 400,000[28]. Refugees are indeed more economical in their spending than tourists, but refugees are staying in Lebanon for very long time period (compared to tourists) and do have rather substantial consumption needs in terms of monthly expenditures. If the number of refugees increases to 1,000,000 people and humanitarian assistance increases proportionately to the need, it is very likely that the expenditure needs of refugees will exceed the potential economic benefits lost by the decrease in tourism.

The challenge for humanitarian practitioners is to harness this potential economic boost to off-set the negative impacts of the insecurity and refugee crisis, in order to maintain current income levels for Lebanese host population engaged in the service sector, and to expand income earning opportunities available to refugees. The programmatic recommendations outline in Section VIII identify several options for accomplishing these dual objectives – fostering income for Lebanese and refugee families, and at the same time ensuring that more people do not lose access to their existing jobs or income sources

[27] Ministry of Tourism statistics, 2013
[28] Registration Trends for Syrians: Weekly Statistics. UNHCR, 11 April 2013



VI. KEY FINDINGS

The market analysis sections have highlighted significant impacts on the service sector labor market system resulting from the conflict in Syria and the influx of refugees into Lebanon. This section analyzes these impacts on the market system in order to understand the implications, opportunities, and challenges of promoting income-earning programming related to the service sector for host community members and refugees.

Seasonal Calendar

The service sector market system is heavily affected by seasonal trends, as outlined in the seasonal calendar for labor markets in North and Bekaa. The summer months, when tourism spikes in Lebanon, are the most important for hospitality-related work opportunities.

Table 3: Seasonal Calendar

LABOR SEASON	J	F	M	A	M	J	J	A	S	O	N	D
Construction Labour		L	H	H	H	H	H	H	H	L	L	
Agricultural Labour (M=Male; F=Female)		M	F	F	F	F	F	F	F	M	M	
Food-Processing Labour (Mostly Women) (L=Low; H=High)	L	H	H	H	H	H	H	H	H	H	L	L
Service Sector Labour (Mostly Men)					L	H	H	H	H			
Tourism Season (high demand on restaurants, hotels, car rentals, taxi…)												

Income Gap Analysis of Lebanese and Refugee Service Sector Workers

The EMMA assessment teams used secondary sources and interviews with members of the target population to analyze the income and expenditure patterns of host communities and refugees. The 'gap' between expenditures required to meet household needs and the income available to households is an estimate of the amount of household revenue required to be earned or provided through work opportunities or charitable assistance. This analysis of the service sector labor market system informs the extent to which this labor markets can contribute to closing the 'income gap' at household level.

Host communities

Recent data on Lebanese host community families' income and expenditure does not exist, and this EMMA was not able to collect this information. However, the Lebanon Central Administration of Statistics did conduct a nationally representative household income and expenditure survey in 2004-2005, which has served as the basis for the national poverty line, national poverty targeting program, and construction of the consumer price index. Although not a precise household profile, when adjusted for inflation and compared to the current income available from each market system, as identified in the EMMA assessment, this data provides a window on the precarious household income situation of Lebanese host community members.

The 2004-2005 household expenditure data is adjusted for inflation[29] and listed in Table 4 below. This inflation-adjusted data is an estimate of 2012 average household expenditure for the North and Bekaa and the average wage for Lebanese workers in the services sector. Despite the apparent gap between service sector worker income and total household expenditure (as shown in table 4), a true income gap cannot be calculated from this information alone, as it does not take into account other possible sources of income for each household. However, when comparing the average wages for service sector workers in 2004 to the actual

[29] Dollar amounts are adjusted for inflation based on 2007 dollars, despite the income/expenditure data being collected in 2004-2005. Consumer Price Index data prior to 2007 was not readily available at the time of writing in order to adjust 2004 dollar amounts for inflation and enable comparison with current wages. As such, 2004-2005 income/expenditure data was adjusted based on the earliest available CPI data available, from January 2008. These figures are adjusted based on differences in CPI from January 2008 to December 2012.

wages observed during the EMMA assessment, we see that wages today are within the same range but just slightly above the estimated the levels earned in 2004-2005 when inflation is taken into account. Additionally, previous assessments conducted by UNDP and IRC with Save the Children demonstrate how household expenses in communities hosting refugees have actually increased dramatically in the last two years as a result of the crisis in Syria and due to increased costs of hosting refugees as well as border closures preventing less expensive Syrian goods from entering Lebanon[30]. As a result, we see that income levels in the service sector are on average just higher today than in 2004-2005, but it is very likely that the household expenditures are greater than 2004-2005 levels due to increased burden of hosting and the economic impacts of the Syrian conflict in Lebanon. Although not a precise estimation of the size of the income gap, this data illustrates how Lebanese families involved in service sector labor activity in communities hosting refugees are facing a potential income gap due to rising cost of living and exacerbated by expanding expenditure requirements. Only a small portion of the Lebanese population is engaged as service sector laborers, and as such, this household economic analysis applies only those Lebanese working in the service sector and cannot be generalized to the hosting community in general.

Table 4: Income and Expenditure of Lebanese service sector workers in the North and Bekaa

Region	Estimated average monthly household expenditure in 2004-2005[31] (in 2012 dollars)	Average monthly income for service sector workers in 2004-2005[32] (in 2012 dollars)	Estimated monthly income for service sector workers in 2013 (observed in fieldwork)
North	$989	$454	$400-800[33]
Bekaa	$1,197	$454	$400-800

Refugees

No quantitative information yet available on refugee incomes in Lebanon. Assessments conducted by DRC in Tripoli, Akkar and Bekaa, work undertaken by Save the Children, and expenditure data collected during this EMMA assessment have begun to document the expenditure requirements of refugee households, but no assessments yet quantify refugee income amounts, and this was not possible in the course of this EMMA[34]. Even without strong data on refugee household income, there is a good deal of information available from previous assessments and from interviews conducted during the course of this EMMA to draw a picture of refugee expenditures by location, and sources of income to meet those expenditure needs. While not a precise household economic profile, this comparison of expenditure needs versus

---

[30] *Rapid Assessment of the Impact of Syrian Crisis on Socio-Economic Situation in North and Bekaa.* UNDP and DMI. Lebanon, August 2012.
[31] Lebanon Central Administration of Statistics (CAS), Demographic and Social Statistics, 2004 Final Survey Results. Available at: http://www.cas.gov.lb/index.php/en/demographic-and-social-en
[32] From CAS statistics, which unfortunately do not disaggregate income by sector and by region.
[33] Income is dependent on level of work and responsibility. Waiters typically earn between $400 and $500/month, while at a medium size restaurant chefs will typically earn about $800/month.
[34] At the time of this EMMA, Mercy Corps was planning to undertake a household survey which included collecting information on household expenditure and income, but the results were not available for inclusion in this analysis.

income opportunities begins to illustrate the income gap facing refugee families. This gap will vary by locations and levels of engagement in labor markets, but what is clear is the critical role played by humanitarian assistance in assisting families to meet their expenditure needs.

Table 5: Refugee household expenditure requirements and average income from service sector labor

Locations	Level of monthly household expenditure required to meet needs[35]	Estimated average monthly income of a refugee worker in this sector	Other Income sources[36]
Tripoli	$750-850	$250-300	• Cash assistance from international, faith-based, and local organizations • Food assistance • Winterization assistance • Debt • Limited wage income
Akkar	$450-550	$250-300	
Bekaa	$650-850	$250-300	

The EMMA assessment shows that service sector wage labor can only contribute about 30-60% overall income needs identified by refugee households, and only for those refugees who are able to find work in this sector. The figures presented in Table 5 very conservatively present the potential income gap. In reality this level of income is highly inconsistent as employers tend to turn-over unskilled workers frequently to hire new workers for less money or to avoid paying certain taxes and benefits. Additionally, these opportunities are primarily accessible by only a small number of refugees, and those who have had previous connections in Lebanon either as migrant workers, through close family or social networks, or through persistent inquiries at businesses looking for openings. Continued reliance on humanitarian assistance of varying types and providers is necessary to begin closing the gap between expenditure needs and income.

The remainder of the analysis will look at the potential capacity of the service sector labor market system to contribute income to the target population to assist in meeting the necessary levels of household expenditure to meet needs.

Key Analytical Questions # 1: How has demand for service sector labor changed?

As discussed above, the service sector in Lebanon, including hotels and restaurants, has been heavily affected by the onset of the Syrian refugee crisis, as it is reliant on tourism rates, which have been greatly diminished with the deteriorating political and security situation. Tourism rates have fallen significantly, which have had a negative impact on the services sector as reported

[35] Refugee household expenditure information is a combination of DRC assessment of household expenditure in Akkar, Tripoli and Bekaa and primary data collected during this EMMA.
[36] Information on other sources of income accessed by refugees is collected from livelihood assessment reports completed by IRC and Save the Children, DRC, and data collected in this EMMA.

by different actors. Even though many employers do not require skilled labor, the market is saturated and no new jobs are being requested at this stage.

> "We are being forced to reduce the number of staff in the sector. Some people were put on unpaid leave and new vacancies are not being filled by new people," said Pierre Achkar, head of the Lebanon's Hotel Owners Association. He added that some hotels and restaurants are downsizing and closing down hotel floors and restaurant branches especially in areas hit by a sharp decline in tourists. Seasonal employment of part-timers, hired to accommodate extra business in high tourism seasons, were cut down by more than 70 % from numbers employed in the last few years. Beirut hotels, Achkar estimated, have been down by at least 45% in 2012 but the situation outside the capital is even worse. The Ministry of Tourism insisted on promoting Lebanon in Europe but Achkar says he doubts these initiatives will have a positive impact.[37]

According to recent figures released by the Ministry of Tourism, the number of visitors in 2012 was 17.47% lower than the previous year, with the majority of that drop taking place in the last 4 months of 2012. Compared to 2010, when Lebanon's tourism sector performed much better, the number of tourists is 47% lower, the report showed.

Most actors complained about the situation in the last two years mentioning that their businesses are struggling and that demand has been limited. For some big restaurants that have many branches, it was clearly stated that some branches are completely affected either due to security or even the competition with other Syrian business owners. Businesses are not closing at this stage but they are also not expanding and some are to the point of barely surviving. It was mentioned indirectly by one of the employees in one of the biggest hotels in West Bekaa that salaries were affected negatively. Another restaurant in the same area, whose owner hired more staff expecting the high season to begin as it had in previous years had to fire two after realizing that there are no customers at all this year. In this context, Syrians are among the first employees to be dismissed since they have no contracts and employers won't have legal repercussions.

Key Analytical Question #2: What are the possible job opportunities for Syrians and host community to work in the service sector? How can we support them in accessing these opportunities?

The major constraints to expanding sector labor opportunities focus around the deteriorating sense of security in Lebanon and reductions in tourism which has fueled the growth of the service sector since mid-nineteen nineties. Although in many ways it is not feasible for humanitarian actors to directly address these constraints, the refugee crisis in Lebanon does pose distinct opportunities for humanitarian actors to promote livelihood opportunities related to the service sector.

The number of refugees in Lebanon currently far exceeds the number of tourists between 2011 and 2012, and these refugees are staying in Lebanon for much longer than tourists might. Refugees' own support mechanisms and the levels of humanitarian assistance means that a large amount of money per household is being directed into Lebanese local market systems each month. The challenge is to enable this refugee and humanitarian spending to benefit those impacted Lebanese families and potentially create additional income-earning opportunities for refugees.

---

[37] Michael Jansen, "Lebanon caught in fallout from Syrian crisis", The Irish Times, 12 March 2013, http://www.irishtimes.com/news/world/middle-east/lebanon-caught-in-fallout-from-syrian-crisis-1.1322544 (last accessed 26 March 2013).

Although most market actors in this analysis discussed the negative impacts of the crisis on their businesses, some interviewees did highlight potential growth opportunities. One such business owner mentioned that his business increased due to the demand on bread driven by the refugee presence in Lebanon, rising by 10 percent in 2011 to 17 percent in 2012. Additionally, other hand, some shops and fuel stations in the north and Bekaa stated that their business has also improved due to the vouchers distributed by humanitarian agencies. Hotels in Bekaa were found to be more affected by the plummeting tourism than the hotels in Tripoli, where the lack of affordable housing has driven some rooms are rented by Syrians. Restaurants are affected more than hotels in Tripoli while it's the opposite in Bekaa where hotels are 90 percent empty in some cases. In the Bekaa, Syrians are opening many shops in order to cater to the needs of the expanding Syrian population. These new restaurants, snacks, mini markets and barber shops are being opened by Syrians who are investing for a short period, mainly in Central Bekaa. Although many Lebanese perceive these shops as competitors, the number of potential customers and needs of that population are such that the pre-existing shops might not be able to cope with the increase in demand. These examples highlight the potential opportunities created by the surging refugee population for businesses in the North and Lebanon. The humanitarian support provided to refugees and vulnerable host community families can and will (as these examples show) enable businesses to continue to provide a minimal level of services in order to keep workers employed (and thus not increase the need for humanitarian assistance), and possibly to also expand income-earning opportunities for Lebanese and refugees alike.

VII. RECOMMENDATIONS

The Lebanese service sector in the north and Bekaa is over-saturated at present and heavily impacted by low tourism levels, limiting job opportunities to the point where it cannot in practice absorb any more laborers. Refugees who are able to find work in the service sector do not earn enough to meet their household income needs, while Lebanese workers are earning slightly more than in 2004 but facing increased costs of living associated with the crisis in Syria and the burden of hosting refugees.

The third phase of the EMMA analysis, Response Analysis, seeks to identify appropriate programming options to address the constraints identified in the service-sector labor market analysis, in order to support refugee and host community families to close the household income gap. Response analysis is a two-step process. The first step is identifying all the potential response options that could be implemented to improve service sector labor opportunities. These options are listed in a 'Response Options Matrix' and the relative pros/cons of each option are analyzed. Based on this analysis, specific programming options or combinations of options are selected to be the most appropriate programming options for the given context and level of market functioning, in order to support households to close the income gap. EMMA recommendations can include both direct programming options which are targeted directly at the refugee or host community member in order to improve his/her ability to earn a living from the service sector labor market system, or indirect interventions targeted at another actor within the market system in order to eventually expand income-earning opportunities for refugees or host community members. Below only the programming recommendations are presented. To see the full 'Response Options Matrix' used for identifying these recommendations, please see Annex 1.

1. **Expand and diversify shops participating in existing voucher-based programs:** The only service sector market actors identified in the assessment who were expanding their businesses were those participating in humanitarian voucher programs, including food and fuel sellers. These shops reported increased revenues, and in case of food stores, had actually hired additional staff to handle the increased business from the voucher program. Expanding the number and variety of stores participating in the voucher programs will avoid concentrating the program benefits in a relatively small number of stores, and enable a greater number of stores to expand revenue and create additional income-earning opportunities. Additionally, voucher programs should include in their monitoring systems the employment trends of participating agencies, creating an explicit link between the delivery of humanitarian assistance through vouchers, and the creation of income earning opportunities generated by that program. Such an expansion of the number of participating stores in voucher programs will support the local economy, support Lebanese and refugee incomes, and create an environment where host and refugee communities benefit from the assistance.

2. **Advocate for private hotels to host refugee families at subsidized rates:** Shelter for refugees is one of the major concerns and challenges after two years of the crisis. Many refugee families are not able to find adequate shelters due to a lack of available housing and/or very high rent, which has doubled and in some cases tripled after the crisis, in many cases pushing refugees to rent plots of land and live in the tent settlements. On the other hand, hotels are suffering from a serious decrease in their business due to lack of customers and unoccupied rooms. Linking refugees to hotels in some areas might be challenging but could provide very good opportunities for both Lebanese owners and refugees. Humanitarian agencies implementing shelter solutions can contract with specific hotels and motels offering to pay some fees in return for hosting refugee families for cheaper prices. This solution could help the families seeking refuge in Lebanon to have decent shelters as well as supporting the hotel owners by improving their businesses allowing them to cut the losses and keep this source of income running as well as avoiding dismissal of staff and even hiring more employees.

3. **Provide unconditional cash assistance to meet refugee needs:**
Ongoing humanitarian assistance for refugees will be needed to support families close the gap between their expenses and their income. This assessment shows that even for the very small number of refugees able to find full-time work in the service sector, their income can only meet 20%-60% of their needs. Humanitarian assistance in the form of cash grants, as opposed to in-kind donations, will both enable families to meet the needs they identify and prioritize, but will also support local stores, shops, and businesses (some of which might be managed by refugees), generating business revenue and potentially creating income-earning opportunities at these stores.

Table 6: Service Sector Labor Programming Recommendations

Recommended Response	Effect on market system and target group	Key risks and assumptions	Timing and feasibility
Continue with voucher assistance for refugees	▪ Shops participating in voucher program will likely display higher than average consumer spending, profits, and will hire additional workers to meet demand ▪ Refugees having difficulty finding paid work will find it easier to meet their needs each month and close income gap	▪ Net number of labor opportunities created at voucher program shops will be relatively small; ▪ As part of "race to the bottom" wage trend, these positions may be part-time, provide only low wages ▪ Concerns about working conditions and protection/exploitation concerns for workers will require monitoring ▪ Jobs created at voucher shops will likely disappear once voucher program ends	High feasibility; Can be implemented in the short-term
Linking refugees to existing hotels and motels by supporting the business owner and the refugees with rental subsidies.	▪ Creating additional adequate shelter solutions for the refugees ▪ Support the existing and struggling hotels and motels in the area ▪ Employing more staff from both communities in the hotels/motels ▪ Preventing hotels/motels from closing and as result	▪ Resistance from the hotel owners ▪ Increase in the running cost of the hotels/motels which might not be covered	Medium feasibility; Can be implemented in the short-term

	dismissing the employees		
Provide unconditional cash for refugee families	▪ Autonomy for refugee families engenders increased dignity and satisfaction with assistance provided ▪ Support for local economy more diffuse amongst actors than with voucher system ▪ Job creation amongst shops where cash assistance spent ▪ Refugees having difficulty finding paid work will find it easier to meet their needs each month	▪ Refugees spend cash assistance in Lebanon ▪ Cash assistance may be spent in a manner too diffuse to stimulate any new job creation ▪ Any jobs created may likely disappear once cash assistance program ends	High; can be implemented in the short-term

ANNEXES

Annex 1: Response Options Framework

Response Option	Advantages	Disadvantages	Feasibility (High, low, medium and why?) and timing (short, medium, long-term)
Orientation for youth to already existing VT centers	▪ Develop the youths' skills ▪ Socializing and contributing to their wellbeing ▪ Skills can be used after the crisis ▪ More job opportunities ▪ Supporting the VT schools	▪ Lack of available jobs at present ▪ Competition with the Lebanese labor market ▪ May encourage too many workers to stay in Lebanon even after the crisis, contributing to continued saturation of labor market	High and could be implemented in a short period of time
Short-term life skills trainings such as communications, languages, computer science	▪ Develop the skills of both refugees and host community members ▪ Life skills can be used for work but also for other, unrelated, purposes such as furthering education ▪ Skills acquired can be used in the future, such as after refugees return to Syria	Labor market saturated and therefore skills won't be beneficial to find jobs except for a very limited number of people	High and could be implemented in a short period of time
Unconditional cash for Syrian families (those with no income)	▪ More independence and autonomy in prioritization and fulfilling needs ▪ Possibility of investment ▪ Family plans their finances more and better manages expenses ▪ Contribution to the local economy	▪ Possibility of mismanaging the money ▪ Tensions within the Lebanese/host communities who are not receiving cash assistance ▪ Tensions within the Syrian communities because not all refugees will benefit equally from this assistance	High and could be implemented in a short period of time

		▪ Amount of cash assistance might not be enough if inflation drives increase of prices in the country ▪ Some families might unfairly benefit from multiple sources aid ▪ Could contribute to aid dependency amongst recipient families	
Vouchers for hygiene items (conditional cash)	▪ Replace the kits currently being distributed with vouchers, which might benefit more suppliers and shops - contribution to the local market ▪ Less competition between the Lebanese and Syrians ▪ Expand local/small shops	▪ Families might exchange the voucher for cash (less value) ▪ Complicated process	High and could be implemented within a short period of time
Support opening of small businesses in tented settlements, such as small bakeries	▪ Provide livelihood opportunities for vulnerable families ▪ No transportation fees ▪ Provide low-cost items to tent communities - benefit for the business owner and the clients	▪ Competition between the refugees and host community and between refugees themselves (many of whom may want to open his/her own business) ▪ Lebanese traders might increase the wholesale prices of goods to be sold ▪ The refugees might export their goods from Syria, reducing the benefit for the host community providers	Medium
Advocate for the legalization of already-opened Syrian shops in Lebanon (taxes)	▪ Create balance between host community and Syrian business owners ▪ Reduce the negative competition and tension among host community and	▪ More restrictions likely to remain on the Syrian business owners ▪ Disorganization/lack of engagement by governmental bodies at present	Medium

	Syrians ▪ Legalize and control the shops opening in the area ▪ Activate the role of governmental bodies (municipality, GSO…)		
Cash for work for garbage collection, sorting garbage and producing fertilizer	▪ Decrease the burden on municipalities and the communities ▪ Create job opportunities ▪ Protect the environment ▪ Doesn't influence negatively the host community since Lebanese workers do not work as garbage collectors ▪ Produce fertilizers for cheaper cost	Possible disenfranchisement of other migrant workers who worked in garbage collection in the past.	Medium
Cash for work for production of t-shelters	▪ More accommodation space ▪ Build skills of the Syrian refugees and Lebanese workers ▪ Income generation ▪ Provide income to suppliers ▪ Demand from both communities	▪ Could lead to tension within large unemployed population not hired for project	High and could be implemented in a very short period of time (already in place)
Open a kitchen for Syrian women to provide hot meals for Syrians	▪ Provide income generation for women ▪ Provide work opportunities for women head of households ▪ Socialization ▪ Provide income to suppliers ▪ Acquiring new skills	▪ Requires marketing and advertising ▪ Requires specific studies ▪ Could create some competition with the local market, where demand is already low ▪ High cost	Medium
Business coaching for Syrian and Lebanese women and men in municipalities (committees within the	▪ Reduce the duplication/glut of certain types of sector businesses ▪ Better coaching and orientation for competitors ▪ Better communication	▪ More restrictions on Syrians ▪ Depends on willingness of municipalities	Medium

municipality)	from and control by the governmental bodies ▪ Increase organization of the market		

Annex 2: Questionnaires

EMMA Questions (Local/Large Market Actors)
Services sector

Date:
Place:
Enumerators:

1.0 Revised key analytical questions

1.1 How has demand for the service sector changed?

1.1

1.2 What are the job opportunities available for the Syrians and the host community members within the service sector?

1.2

1.3 How can we support them in accessing this opportunities.

Questions:

1.1 Local /large market actors. (Before, now and after four months)
Who business owners – employers
We need to ensure representation of at least four critical services as identified above (in 2.1)
Important details:- Nationality of owner, duration of existence, location, branches elsewhere, no of employees by nationality

1.1.1 How has the crisis affected your business?

1.1.2 Have you had to lay off staff as a result thereof or have you had to hire more? (Determine what is likely in the future projection in about four months?)

1.1.3 How have wages changed over time? (Before the crisis, now and after the crisis?) Are the changes the same for all nationalities or there exists differences?

1.1.4 How many employees have you hired? (Before the crisis, now and after? What is the ratio of male to female employees?

1.1.5 What categories of employees have you hired? (waiters, chefs, Nargillas)

1.1.6 What are the wages for each category of employees that you have hired?

1.1.7 Are there skills that you require that are not readily available in the market/ applicant pool?

1.1.8 What factors do you consider in determining roles division amongst your employees?

1.1.9 What are some of the requirements (skills, qualification and social positioning) a potential employee must meet before in order to qualify for a position within your organization?

1.1.10 Do you draw formal contracts for each of your employees? Why?

1.1.11 Do you pay salaries and offer benefits? Or do you pay only salaries or offer only benefits?

1.1.12 What are some of the benefits you offer to your employees? **?**

EMMA Questions (Individual Key Informants/FGD/Households)

Date:
Place:
Enumerators:

1.0 Revised key analytical questions?

1.1 How has demand for the service sector changed?

1.1

1.2 What are the job opportunities available for the Syrians and the host community members within the service sector?

1.2

1.3 How can we support them in accessing this opportunities.

1.3

2.0 Detailed Key informant interviews/Focus Group discussions

2.1 Household Hold questionnaires

Who:

- Individual household members they may or may not be engaged in work?
- Representation of each nationality – Syrian (old and new caseload, Lebanese for each category.
- Gender (men and women) MHH and FHH, Youth and elderly.
  Female Male
- Do we need to select at least four critical service types as a minimum and ensure representation?

Important details:

- Nationality, Lebanese Syrians Other
- Age,
- Position in household i.e. head or member, duration of stay in area?
- If region of origin differs from the nationality (secondary displacements)

Questions:

2.1.1 How do you get to know of job opportunities within the service sector?

2.1.2 Where are they available? What skills are required?

2.1.3 Are you currently working in this sector? If so, in which area specifically?

2.1.4 How did you find the job? (Inquire on the hiring process?)

2.1.5 What is your previous work experience? (Analyze disparity/similarity to current job)

2.1.6 How long have you been in the service sector? For how long have you been in this particular position, how often do you change jobs?

2.1.7 What other nationalities are employed at your work place? (how many, give gender breakdown

2.1.8 Do you have a formal contract with your current employer? Do you pay taxes or benefit from any form of insurance? Explain answer.

2.1.8 Are any of your family members employed, if so in which sector? (indicate no, ages of family members and sector involved in)

2.1.9 Do you or any of your family members have more than one job?

2.1.10 If yes to 2.1.12 is it within the sector or in another industry? What influenced your decision?

2.1.11 Does the job availability vary by season?

2.1.12 What other factors impede/facilitate access to employment opportunities?

2.1.13 Does your skill match your current job?

2.1.14 What challenges do you face within the work environment, wages, differences with bosses (elaborate on nature), cultural barriers, ethnic tensions?

2.1.15 Do you think there are any groups of people who cannot access this job opportunities? If so who are they and why?

2.1.16 Are children employed in the sector? What do they mostly do?

2.1.17 Do you pay only salaries or offer only benefits?

2.1.18 What are some of the benefits you offer to your employees? **?**

EMMA Service Sector North
Local/Large Market Actors Questionnaire

Date of interview:

Team member:

Location:

Name:	☐ OK to use name in reporting
Gender:	
Nationality:	
Age:	
Type of business owned/managed	
Name of business	
Location of business	

Number of employees	**Male**			**Female**		
	Before refugee crisis	**Now**	**In 6 months (anticipated)**	**Before refugee crisis**	**Now**	**In 6 months (anticipated)**
Lebanese/host community						
Syrian (here before conflict)						
Syrian (refugee)						
Palestinian						
Other						

How many years have you been in business?	
Demand – How has the refugee crisis affected your business? *(Compare before crisis, now, anticipated in future)*	

How many employees have you hired/fired since the crisis began? *(Break down by HC, refugees, Syrians here before conflict etc)*	
What categories of employees have you hired/fired? *Ex: waiters, cooks, delivery boys etc.*	
How do you find/hire employees for your business?	

Wages paid to employees	**Before crisis**	**Now**	**In 6 months (anticipated)**
Employee category 1: ________________			
Employee category 2: ________________			
Employee category 3: ________________			

Is there any difference in wages paid to your staff based on national origin/other factor?	
What other benefits (if any) do your employees receive?	
Are there skills that you require for employees that are not readily available in the market/ applicant pool?	
What factors do you consider in determining role division amongst your employees?	

Have you observed any changes in the number and/or national origin of the people applying for jobs at your business? *I.e., are there more applicants now? Approximate % more? Where are they from?*	
What are some of the requirements (skills, qualification and social positioning) a potential employee must meet before in order to qualify for a position within your organization?	
Do you draw formal contracts for each of your employees? Why? When?	
How many other businesses are there in your area that are similar in size to yours? (i.e., how many competitors do you have?)	
Do you know of anyone else who you deal with for hiring staff we could speak with for this research?	
What type of support (if any) would be useful to you to expand your business/hire more employees?	

EMMA Service Sector North
Individual/Households Questionnaire

Date of interview:

Team member:

Location:

Name:	☐ OK to use name in report
Gender:	
Age:	
Nationality:	
Position in household, i.e., head or member? *note if female-headed household	
How long have you lived in your current location?	
GAP ANALYSIS INFO	
Estimated amount a typical family from the host community (Lebanese) normally spends **each month** on the following categories:	
Health	
Food	
Transportation	
Hygiene items	
Electricity	
Education	
Clothing	
Hospitalisation	
Household items	
Other expenses	
Note: if the interviewee is not spending much money, where does the rest go?? To family in Syria?	
GENERAL EMPLOYMENT INFO	
Current employment status? *Note if currently working more than one job*	

What are the previous jobs you took in the last year?	
What has the impact of the crisis been on job opportunities for you?	
What are the skills that have guaranteed you previous access to market?	
What are the opportunities that can secure jobs for Lebanese and Syrians in your opinion? Do they have different skills to you?	
How do you find jobs? Employment offices, contractors, family members, walk in to site, community hubs (inc. mosque, churches etc)?	

IF WORKING IN THE SERVICE SECTOR NOW

Which area of the service/hospitality sector are you working in now?

- ☐ Hotel
- ☐ Restaurant
- ☐ Security agency
- ☐ Cleaning company/cleaner in a business
- ☐ Bakery
- ☐ Domestic (work in private home)
- ☐ Concierge (office and apartment building)
- ☐ Other if relevant

Name and location of workplace:	

	Before refugee crisis	**Now**	**In 6 months (anticipated)**
What are your wages?			
How many hours a week do you work?			
Who is the owner of the place where you work? What is their nationality?			

Number of employees at your work	**Male**			**Female**		
	Before refugee crisis	**Now**	**In 6 months (anticipated)**	**Before refugee crisis**	**Now**	**In 6 months (anticipated)**
Lebanese/host community						

Syrian (here before conflict)						
Syrian (refugee)						
Palestinian						
Other						

	Before refugee crisis	**Now**	**In 6 months (anticipated)**
What types of work do women do at your job?			
How many youths/children work at your job? What types of jobs do they do?			
	Before refugee crisis	**Now**	**In 6 months (anticipated)**
Do you have a formal contract with your current employer?			
Do you pay taxes or benefit from any form of insurance? Any other benefits?			
What challenges do you face within your work environment? Wages, differences with bosses (elaborate on nature), cultural barriers, ethnic tensions?			
Do you think there are any groups of people who cannot access jobs in the service sector? If so who are they and why?			

ALL Respondents!	
What kind of support would be helpful to you or other people who work in or want to work in the service sector? Specific skills/training needed?	

Anything else?	

EMMA Service Sector North
Individual/Households Questionnaire (Refugees)

Date of interview:

Team member:

Location:

Name:	☐ OK to use name in reporting
Gender:	
Age:	
Nationality:	
Accompanied by family? Who? Position in household, i.e., head or member? **note if female-headed household*	
How long have you lived in your current location? How long have you been in Lebanon?	
GAP ANALYSIS INFO	
Estimated amount a typical refugee family normally spends **each month** on the following categories:	
Health	
Food	
Transportation	
Hygiene items	
Electricity	
Education	
Clothing	
Hospitalisation	
Household items	
Other expenses	
Note: if the interviewee is not spending much money each month, where does the rest go?? To family in Syria?	
GENERAL EMPLOYMENT INFO	
Where did you work in Syria/what did you do?	

Are you currently working?	
If YES:	

	Before crisis	**Now**	**In 6 months (anticipated)**
Where are you working/what are you doing? Since when?			
Do you have more than one job?			
For each job that you work, what are your wages?			
How did you find your job?			
Who is the owner/manager of the place where you work? What is their nationality?			

Number of employees at your work	**Male**			**Female**		
	Before refugee crisis	**Now**	**In 6 months (anticipated)**	**Before refugee crisis**	**Now**	**In 6 months (anticipated)**
Lebanese/host community						
Syrian (here before conflict)						
Syrian (refugee)						
Palestinian						
Other						
How many youths/children work at your job? What types of jobs do they do?						

	Before refugee crisis	**Now**	**In 6 months (anticipated)**
Any discrimination observed at your work?			

What are your working hours?			
How far away is your job from your home?			
Do you have a contract?			
Do you pay taxes or benefit from any form of insurance? Any other benefits?			
If NO:			
Had u ever worked in Lebanon before the crisis? Location? Period?			
What skills do you have?			
What are the constraints you have found to finding a job? *Ex: Health, no skills, discrimination?*			
What kind of support would be helpful to you or other people who want to work in the service sector? Skills/training needed? Anything else?			