

## **Aging in Times of Crisis: Old Age Private Sector Workers Facing Growing Social Insecurity in Lebanon**

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### **Abstract**

The article sheds light on the gaps and weaknesses of Lebanon's social protection system and demands adequate support for all citizens, particularly for older people. It shows that elderly, who make up more than 11 percent of the population in Lebanon, have been paying the price of a weak social protection system that suffers from gaps in legal and effective coverage and lacks sustainable funding. The article highlights that persons who have worked informally or in self-employment occupations all their life are not eligible for social protection and entitlements, and are therefore dependent on alternative forms of support, or need to continue working after the age of retirement. The article calls for a rights-based lifecycle social protection system in Lebanon that would include, among others, old-age pensions.

**Keywords:** Lebanon, Social Protection, Poverty, Elderly, Pension, Retirement, Informal Sector, Self-Employment

**To cite this paper:** Luna Dayekh, "Aging in Times of Crisis: Old Age Private Sector Workers Facing Growing Social Insecurity in Lebanon ", Civil Society Knowledge Center, Lebanon Support, August, 2022 . DOI: .

**[ONLINE]:**

<https://civilsociety-centre.org/paper/aging-times-crisis-old-age-private-sector-workers-facing-growing-social-insecurity-lebanon>

***Samir, a 72-year-old taxi driver, has been working 7 days a week for the past two years to be able to afford basic living expenses. He parks his car under the shade of a tree where he takes a nap, it keeps him going until nighttime, "I want to live with dignity and I will work until my last breath to make sure of it."***<sup>[1]</sup>

Despite his old age and worsening physical condition, Samir spends his days restlessly driving around Beirut in order to generate enough money to survive the week. He lets out a loud sigh and says, "I keep thinking of the situation as a never ending nightmare. Last week, I stood in line for an hour to buy bread due to shortages. I was only able to buy one pack, as I had already spent a lot of money filling my car with fuel."

Samir's story echoes the sentiments of many older persons as Lebanon endures one of the worst unprecedented economic and financial crisis in its history. As of 2022, the Lebanese pound has lost 93 percent of its value on the parallel currency exchange market, after the peg to the US dollar at the rate of the 1,507 LBP came to an end (Salame, 2022). Its current value has reached 30,000 LBP to the US

dollar on the parallel market rate.<sup>[2]</sup> A study by the UN ESCWA shows that by the end of 2021, a Lebanese household would have to receive 5.5 times more than they did in 2019 to be able to afford the same goods and services at the US Dollar rate (UN ESCWA, 2022).

Consequently, the current economic crisis has exacerbated income insecurity, and according to another study by ESCWA, the multidimensional poverty rate in Lebanon doubled from 42 percent in 2019 to 82 percent of the total population in 2021 (UN ESCWA, 2021)<sup>[3]</sup>. In Lebanon, older persons make up more than 11 percent of the population, ranking the highest percentage in the Arab region, and are predicted to increase to 14 percent by 2030 (MoSA and UN ESCWA, 2021). Among these groups, persons aged 65 and above were projected to face amongst the largest increases in income vulnerability. Taking into account these figures and recent crises, it is essential to shed light on the gaps and weaknesses of Lebanon's social protection system and demand adequate support for all citizens, particularly for older people.

“Elsewhere, people age with dignity. In Lebanon, we are invisible; we do not even expect to receive any benefits after a lifetime of hard work” says Samir. Prior to becoming a taxi driver, Samir explains that he used to work different daily paid jobs, mostly through informal work arrangements and with no fixed salary. He never had a contract nor received any social protection benefit related to his jobs, even when he worked as an errand runner at a private company, “I preferred to avoid this topic with my employer, it would upset him and I did not want to risk being unemployed with a family to feed.” A survey conducted by the Central Administration of Statistics (CAS) and the International Labour Organization (ILO) shows that informal employment increased from 54.9 per cent in 2018-2019 to 62.4 percent in 2022 (CAS and ILO, 2022). Moreover, and just like in Samir's case, studies show that one-third (36 percent) of the employed population with informal jobs work outside the informal sector (CAS and ILO, 2020). This means that they are working in private firms or public formal-sector enterprises with short-term contracts and without social security benefits.

For the past two years, Samir goes to pick up groceries from the supermarket and finds himself barely able to afford necessary household goods. “My wife used to do the grocery shopping while I was at work, but now we do not have electricity most of the day and she cannot go up five flights of stairs without an elevator.” The generator does not supply them with electricity during daytime, and they only manage to get a few hours at night. Lebanon's state electricity has been supplying households in Beirut for one or two hours daily, and power plants around the country are shutting down after running out of fuel to operate (Chehayeb, 2021).

Samir continues to explain how he has not been buying meat as frequently as before because of the unaffordable prices and their fridge not functioning properly due to electricity blackouts. “Everything around us is expensive” he says, “Except our lives, our lives are the cheapest.” On the streets of Beirut and other cities, spotting people of all ages picking food and items out of the trash has become a common sight. After years of “kicking the can”, the government has offered little to no support to its citizens, in addition to not addressing any necessary reforms to improve their living conditions. Lebanon's economy has shown no signs of recovery yet, with the consumer price index recording an increase by 211 percent in May 2022 in comparison to May 2021, and a notable increase in the price of food and non-alcoholic beverages by 363.78 percent (CAS, 2022). The price of fuel has also recorded a new high in 2022 (Al Lawati, 2021) (Chehayeb, 2021)<sup>[4]</sup>, and as a taxi driver, Samir no longer makes

enough income. He explains, “I have been barely making enough money to cover the price of a fuel tank. The price of one ride is around 50,000 LBP now (approximately 1.7 USD), but people often ask me if they can pay less and I feel ashamed to say no, I know that everyone is struggling.”

Older people in Lebanon primarily depend on their children for financial and social care, but Samir has had a growing sense of guilt asking for more help, especially at times of crisis. Samir has two children in Lebanon, they help him out to cover the generator fees and buy a few necessary medications, but he has been ashamed to ask them for more help. “I always tell them I have enough money, even when my wallet is empty. I cannot burden them; my son’s salary is barely enough to cover his son’s education.” Samir refuses any type of assistance from politicians or “jami’at” (associations/organizations) claiming they are “in the same bed” when it comes to corruption and money embezzlement.

***Dounia is an 81-year-old woman residing alone in her apartment on the first floor of an old building. It is a hot summer morning, she takes out a paper fan, “the electricity blackouts are more frequent now, they have no mercy on us.” Dounia quietly suffers from several illnesses and has to bear with worsening life conditions as a result of the crisis.***

Dounia has been a seamstress all her life, but at the age of 72 she was forced to stop as a result of her hands getting weak. She currently suffers from diabetes, hypertension and has had two heart surgeries that require extra medical care. Dounia expressed that she is finding it difficult to prioritize necessities, as food is now more expensive than medications; she says “the holy month of Ramadan was very difficult on me; I could barely buy vegetables to complete a meal.”

Being self-employed, healthcare was always a lingering concern, as put by Dounia “private health insurance is very expensive, always has been, I would never dream of it. The money I made from sewing clothes was only enough to cover my needs over the years.” Her necessary medications have reached the cost of 5 million LBP a month (roughly 166 USD<sup>[6]</sup>), whereas Dounia’s spending per month depends on what she receives through support networks and does not exceed a total amount of 800,000 to 900,000 LBP, approximately between 27 to 30 USD. As noted in an Al Jazeera article, the price of the hypertension medication has increased by nine times as of November 2021 (Chehayeb, 2021). In the absence of universal health insurance and effective social safety nets, the cost of healthcare poses a major burden on older people in Lebanon. In the Lebanese scene, safety nets such as the National Programme Targeting Poverty (NPTP) and the Emergency Social Safety Net (ESSN) have several limitations and gaps (Scala, 2022) (UNICEF and ILO, 2021). For example, there is significant evidence proving that the NPTP has very limited outreach. As of March 2021, “only 1.5 percent of the population in Lebanon had access to the NPTP programme” (Scala, 2022) (UNICEF and ILO, 2021).

On a quest for survival, Dounia has been relying on alternative support networks to secure her basic needs after she stopped working. For example, her family has constituted the primary source of support and solidarity, “my relatives have been helping me secure my necessary medications, but there are times when we struggle to find them or do not have enough money gathered to cover the costs, so I end up skipping a few doses until we do.” The scarcity and unaffordability of medicines, especially those used to manage non-communicable diseases (NCDs) such as hypertension and diabetes, are resulting in increased hospitalization among these patients, particularly among elderly with a diminished

health status since 2019 (UN OCHA, 2021).

Even before the unfolding of the economic crisis in 2019, the state did not provide any adequate social services or care to the elderly; they were already dependent on alternative forms of support. In her research on sectarianism and welfare in Lebanon, Melanie Cammett explores how the sectarian political system in Lebanon has shaped the post-independence welfare regime (Cammett, 2014). She explains that sectarian parties provide aid for health, food, educational needs as well as financial assistance, and they act as intermediaries to facilitate access to citizen's "entitlements." Dounia explains that the Hariri family used to cover the cost of her hospital fees, but this assistance was discontinued with the start of the crisis at a time when the Hariris were facing declining political support.

However, Dounia has been consistently receiving a monthly cash assistance between 100,000 LBP to 200,000 LBP, which amounts to 4-7 USD at the market rate from the Zakat Fund "????? ??????", a faith-based organization known for their charity work. Backed by Dar Al Fatwa, the Zakat Fund supporting Dounia has political ties to Hariri, and along the same lines, several faith-based organizations backed by sectarian parties have become even more prominent agents of delivery of welfare services in Lebanon throughout the ongoing crisis. In addition to that, Dounia receives minor assistance from a small-scale local non-profit organization called "Ahlouna Foundation" through medical services and food packages. The informal system of social protection in Lebanon, as explained by Nabil Abdo, is run by non-governmental organizations (such as Ahlouna), sectarian parties and their affiliate organizations as well as by the family (Abdo, 2014).

Pre-existing wealth inequalities have been exacerbated by the economic crisis and while this requires systematic reforms, the government and international community have adopted an emergency-based approach mostly based on targeted programmes and cash transfers. The recent Ration Card Program (RCP) and Emergency Social Safety Net (ESSN) are not sustainable in nature nor efficient on their own without a lifecycle-based social security system (Dayekh, 2022)<sup>[7]</sup>. One of the main shortcomings of these programs is exclusion, as the Proxy Means Test (PMT) used to identify eligible households for social programmes suffers from inaccuracies and exclusion errors ranging from 46% to 96% exclusion rates. Moreover, and more importantly, they stem from a "charity approach" rather than a rights-based one to social protection (CeSSRA, 2022)<sup>[8]</sup>. Dounia states that she has not heard of these social assistance programs before, "I already faced difficulties signing up for the vaccine online, how do they expect me to stay up to date with all these online based programs?". A while back, an NGO under the name of Enaa'sh Al Ijtimai "???????? ??????????" visited her at home to collect information and later informed her that she was eligible to receive help. However, Dounia did not receive any assistance, as the organization never contacted her again to follow-up.

A study done by the Makassed Association and the American University of Beirut explores the implications of the crises in Lebanon on the living conditions of elderly and shows that 72 percent suffer from at least one chronic disease, 58 percent have no health coverage and 86 percent do not receive any pension (MoSA and UN ESCWA, 2021)<sup>[9]</sup>. The report also states that 82 percent had to postpone their visit to the doctor in 2020 due to the high cost. These figures reflect on Dounia's struggle with the health system in Lebanon during the crisis; she says, "I do not have enough money to pay over 500,000 LBP (approximately 17 USD) for one visit to the doctor, it is outrageous. I will only go for emergency visits."

Due to the growing fears surrounding the Covid-19 pandemic, Dounia has spent most of the time at home alone for the past two years. Reminiscing about the years prior to 2019, she talks about how she used to gather with her neighbors in a small outdoor space next to her building and they would share breakfast, coffee and laughter. However, Dounia gloomily expresses how the gatherings stopped with the start of the pandemic and the worsening economic crisis, “I was worried about my health, and the crisis brought about new struggles and worries. Things are not the same anymore.” Many elderly were stripped from their regular social interactions due to the pandemic. The overwhelming experience of isolation and loneliness has had a detrimental effect on both their mental and physical health, including increasing the risk of mental disorders (Vrach and Rahul, 2020).

***On a final note, people working informally or in self-employment occupations, such as Samir and Dounia, are not eligible for social protection and entitlements, which has placed them in a vulnerable position even before the crises.***

As put by Nabil Abdo, in Lebanon, there is a clear division between a minority covered by social insurance schemes through formal employment and a majority excluded from all forms of social protection (Abdo, 2014). As explained previously in the text, in the presence of high levels of informality and with the ongoing compounding crises, many individuals are forced to secure basic services and needs on their own or within the support of their networks and communities. On this note, Samir says, “Lebanon is not the place to grow old; we are left to fend for ourselves.’ Feeling abandoned by the state, some elderly like Samir have no choice but to continue working after the age of retirement, despite health challenges, in order to secure their livelihood. Figures show that 41 percent of older people between the ages of 65 and 69, and 29 percent of those aged between 70 and 75 are still working (HelpAge and ILO, 2022). Others turn to the support of their relatives and organizations that fill in the role of service provision.

Overall, elderly have been paying the price of a weak social protection system that suffers from gaps in legal and effective coverage and lacks sustainable funding (UNICEF and ILO, 2021). In light of the current crises and moving forward, the government must take necessary steps to build an inclusive, rights-based lifecycle social protection system in Lebanon that includes old-age pensions, a disability allowance and a child grant, in order to establish social grants and develop the social protection system in the country. Such benefits along with reforms to the social insurance system would provide a much greater level of protection for everyone, including those informally employed.

*\*This article was published in partnership with UNICEF Lebanon.*

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[1] This paper builds on in-depth biographic interviews conducted in June 2022 with two old age private sector workers.

[2] The exchange rate mentioned is based on the date of July 31 2022.

[3] The multidimensional poverty index expands the measurement of poverty based on individual or household income levels in relation to money-metric poverty lines to include various aspects of living conditions. In the context of Lebanon, classifications such as inability to obtain medicines and deprivation from electricity are taken into consideration.

[4] The Lebanese government removed fuel subsidies during August 2021 as the crisis worsened. Following Russia's invasion of Ukraine in 2022, the official prices of fuel in Lebanon witnessed another sharp increase. This came as a shock to citizens already suffering from high inflation and stagnating salaries.

[5] In his statement Samir seems to put all local and international organizations in the same basket by using the general Arabic term "jami'at". That is why we prefer not to provide speculations on its English translation.

[6] This is based on the exchange rate of 30,000 LBP to 1 USD.

[7] The Ration Card Program in Lebanon suffers from various shortcomings and limitations, including limited outreach.



[8] The Proxy Means Test (PMT) is a targeting methodology that aims to predict a household's level of welfare and income using a statistical formula. This methodology is used by governments, financial and aid institutions to identify and target households who are eligible for social programmes and can receive assistance. Evidence indicates that PMTs do not effectively address their main purpose: ensuring that the poorest members of society can access social protection. For more, the CeSSRA has published several pieces on this subject: infographic on PMTs [here](#); series of visuals on the ration cards programme in Lebanon [here](#); and article on the ration cards programme by the same author [here](#).

[9] The study done in collaboration with the Makassed Association and the American University of Beirut uses a sample of 580 persons between the ages of 50 and 94.