# THE EFFECT OF THE SYRIAN CRISIS ON LEBANON

A special report by Executive Magazine August 2013



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Lebanon's response to the Syria crisis has been, by all accounts, suboptimal. An inability to deal with the sheer scale of the crisis has been exacerbated by a lack of joined-up policy making, with little medium-term planning.

As it becomes increasingly clear that Syrian refugees will remain in Lebanon for years to come, developing a long-term response plan is crucial. This special report originally appeared in Executive Magazine's August issue, the result of a month's work by four writers interviewing key figures in the response to Lebanon's crisis, visiting refugees and digging into the issues.

The aim was to look in-depth at key issues surrounding Lebanon's response to the Syria refugee crisis and analyze potential policies that could help going forward.

Following positive feedback we have decided to reproduce it as a strategy document to help generate debate around Lebanon's response to the crisis and to seek potential strategies for development.

We hope you enjoy reading it.

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# Housing: Time for refugee camps? Lebanon needs to come to terms with its Syrian refugee crisis

"If I want to go to prison I will go back to Bashar al-Assad. He is pretty good at it," Abou Ibrahim jokes when asked about whether he would move to a refugee camp. The father of six fled Syria two years ago and has made the town of Saadnayel in Lebanon's western Bekaa his temporary home. He rents the land on which his homemade wooden flat is built for \$200 a month, which he pays for through sporadic manual work and, in bad months, selling his family's United Nations food vouchers for cash. But he says he would rather continue to do so than move to a refugee camp, particularly if he were not allowed free movement in and out.

Since the Syrian crisis began in early 2011, policy makers, politicians and UN representatives in Lebanon have tried to avoid talking about camps. The term conjures up imagery of hovels, destitution and, in Lebanon, violence. But increasingly these same figures are coming to the conclusion, more through force than reason, that camps in some form or another are inevitable in Lebanon.

Currently, there are over 650,000 Syrians either registered or awaiting registration with the United Nations in Lebanon, while the government estimates another 500,000 are in the country unregistered. This equates to over 20 percent of Lebanon's official population, the largest refugee crisis per population size in the world. Until now, no formal camps have been opened; refugees are housed within the Lebanese system. Around 80 percent live in rented accommodation, while thousands of others are staying with friends or in abandoned buildings.

But since the start of the year, the rate of refugees has expanded so rapidly — in December 2012 there were just 129,000 registered — that the system is increasingly unable to cope. Across the country, around 280 informal camps, consisting of 20-50 tents in small areas, have popped up, often with little or no sanitation or protection against the brutal summer heat and bitterly cold winters. The shelter crisis is forcing many to rethink.

OVER 650,000 SYRIANS ARE REGISTERED OR AWAITING REGISTRATION WITH THE U.N. IN LEBANON...THE GOVERNMENT **ESTIMATES ANOTHER** 500,000 ARE IN THE COUNTRY UNREGISTERED

#### THE UN AND NGO POSITION

The chief convert so far is the UN itself. Joelle Eid, public information associate at the body's refugee agency UNHCR, explains that while they still believe camps to be the "least feasible option" for housing Syrian refugees, the point has been reached when Lebanon can no longer assimilate them.

"At the beginning of the crisis, we were not advocating for camps [as they are] very expensive to uphold and maintain. We would rather see refugees live in as normal a setting as possible and we would rather invest money into local public services and schools to benefit generations to come," she told EXECUTIVE. "But as the crisis progresses and...rents are on the rise, refugees are at risk of being thrown out of their homes. We see the sprouting of these informal tented settlements," she adds. "So today, taking into consideration all

[this], there should be another option on the table, including these other solutions", i.e. camps.

Olivier Beuchard, country director of the Danish Refugee Council (DRC) in Lebanon and head of the 11-member Lebanese Humanitarian Forum INGO which seeks to lobby the UN and the government, is also convinced of the need for camps. Crucially, he believes the crisis will continue to worsen and thus the camps are necessary for medium-term planning.

"We, as the INGO forum, do not believe that we are at the peak of the crisis [yet] ... If tomorrow in Syria the regime falls, or the opposite, that the regime takes over the country like before, you might have a big wave of displacements," he said. "And if you have a massive influx of 50,000 people coming in one or two days, then we are not ready to absorb them, accommodate them, and assist them in any manner. So then you need camps and transit sites."

Camps are not merely the least worst option — there are some potential benefits. Currently, registration of refugees takes around three months in Lebanon, but for those in official refugee camps such as Zaatari in Jordan — which houses over 200,000 refugees and has thus become the country's fourth largest city — the process takes only days, and subsequently support can be given almost immediately.

Similarly, Beuchard and other charity leaders EXECUTIVE spoke with said it also made providing care easier as the refugees stay in one place. As such, for planning education, health, food distribution and other key services, camps can



help get more for the money. Indeed in June, UNHCR launched a proposal calling for NGOs to submit bids for camp establishment and management. The results have not yet been released, but it is understood that a number of charities submitted plans.

#### THE GOVERNMENT POSITION

But while the UN and international NGOs may be increasingly in favor of camps, it is not their decision to make: any final ruling would be made by the Lebanese government. This poses an obvious problem. Since the government of Najib Mikati fell in March, the new Prime Minister-designate Tammam Salam has been unable to form a new cabinet. The former ministers remain in their posts in a temporary capacity, but whether they have the authority to introduce camps is unclear.

Moreover, the signals coming from the government are mixed. The Ministry of Social Affairs, under whose remit the refugee crisis has fallen, has been publicly supportive of camps but other parties in the government — most notably Hezbollah and the Free Patriotic Movement — have remained opposed.

"SYRIAN REFUGEE CAMPS MUST BE UNDER THE FULL CONTROL OF THE LEBANESE GOVERNMENT — WITH THE ARMY CARRYING OUT REGULAR PATROLS" One of the main hesitations, both for Lebanese and Syrians, is over security. Every Syrian EXECUTIVE asked in the Bekaa stressed that they would not live in a camp if they did not have freedom to come and go as they liked. Forty-three-year-old Khaled highlighted the experiences of Zaatari camp in Jordan. Syrians are unable to leave the camp without permission, with protests about their conditions common. "I want freedom, not prison," Khaled said. "The Syrians in Zaatari are treated like dirt."

While for Syrians the experience of Zaatari serves as a warning about the lack of freedom, the Lebanese government takes a different kind of warning. There have been increasing reports of violence in the camp, with anti-Assad fighters rumored to be using the camp as a safe base, while prostitution and abuse are also on the rise. Ramzi Naaman, the lead coordinator of Lebanon's Syria response plan, is among the key figures advising politicians on the crisis. He stresses that the security concerns over the Jordanian camp play

a key role in the government's hesitancy.

"They [camps] can unfold into something very dangerous if not closely controlled," Naaman told EXECUTIVE. "The biggest indicator is Zaatari which is out of control, probably the most highly-populated spot in the world [and] extremely dangerous. I mean after 8:00 pm no one can move in the camp, no woman can go to the bathroom because she risks being raped," he said.

Naaman's comments, though perhaps exaggerating the reality, are indicative of the mentality of many government officials on the issue. Underlying this is the Lebanese experience with Palestinian camps, many of which remained populated with the families of refugees since they were expelled from their homeland in 1948. As there has been little meaningful progress for Palestinians in the intermittent years, the result has been that 'temporary' camps have remained for decades, with their semi-autonomous status making them hugely controversial with the Lebanese. Violence in the camps is common, and the Lebanese army fought a major war with alleged Islamist militants in the Palestinian camp of Nahr al-Bared in 2007.

DRC's Beucher says that in negotiations with the government, the Palestinian camps have never been far from the table. "The government thinks that the camps will stay if they are put up tomorrow," he says. "Something very temporary [such as] a shelter box is too luxurious for the government...so it's very fine for the refugees, but it's too fine [for the government] in terms of appearance, unfortunately," he adds. "This is coming from the Palestinian precedent."

#### WHAT FORM COULD CAMPS TAKE?

The Lebanese have long feared camps, but as they become increasingly unavoidable, the debate is turning to what form they should take, rather than whether they should exist at all. The first question is of size. Makram Malaeb, program manager at the Ministry of Social Affairs, calls for camps that "don't exceed a capacity of 20,000 to 30,000 each." This is largely echoed by DRC's Beuchard — who thinks numerous camps of between 10,000 and 15,000 would be more suitable than the larger Zaatari model.

Then, there is the debate about location. All actors EXECUTIVE spoke to agreed that the vast Bekaa region was the most likely to be chosen to host camps, but the specific locations will be controversial in a religiously diverse part of the country.



But perhaps the most contentious issue is around security and monitoring of the camps. Ziad Sayegh, an advisor to the Ministry of Labor, worked on the Palestinian file from 2005 to 2010. Speaking to EXECUTIVE in late June, he stressed that in order to avoid a similar hostility with the Lebanese population, any Syrian refugee camps must be under the full control of the Lebanese government — with the army carrying out regular patrols unlike in the Palestinian camps. "[Do you think we] will have armed camps? How? The Lebanese army will supervise these camps. These camps [will be] protected by the Lebanese army and the internal security forces."

Sayegh's optimism in the capacity of the Lebanese army and the ISF to control the camps is perhaps misplaced. Both bodies are highly stretched trying to maintain control over numerous increasingly dangerous regions in the country, including the porous border with Syria. They are sometimes doing this without sufficient resources, with internal documents disclosed to Executive last year showing that the body is underfunded to the tune of \$1.3 billion. The extent to which the Syrian refugee community will welcome these patrols is also disputed. The refugees EXECUTIVE spoke to said they were concerned that the army was hostile toward them, with rumors of mistreatment common.

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Despite this, Malaeb agrees with Naaman that for the Lebanese to accept camps, security and movement controls will have to be implemented. "We have called for camps...with quite a bit of control mechanism within them," he said. "[This would include] the influential presence of the security forces inside the camps, with the camp perimeter secured by the army and general security, and humanitarian relief coordinated by the ministry with the UNHCR, and other actors."

These stringent controls of movement that Malaeb appears to hint at may be the most logical way for Lebanon to avoid losing control of camps, but for many Syrians they would be anathematic. Trying to satisfy the refugees' basic desires for dignity with the Lebanese hostility towards camps will be a tough ask.

Since the beginning of the Syrian crisis, the idea of refugee camps has been something of an elephant in the room. No longer can Lebanon continue to put off these tough decisions.



# Strategy: A limited response The Lebanese government and the U.N. have struggled to cope with the

The Lebanese government and the U.N. have struggled to cope with the refugee influx

Everyone is overwhelmed. United Nations bodies are desperately trying to raise funds, the Lebanese government is seeking to maintain control and local and international charities are providing care to the refugees across the country, all seemingly unable to cope with the sheer scale of the crisis.

A country that is home to little more than 4 million people, Lebanon currently hosts 600,000 Syrians who are registered or awaiting registration with the UN, and the total number is estimated to be much higher. Among the refugee community needs are increasing, as those with savings run dry, while within the Lebanese population many previously poor people are increasingly destitute as cheap Syrian labor pushes down wages. Dealing with this is an unenviable task.

But while the scale of the crisis and its devastating impact on Lebanon has been so vast no single organizational structure could have dealt with it in its entirety, serious questions are being raised about the way in which all bodies have responded to the crisis. The impression insiders give is that much of the response has been inadequate, myopic and badly coordinated.

#### **LIMITED GOVERNMENT RESPONSE**

Perhaps the worst case of inertia has come from the government itself. When the Syrian crisis started in early 2011, the government's position was to remain neutral because of its close relationship with President Bashar al-Assad. There was little discussion of the crisis continuing for more than the immediate months, partly because many expected the Syrian conflict to end quickly as other uprisings in the region had. It was not until 15 months into the crisis that the Lebanese government produced its first crisis-management plan.

Even government officials say the response has not been ideal. Makram Malaeb, program manager at the Ministry of Social Affairs, admits "there was a period of time when there was a denial," while Ramzi Naaman, lead coordinator of Lebanon's Syria response plan, believes that the government has failed to understand how fundamentally the crisis is changing the country. As such, he says, their response has been piecemeal, with no medium-term planning. "They are not scared enough," he told EXECUTIVE.

The health sector epitomizes many of the concerns. A recent paper in the UK-based health journal The Lancet found that "pressure on domestic health systems is immense," with hospitals struggling to cope with a sharply increased workload, even though capacity has not increased. Among the concerns are new diseases, such as the skin disease leishmaniasis — which is common in northern Syria but not in Lebanon — brought to the country by Syrian refugees, as well as a dwindling number of available beds.

"EITHER YOU REDUCE THE ASSISTANCE OR YOU DON'T DELIVER ASSISTANCE TO EVERYBODY" Fouad Fouad, member of the Faculty of Health Sciences at the American University of Beirut and co-author of the Lancet report, believes medium-term planning could have allowed the government to use the crisis as an opportunity to invest in much-needed infrastructure. "My feeling is that with this long-term crisis, the only way to face [this] issue is to adapt the system to absorb more, or to be the kind of system that deals with such an unexpected crisis." Instead, he says, the government has hoped the current infrastructure will be able to cope.

Fouad was in fact tasked with drawing up part of the government's strategic planning document for dealing with the Syria crisis. Shuffling through the files in his third-floor office he produces the document, which calls for major investment in hospitals as a way to help benefit the local population as well as aid refugees. The plan, he says, was delivered at the end of 2012 but was never published. "Can you believe that this is the only copy? Well maybe they [the government] have another copy," he says. "It's just all papers, and documents, there's no action plan."

Critics of the government argue the Syria file has not been taken seriously enough. Syria has been dealt with primarily as a humanitarian crisis and thus has fallen under the remit of the Ministry of Social Affairs (MoSA) — one of the smaller ministries with historically little sway — while the Ministries of Health, Education and Interior have played smaller roles.



There have been numerous calls for a new strategy recognizing the scale of the crisis. Ziad Sayegh, a former advisor to the Ministry of Labor, is among the leading voices for such a framework. Speaking to EXECUTIVE in late June, he called for either an independent but powerful body of around a dozen expert technocrats to coordinate the government's response to the crisis or, more radically still, an independent ministry within the government dedicated to dealing with the crisis. "We have an executive opportunity, now this is the right time," he says. "The new prime minister along with the president should have a serious look at this proposal without going into political agendas."

Sayegh is, of course, referring to Tammam Salam — Lebanon's prime minister-designate. Since former Prime Minister Najib Mikati resigned his government in April, Salam has been trying to form a new government — a process unlikely to end soon. With Parliament's term 'temporarily' extended by 17 months due to the deadlock over elections, the office of President Michel Sleiman is now the only fully functional part of government.

Antoine Haddad, secretary-general of the Democratic Renewal Movement, organized one of the first major conferences on the impact of the crisis on Lebanon. Haddad, who is close to the president, thinks a prolonged period without a government could force Sleiman to take matters into his own hands and reshape the response to the crisis. "The [prime minister] is more fit to [deal with] this, but I suppose that there is a possibility that we live without a government for a long period. So what shall we do? I think in this case the presidency shall have to deal with the issue."

#### **UNHCR DOING TOO MUCH?**

Without a coherent political response, much of the burden for responding to the crisis has fallen on the international community. UNHCR, the UN's refugee body, has led the response to the crisis, simultaneously coordinating the operations, implementing them and partnering with NGOs to deliver assistance. They have launched five, six-month long Regional Response Plans (RRP) in which they have appealed for funding. But they have found the sheer scale of the crisis difficult to cope with.

In January this year, they launched RRP4 based on an estimated 300,000 refugees coming by the end of June. By mid-February that number had been surpassed, but they had only raised 48 percent of the desired funding. As such, many assistance programs had to be scaled back dramatically. "We have to make difficult choices every day in terms of who we assist and how much assistance we can give," Joelle Eid, information officer at UNHCR, says.

While the funding crisis is acute, questions have also been raised about UNHCR's role. Historically, the body was not as heavily involved in Lebanon as the Palestinian relief agency UNRWA. UNHCR has thus grown rapidly, from just 50 staff in 2011 to 400 currently, and questions are being raised about its capacity.

Olivier Beucher, head of the Danish Refugee Council in Lebanon and the chair of the body that represents the top international NGOs in the country, believes the UN agency is overloaded. "Too much is demanded or required from UNHCR.... Now with the size of the crisis in Lebanon, the caseload is so high that they can't do this," he says. Beucher proposes instead a cluster system whereby different UN agencies take responsibility for different issues, working in closer conjunction with the government and NGOs.

As it becomes increasingly clear that the crisis will continue to affect Lebanon for years to come, those in the field are concluding that a medium-term plan is necessary. The principle of aid targeting perhaps provides an example of how a lack of strategic planning early in the process can encumber the response later on.

In theory, targeting aid is the right thing to do. With a refugee crisis of this severity and funding shortages, it is not possible to provide quality care to everyone. As such, aid agencies should provide support to the most vulnerable. "Either you reduce the assistance, or you don't deliver assistance to everybody. And we do believe that the combination of both is and was needed a long time ago," Beucher says.

The current plan is to target aid in three particular areas: food vouchers, hygiene kits, and baby kits, starting in September. The aim is to reduce the amount of people receiving these services in order to support the most needy. But Beucher believes that poor planning has made it difficult to differentiate those who are more in need than others.

Normally, in order to make needs-based assessments normally, he says, aid agencies would visit "every set of families [that register] to make sure that people are not lying [about their needs]." This is most easily done when families first register, but the UN has merely recorded the 'bio data' — basic information about the families.

As such, Beucher says, there is little chance that the targeting can now be accurate. "Our worry is that the UNHCR



will do the targeting on its own based on the criteria that they gathered, but this will have a big error in the selection... [then] they will ask the NGOs to verify that these people are vulnerable, and we know we will find a lot of people that are not as vulnerable as they mention, and they will need to be excluded from the assistance. And this is where you have conflict with the refugee families," he says.

Beucher believes this could endanger his field workers as they will be forced to tell refugees they are no longer entitled to, for example, food vouchers. A key way to avoid this is a major communication push to let refugees know. For a program due to launch in September, the UN is perhaps running a little late. UNHCR's Eid told EXECUTIVE in mid-July that the "criteria [for who is eligible for targeted assistance] has not yet been set", but that they hoped to finalize the terms of targeting by the beginning of August. This will leave the body with a month to communicate the new policy to the huge refugee community.

Eid admits problems in the past with communication but says they are being resolved. "This time we are devising a strategy whereby we would communicate to refugees the changes that are expected to happen," she said.

#### **IMPROVING COMMUNICATION STRATEGIES**

If the UN has struggled to communicate with the refugees, then coordination with the government and NGOs is also sub-optimal. Insiders talk of communication breaking down between different bodies, meaning they are often duplicating work or failing to share information. UNHCR's Eid denied these claims, saying, "I have not heard of these rumors."

"Unfortunately the coordination is [poor] on many levels. You need to have a strong strategy for collaboration. I know that several UN agencies working here, but there's no one plan for all. And many big international organizations don't talk to UN agencies," AUB's Fouad says. In recent months, however, there have been a few positive signs that the entities are starting to work together better. In June the UN launched its fifth RRP calling for funding from international donors. For the first time, the government was a partner in the bid, with \$450 million of the \$1.7 billion appeal aimed to support government projects. This, Eid says, was a major step toward improving the response plan.

Similarly, in recent weeks the government established a trust fund with the World Bank. While the size of the fund is still being confirmed, Naaman said the asic plan is that it "is under the government's responsibility, along with an international partner that is concerned in the issue, so they will be doing a sort of supervision so that everything is [transparent]." In June the acting government released a new plan for dealing with the crisis. Despite the lack of details, it promises that they are tackling the matter in a more serious manner.

However, unless there is a new government, there is little hope that the response to the crisis will markedly improve. Without a carefully orchestrated national strategy, the refugee crisis is likely to remain in the hands of the overstretched UNHCR — making essential medium-term planning less likely.



# Economy: How much is Lebanon suffering?

Effects of turmoil next door hit macro trends

It is an exercise in historic futility to ask if Lebanon was at any time in its past or present unaffected by Syria. From the moment the first cracks in Syria's internal stability opened in 2011, it was clear that Lebanon would have to cope with the repercussions, and while the magnitude of the refugee problem was perhaps underestimated even in the first part of 2012, the first six months of 2013 have left it unmistakable that the region is facing its worst humanitarian disaster in over 50 years.

As all humanitarian disasters have a massive economic component, the only question today is how long this economic shock will last. Wael Mansour, economist at the World Bank, says, "We are looking at a potential medium-to long-term development challenge to Lebanon."

Local and international media have focused on the spillover effect on the Lebanese labor market, describing the influx of hundreds of thousands of working-age men and women as an issue with immediate, negative consequences for the country's new job market entrants and job seekers in general. But the extent to which Syrians are taking work from the Lebanese is disputed. Jad Chaaban, assistant professor of economics at the American University of Beirut, says that Syrians tend to enter the low-end jobs that have historically been dominated by Syrians and other migrants. "Most competition now is with already existing, low-skilled Syrian labor [and] Egyptians," he says.

A second concern is over the impact that the swelling refugee population has on the rural economy. Chaaban points out that while to a certain extent Beirut, Lebanon's economic hub, has been inoculated from the crisis, outlying areas are taking the brunt of the economic impact. "What is happening is a spillover effect from the visiting community to the host community. This is starting to be felt, especially in the peripheral areas," he said.

Indeed, the Bekaa and the North, which contain some of the poorest villages by per capita GDP, have seen the greatest numbers of refugees arrive since the crisis. According to the Central Management Unit for Poverty, 45 percent of Lebanese villages have seen their population more than double since January 2013. This, says economist and former Minister of Labor Charbel Nahas, has increased the energy needs and pollution yields of the communities.

"When you have more people coming in and living in an area, they need energy. So you definitely have a push on energy prices and availability. You have pollution, water pollution. You have sewage that is not being treated now, that has doubled or tripled in magnitude. You also have municipal waste," Nahas explains.

#### **EXACERBATING PRE-EXISTING CONDITIONS**

From a macro-economic perspective, the World Bank's Mansour says the crisis has "accentuated the weaknesses of the Lebanese economy."

"You have a very large fiscal deficit," he says. "No fiscal consolidation is available. You don't have a budget to do fiscal policy, reduce this deficit or really relocate this spending towards more productive sectors and infrastructure."

This fiscal bind is exacerbated by the lack of infrastructure. "You still have high economic costs related to transport and electricity. These are not only related to economic costs but also to the competitiveness of your sectors that can really create value-added and employment," Mansour says.

But Mansour suggests that the crisis can be used as an opportunity for fundamental reform. He takes the state-funded Électricité du Liban, which loses around \$2 billion a year, as an example.

"You lose around \$2 billion a year — that's like 4 to 5 percent of GDP. The whole plan [to reform the electricity sector] is \$6 billion, financed by both the private and public sectors.... Imagine if you invested now because of the crisis and had electricity 24 hours a day. That's \$2 billion in revenue which you can allocate to providing services or attenuating social tensions that are created due to the refugees issue or other things," Mansour explains.

With seemingly no end in sight to the conflict next door, Lebanon's political and industry leaders need to find solutions to the medium- and long-term challenges that continue to batter the economy.

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# The Bekaa boiling pot Economic competition continues to cause rifts in the rural economy

In the village of Saadnayel in the Bekaa Valley, 25-year-old Mohammed Hoss says refugees now outnumber locals. Around the village, there is no one whose state of mind has been unaffected by the refugee crisis, and the tension, having built up week after week, is now palpable.

Hoss himself might not be here were it not for the fact that the Lebanese economy has been stuttering for more than a year. A mechanical engineering graduate, he says he and his peers find it nearly impossible to find jobs in their field. Thus, in absence of qualified employment offers, he runs a small shisha cafe, where he actually benefits from the influx of Syrians willing to work for less than the locals.

He employs both a Syrian and a Lebanese worker, but pays the Syrian a lower hourly wage. "What are you going to do, if you can employ a Syrian for \$200 a month and a Lebanese for \$400? It's good for the companies, but not for the workers," he says.

But while local businesses are benefiting from the reduced cost of labor, competition for jobs and other resources is fuelling resentment between the Syrian population and some of the young men in the village. Fights have broken out, Hoss says.

"The people that live here are losing their patience and can't control their anger. When there's no work, it's tiring," he says.

#### **CHANGING LOCAL ECONOMIES**

Saadnayel shopkeeper Milham Shebassy is also caught up in the pressure cooker of an increasingly divisive social environment. On the one hand, fewer Lebanese customers come into his shop since Syrians began to be a major presence. On the other, the Syrians who linger outside his store are now his customers. His shop accepts World Food Programme vouchers and Shebassy says he has around 200 regulars.

"At first I was angry with the refugees being here," he says. Now, he's made peace with their presence, and claims to be one of the few shopkeepers who have not raised their prices.

The refugee flood has intensified local market demand and international aid monies have boosted the habitually underpowered rural Lebanese economy. But the Syrian refugees themselves have also started new enterprises. These gray economy businesses brought sharp competition to the area, which is a real concern for the Lebanese authorities.

In April, a security cell was established between the Ministry of Social Affairs (MoSA), and the Ministry of Interior to investigate, among other things, businesses started by Syrians in refugee areas. So far they have only looked at seven different towns in the East Bekaa, where they found that 377 new businesses have been opened by Syrians since early 2012.

The investigation found that some of the new competitors pushed local operators out of the market. "Some of these businesses are pretty big," says Makram Malaeb, the program coordinator for the Syrian Crisis Response Unit at MoSA. According to him one restaurant discovered by the cell was so large and offered food at such low prices that it forced "four or five" established restaurants near it out of business.

However, it is the smaller businesses that are causing problems in villages like Saadnayel. New sandwich shops, grocers, mechanics and other services are opening up and Syrians desperate for income are able to undercut local businesses. With profits already low, this creates a 'race-to-the-bottom' effect, Malaeb says.

The result is friction between the Lebanese hosts and Syrian refugees, which according to MoSA has led to a rise in attacks against refugees. The ministry sees the solution in applying the registration requirements and regulatory frameworks for businesses to the unlicensed newcomers, but it lacks both the resources and the authority to close them down. "We are asking for an implementation of the law: that they register with and abide by the laws of the ministries of tourism, health, labor and economy," says Malaeb. "There's a balance between offering a humanitarian environment and making Lebanon seem an attractive option for further displacement," he adds.



With efficient inter-ministerial cooperation not being one of the hallmarks of the national administrative mills, the task of investigating and regulating the new refugee economy may be a major test of Lebanon's ability to manage the refugee crisis, which by all evidence from the Eastern Bekaa is going to stay with the country for years.

#### **PENT-UP RESENTMENT**

In the meanwhile, the Syrian refugees in and around Saadnayel have more immediate worries. Just outside of Saadnayel 43-year-old Khaled is not feeling too welcome.

Along with four other families, he and his wife are being forced to leave the building they have been living in for a year and a half after fleeing Homs, because the landlord no longer wants Syrians renting from him.

"The Lebanese consider the Syrians to be beneath them," Khaled laments. He tells EXECUTIVE that the treatment of refugees by locals has become worse in recent months. Most of the other families in the building, a stripped down shell of a home partway through construction, have no idea where they will go. Virtually all Syrian refugees who spoke with EXECUTIVE in and around the village say that they feel looked down upon, and they resent it. They point to what they say was a different and much kinder treatment that the Syrians afforded to the Lebanese who came to Syria during past times of strife in Lebanon.

However, the two countries' relationship is historically fraught, and includes long-held resentment from many Lebanese for the years when Syria imposed its military presence. As the strained coexistence between refugees and locals stretches on, it is unpredictable how well the Lebanese will manage these old feelings and also cope with new frustrations that the tight quarters is creating on both sides.

"Lebanon is 10,450 km². How many people can you possibly fit in it?" says Mohammad Hoss. With refugees dispersed among the population, and heavily concentrated in poorer areas, their presence has begun to feel like a weight. Nonetheless, and despite increasing friction, there also continues to be large-scale sympathy for the refugees among the majority of the Lebanese, and an acceptance that they are not to blame for the current situation. When it comes to the question who, then, is to blame, there is always the Lebanese perception that their government should be solving problems but is not. "The disadvantages [of the refugee influx] are because of the government. In any other place, there would be somewhere to provide for the refugees," says Hoss.



# Q&A: Ramzi Naaman

Head coordinator of Lebanon's Syria response plan

In Ramzi Naaman's first nine months as head coordinator of Lebanon's Syria response plan, Lebanon's government collapsed, the number of refugees grew exponentially and violence escalated in many parts of the country. In these circumstances, designing a response plan is becoming a challenge.

## Should the response to the refugee crisis be treated urgently and separately or under a general poverty relief plan for both Lebanese and Syrians?

When you talk about an 'urgent' relief plan, you are talking about a period of two to three months. In 2006, Lebanese sought refuge in Syria for 33 days. When the war was over they came back. But now we're talking about people who have been here for two years, and might stay here for another two years or more; especially when you know that you have 1.8 million completely destroyed housing units in Syria — that's 1.8 million families that have no homes to come back to.

[There is] a huge number of people that has surpassed by far Lebanon's capacity. You see that you have 45 percent of the Lebanese villages containing more Syrians now than their original population. For instance, a village that had 100 Lebanese citizens now has 2,000 Syrians. Won't the Lebanese citizens be scared? First, this is a foreign presence. Second, the Lebanese are starting to suffer from an economic condition, because they now have competition since the Syrians are looking to make a living. This is building up a lot of tension in the villages.

## E Since there is no government, does that mean the response plan is struggling?

#### E So is the government's plan currently enough to control the crisis?

We are talking about the plan, but there is another side to the story, which is political commitment and how serious this is. How serious are we? Us, we are serious. But remember that you are in Lebanon, in a country that is politically oriented, the country of crises. Politicians in Lebanon are not technical people: they look at benefits, elections, Parliament, before they look at the crisis that they're in. We said in the beginning that the crisis should be their priority before anything else. All ministries must perceive the crisis as one emergency cell. No single ministry can solve this crisis.

#### Do many Lebanese have the impression the government is not doing much about the Syrian issue?

Why that impression? The government is working. The public hospitals are full. The public schools are full. It is designing programs for Syrian students, and they are receiving education. The government is taking them into social centers and providing them with services, [and it] is organizing activities and projects in the villages in an effort to absorb the tension.

#### Then where do you think the money should go?

That's the question, because, until now, we haven't suggested a mechanism yet. Now we are working on what we call a Trust Fund. The idea is that this fund is under the government's responsibility along with an international partner which is concerned in the issue, so they would be doing a sort of supervision so that everything is exposed.... This multi-national trust fund is going to be managed by the World Bank with the Lebanese government.

## Why does the Lebanese government have limited control over aid to refugees? Are you unable to gain the trust of international organizations?

Remember that aid is linked to politics. At the end of the day, Jordan is in a much better political situation to make use of the money; it is a friend to the West and the Saudis. So most of the money that came to Jordan came under that pretext, basically, to stabilize Jordan and support the king. On the contrary, the government of Lebanon has been labeled as the government of Hezbollah. So, even though we insisted on keeping politics on the side, and dealing with the situation from a humanitarian perspective, everybody still insists that we are the government of Hezbollah. At the end of the day, we haven't seen a penny because of that. That's a prejudice against the Lebanese government.

Now, with all the pressure that we're exerting, on our friends, especially Western countries, that first, this is not a Hezbollah government; and second, the situation has escalated so dramatically, and it does not suit anybody if Lebanon falls apart. That's why they are trying to pump money, but of course with very limited resources. When we're talking about \$100 million or \$150 million, even though it sounds like a big number, it's nothing, it's a drop in the ocean when I'm talking about \$1.7 billion [needed], from now until December.

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