

## Lebanon's Economic Crisis and Its Impact on Refugee Policy (2017-2020)

**Muhammad Fauzan Alamari**

Universitas Jenderal Achmad Yani

[m.fauzan@lecture.unjani.ac.id](mailto:m.fauzan@lecture.unjani.ac.id)

### Abstract

*The enduring refugee crisis in Lebanon is not a novel occurrence, as it has been a destination for refugees since the initial wave of Palestinian displacement. Lebanon, grappling with a significant number of refugee population, has encountered demographic challenges arising from this influx. The situation intensified with the onset of the Arab Spring in the Middle East, leading to an unprecedented surge in refugee numbers entering Lebanon, necessitating careful management. Against the backdrop of Lebanon's significant economic crisis, this research seeks to emphasize the phenomenon from a perspective that underlines the formulation of foreign policy driven by economic considerations. The dynamics discussed in this article aim to deepen the understanding of the complexities surrounding Lebanon's economic crisis and its strategies for handling the refugee influx, emphasizing the intricate interplay between economic interests and foreign policy decisions in Lebanon's response to the enduring refugee crisis.*

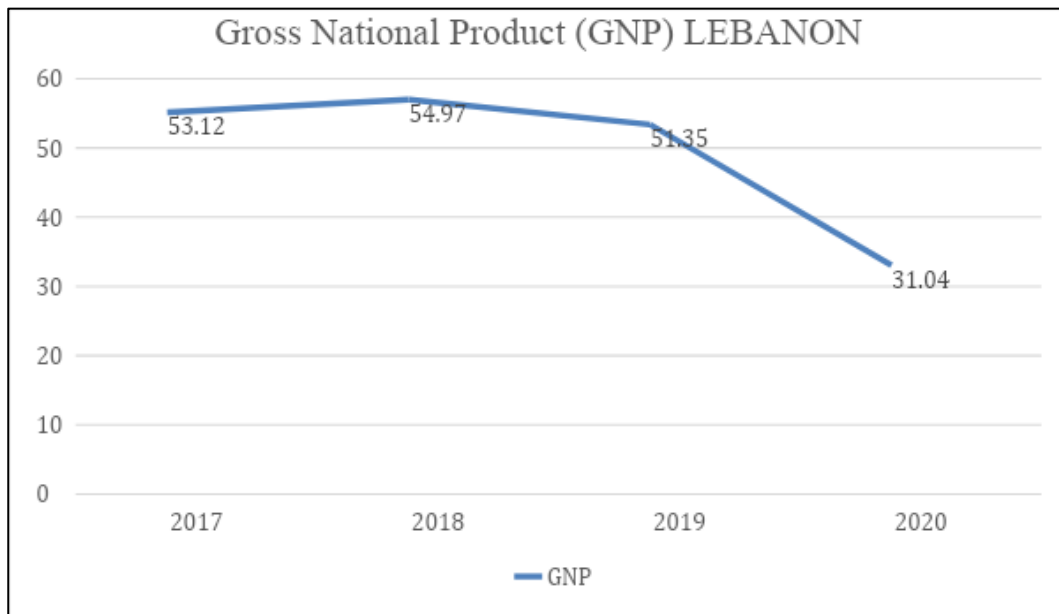
**Keywords:** Arab Spring, Economic Crisis, Lebanon, Middle East, Refugees.

### INTRODUCTION

The contemporary refugee crisis stands as a significant issue within the realm of international relations (Troeller, 2003). Rooted in the historical context of the World War era, the refugee crises resurged during the Cold War period, exaggerated by internal conflicts within states (Zulkarnain, 2017). As a crucial humanitarian concern, the refugee crisis intricately intertwines with a state's internal and external political circumstances. In this context, refugees are perceived as a consequence of the failure of state's system to ensure order and justice (Betts & Loescher, 2011). The present-day refugee crisis is frequently attributed to internal conflicts within a nation, giving rise to insecurity among specific demographic groups.

A refugee is defined as a group of individuals who leave their home country due to conditions that threaten their life, integrity, and freedom, making it impossible for them to return to their homeland (UNHCR Bureau for Europe, n.d.). This highlights how the refugee crisis has become an issue that requires widespread attention from various entities and actors in international relations. Moreover, in this context, the state plays a crucial role as a key factor in responding to the refugee issue by actively participating in its resolution (Zulkarnain, 2017).

The deteriorating economic conditions faced by Lebanon exemplify the lack of Lebanon's capability to address the refugee problem. Since 2017, Lebanon has been grappling with economic instability, reaching its peak in the economic crisis of 2020 with a 26.12% decline in Gross National Product (GNP) (Marcro Trends, n.d.). The situation further exacerbated due to the devastation caused by the explosion at the Port of Beirut, impacting areas inhabited by foreign refugees and the worsening economic situation due to the Covid-19 pandemic.



**Figure 1. The Gross National Product (GNP) of Lebanon**

	2017	2018	2019	2020
GNP	\$ 53,12 B	\$ 54,97 B	\$ 51,35 B	\$ 31,04 B

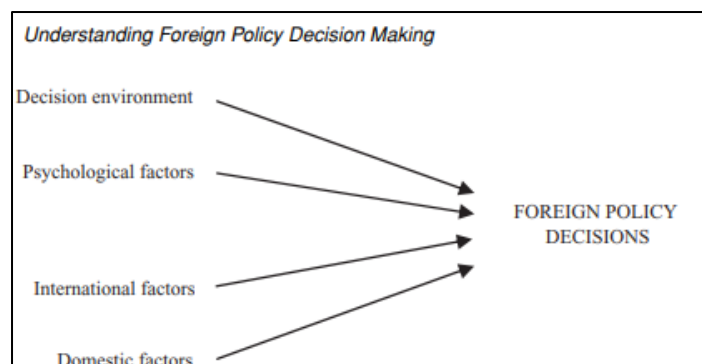
**Table 1. The Gross National Product (GNP) of Lebanon**

Hence, the presence of refugees in the country of Lebanon poses significant risks and potential exacerbation of the ongoing economic crisis. Lebanon's inability to address the issue of foreign refugees in the country is evident from its past efforts to limit the number of refugees. In 2014, Lebanon implemented a policy to restrict the acceptance of foreign refugees into its territory (Gallart, 2015). However, despite these measures, in 2017, Lebanon was still home to at least 998,900 foreign refugees, with the latest admission of 14,600 refugees from Syria during that year (UNHCR, 2018).

This indicates that despite Lebanon's inability to effectively address the refugee issue, the country continued to host foreign refugees from 2017 to 2020 (Papavero et al., 2017). In fact, in 2017, Lebanon was recognized as the country with the highest per capita refugee population, primarily due to its continuous acceptance of foreign refugees. The simultaneous economic crisis and the challenging control of the foreign refugee problem presented a significant dilemma for Lebanon. This can be observed in the inconsistent decisions made by the Lebanese government. On one hand, Lebanon appears to demonstrate its incapacity to address the foreign refugee issue, on the other hand, Lebanon continued to accept the presence of foreign refugees within its borders from 2017 onward.

## THE CONCEPT OF FOREIGN POLICY

Foreign policy serves as an instrument in international relations, where it is aimed at serving as a tool for achieving the national interests of a state. However, even though foreign policy is designed for the pursuit of a state's interests, it is not immune to the substantial consequences and uncertainties that might arise (Hudson & Day, 2020). Furthermore, strategies of deception and hidden motives are often encountered in the formulation of policies (Hudson & Day, 2020). There are several factors that affects the decision-making of formulating a foreign policy, including:



## Figure 2. Foreign Policy Decision Making by Alex Mintz and Karl DoReuen

This research adopts the "Domestic Factors" approach in policy analysis, as defined by Alex Mintz and Karl DeRouen Jr, to understand the formulation of foreign policy with a focus on "public opinion" and "economic interest" as benchmarks. These factors are used to discern the reasons behind Lebanon's stance in accepting the presence of foreign refugees during an economic crisis. The concept of "public opinion" emphasizes the influence of public opinion in specific crisis situations, affecting the shaping of foreign policy. Economic interest, on the other hand, underscores the role of economic considerations as a domestic factor influencing a country's foreign policy, rooted in the economic interests of the nation (Mintz & DeRouen, 2010).

This approach portrays hidden objectives that may benefit a country's economy but are disguised through foreign policy actions. For instance, the United States often uses expansionist policies as a strategy to enhance its economic advantages (Mintz & DeRouen, 2010). The economic aspect of foreign policy is considered an analytical instrument at the national level, contributing to the strength and well-being of a nation. The analysis at the national level focuses on examining a country's conditions as domestic factors (Hudson & Day, 2020). By examining the acceptance of foreign refugees in Lebanon during an economic crisis, there appears to be a need for a deeper analysis to emphasize the motives behind such actions.

The depiction of a country's domestic circumstances helps illustrate the interests necessary for a state to achieve stability and continuity. Analyzing internal factors aids in understanding the interconnection between essential interests and the goals of foreign policy. Therefore, this analysis helps examines the reasons behind Lebanon's stance on accepting the presence of foreign refugees during a crisis, specifically within the context of Lebanon's internal economic turmoil. The utilization of economic interest approach within this research aims to examine Lebanon's reasons that are intricately linked to its economic crisis, as foreign policy is inseparable from state's pursuit of national interests.

## METHODS

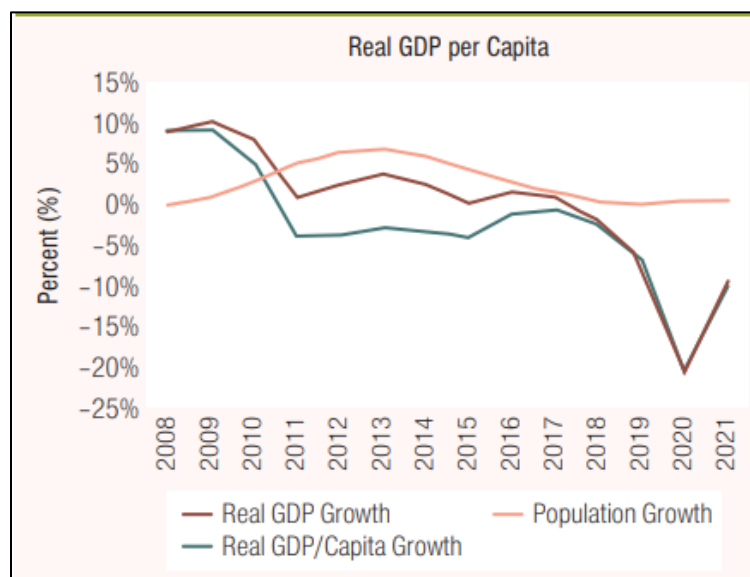
This article uses a qualitative approach, as defined by Bogdan and Taylor, wherein qualitative research is characterized as a procedural method involving the descriptive analysis of data through sentences that articulate the object to analyze (Nugrahani, 2014). Qualitative methods

serve as a tool to analyze the research phenomenon, particularly those which created social dilemmas (Cresswell, 2009). As mentioned earlier, considering Lebanon's current crisis, the government lacks the capacity to effectively address the refugee issue. Challenges arise with the influx of new refugees in various regions of Lebanon between 2017 and 2020. This study will use a qualitative measurement, aiming to provide a nuanced understanding of Lebanon's decision-making process and actions concerning refugee acceptance.

## RESULTS AND DISCUSSION

### ECONOMIC CRISIS OF THE STATE OF LEBANON

In addition to discussing the conditions of the domestic population, it is essential to delve into the economic situation of Lebanon, which has been experiencing prolonged crises. Lebanon has long been recognized as a state with troubled challenges, predating the surge in the number of refugees arriving in its territory. In fact, the World Bank has identified Lebanon as a country potentially entering the top 10 economic crises, even after the worst crisis in the 19th century (World Bank, 2021). The examination of Lebanon's domestic economic conditions is closely related to the research focusing on Lebanon's interests concerning the presence of foreign refugees during the economic crisis from 2017 to 2020. During this period, Lebanon faced worsening financial instability, leading to a severe economic crisis. According to the World Bank, Lebanon experienced a real per capita GDP contraction of 27.9% in 2017 (World Bank, 2021). The contraction continued from 2018 to 2020, reaching up to 40%, with the GDP shrinking from almost US\$ 55 billion to US\$ 33 billion in 2020.



**Figure 3. Gross Domestic Product (GDP) of Lebanon**

When looking at an economic crisis, it can be observed through negative growth affecting indicators such as employment rates, prices, GDP (Gross Domestic Product) growth, exports, capital flows, and others as benchmarks to assess the economic crisis conditions of a country (Hadziahmetovic, 2018). Therefore, this serves as a reference point indicating that Lebanon, as a country experiencing an economic crisis, lacks sufficient capability to actively contribute to the presence of foreign refugees in its territory, especially given their significant numbers. Thus, a deeper analysis of the domestic situation in Lebanon is required in this research, specifically related to the economic crisis conditions. In this regard, there are domestic driving factors that contributed to Lebanon's economic crisis from 2017 to 2020, including the following:

**1. Corruption**

Corruption, as defined by Transparency International, is an act that involves the abuse of entrusted power for personal gain (Transparency International, 2022). Additionally, Vito Tanzi defines corruption as actions carried out by individuals displaying non-compliance with a pillar of fairness to achieve personal benefits (Tanzi, 2017). In this context, the extent of the corruption network undoubtedly has a significant impact on the economic conditions of Lebanon. According to Transparency International's Corruption Perceptions Index in 2019, Lebanon ranked 137th out of 180 countries, indicating a high level of corruption within the country (BBC, 2020).

Furthermore, institutions in Lebanon, particularly political circles, the parliament, and even the police, are documented as the most corrupt (BBC, 2020). The corruption network has permeated various layers of Lebanese society (Transparency International, 2019). The instability in Lebanon's political dynamics contributes to corrupt practices and the protection of corrupt individuals in the country. In this context, corruption adversely affects the effectiveness of the country's economic growth for the well-being of its citizens. Corruption significantly erodes public trust, contributes to economic decline, poverty, and even social and environmental issues (Transparency International, 2022).

**2. The interest of the Elites**

The economic collapse experienced by Lebanon is interconnected with the interests of business elites who engage in politics. In this regard, business elites in Lebanon have

their own interests by participating in politics, leading to the failure of the state to address domestic issues (Blair, 2022).

Since 2018, political elites and business figures have advocated various domestic policies that tend to favor their own interests. One example is the implementation of a WhatsApp-based call tax, which received support from the domestic tax regime (Blair, 2022). This policy sparked public demonstrations against the ruling elites, becoming one of the causes of the economic downturn in Lebanon (Deutsche Welle, 2019).

### 3. Unemployment Spike

The economic crisis in Lebanon is also attributed to the lack of adequate job opportunities, leading to a surge in unemployment in the country. The unemployment rate in Lebanon has experienced a continuous increase, becoming one of the factors contributing to the economic crisis. In 2017, the unemployment rate in Lebanon surged to 6.7% of the global total (Brihi et. al, 2019). According to the International Labour Organization (ILO) survey, there was a further increase in unemployment from 2018 to 2019, reaching 11.4% (International Labour Organization, 2022). The Lebanon Economic Monitor from the World Bank stated that there were job losses amounting to 43% among large companies in Lebanon since 2019 (World Bank, 2021).

In 2020, the unemployment rate skyrocketed to 25%, ranking Lebanon third in the world for high levels of poverty (BBC, 2020). The youth unemployment rate in Lebanon is 37%, compared to the national average of 25%. The significant increase in unemployment in 2020 was exacerbated by the impact of the Covid-19 pandemic, which led to widespread job losses and layoffs by many companies.

However, even before the Covid-19 pandemic, Lebanon had already faced challenges in the lack of growth in the labor market (International Labour Organization, 2020). Many Lebanese citizens sought employment opportunities elsewhere for their families' livelihoods. The high unemployment rate in Lebanon is also influenced by sectors such as agriculture and construction that do not offer equivalent wages, prompting many Lebanese residents to choose not to work in these sectors (Executive Magazine, 2020). This significantly affects the surge in unemployment, impacting the country's economic growth. The sharp rise in unemployment in Lebanon is mainly attributed to the closure of businesses, the

cessation of industries, commercial activities, and employee layoffs during the crisis (Euro-Mediterranean Human Rights Monitor, 2021).

#### **4. Nation Debt**

Additionally, the issue of national debt is a significant factor indicating the ongoing economic crisis in the country. Globally, through the GDP (Gross Domestic Product) ratio, Lebanon consistently ranks as one of the countries with the highest debt levels, contributing to the economic instability of the nation (World Bank, 2021). According to the Carnegie Endowment for International Peace in 2018, Lebanon experienced an increase in national debt due to a decline in remittances from Lebanese citizens in the Gulf (Shawish, 2019).

Lebanon had a debt equivalent to 150% of its national output at that time, making it one of the highest burdens in the world (Blair, 2022). Even before the 2020 pandemic, according to the Indonesian Ambassador to Lebanon, Hajriyanto, Lebanon's public debt to GDP was ranked as the third-highest in the world, leading to widespread poverty in the Lebanese population (Sekarwati, 2021). This aligns with Prime Minister Hassan Diab's statement about Lebanon's debt restructuring being among the highest globally, reaching \$90 billion or 170% of the GDP (VOA, 2020).

In this context, the World Bank indicates that Lebanon's public debt calculations are a result of high government spending on infrastructure and the lack of effectiveness in tax policies and collection systems. The country's debt situation has contributed significantly to the economic challenges faced by Lebanon (Ichraq & Mustapha, 2022).

#### **5. The 2020 Beirut Blast**

The economic downturn in Lebanon continues to worsen, exacerbated in part by the explosion at the Port of Beirut in 2020 (Haghdooost, 2020). Beirut, being the capital of Lebanon, suffered greatly from the explosion, impacting the already dire economic situation. Besides the approximately two million local residents, according to the Beirut Governorate, the city is also home to at least 206,628 registered Syrian refugees (UNHCR, 2022).

The blast on August 4, 2020, was caused by the detonation of 2,750 tons of ammonium nitrate stored there, equivalent to 1,800 tons of TNT (Trinitrotoluene). The



blast resulted in extensive damage to buildings across the city and claimed the lives of at least 170 people (Haghdoost, 2022). This tragedy significantly complicated the challenges faced by Lebanon, leading to high losses in both social and economic aspects. Particularly, the economic impact of the explosion is evident as the Port of Beirut serves as the largest maritime gateway in Lebanon, influencing import activities (Haghdoost, 2022). The port is strategically positioned as a key commercial hub for Africa, Europe, and Asia (Lakhal & Lakhal, 2021).



**Image 1. The Map of Beirut Port Blast**

The tragedy recorded at least 7,000 people injured by the explosion, with many losing their homes. Particularly, the Syrian refugees in the area faced significant consequences (Yassine, 2021). The Port of Beirut is a crucial location for Lebanon, strategically positioned in the eastern Mediterranean Sea. Nearly 70% of export and import trade activities are reported to pass through the Port of Beirut. However, due to the severe damage caused by the explosion, activities were severely disrupted (Lakha & Lakha, 2021). At least 10% of women-owned businesses were impacted by the destruction caused by the explosion (World Bank, 2021).

## 6. COVID-19 Pandemic

The economic crisis in Lebanon reached its peak in 2020 due to the global COVID-19 pandemic. The spread of the virus led to a surge in cases in Lebanon, prompting the government to respond with measures like quarantine, affecting various economic activities since March. According to a survey conducted by the World Food Program (WFP) in 2020, the impact of COVID-19 resulted in increased unemployment and salary reductions for employees (Government of Lebanon and the United Nations, 2021). Thus, the Covid-19 pandemic emerged as a pivotal factor contributing to the

fragility of the socio-economic circumstances, directly affecting heightened unemployment rates and service disruptions.

The World Bank stated that the pandemic was one of the causes of Lebanon's real GDP contraction, reaching 20.3% in 2020 (World Bank, 2021). The pandemic significantly affected economic contraction, global demand, and supply reduction, pushing Lebanon further into economic crisis (International Labour Organization, 2020). This had a direct impact on the livelihoods of the population, hindering economic growth. This is evident in the hindrance and deterioration of livelihoods for the population, as key sectors such as tourism, crucial for Lebanon's economic growth, experienced a substantial decline of up to 71.5% due to the Covid-19 pandemic.

## ECONOMIC INTERESTS

In addition to analyzing public opinion that can influence foreign policy, in analyzing foreign policy through "Domestic Factors," is another factor of a country's domestic economic interests. Economic interests often play a role in influencing a country's foreign policy decisions (Mintz & DeRouen, 2010). Therefore, this sub-section will focus on discussing aspects that indicate economic interests in line with the domestic conditions of Lebanon, particularly its economic downturn, prompting the country to strategize to meet its interests. This can be observed through a report in The Global Politico, featuring the Chief International Columnist from Politico in 2017. Prime Minister Saad Al-Hariri stated (Glasser, 2017):

*"And there are many challenges for us because we also have 1.5 million refugees that live in Lebanon, and we're a country with a 4.5 million population, so you can imagine how much this bears consequences on everything in Lebanon."*

Furthermore, the Lebanese government consistently issues statements seeking financial support from the international community for economic recovery programs. According to Prime Minister Saad Al-Hariri, this could benefit both Lebanese citizens and foreign refugees, especially those from the conflict in Syria (Ibrahim, 2017). In 2018, Prime Minister Saad Al-Hariri, through a Donor Conference in Beirut, affirmed that the country faced difficulties with the presence of refugees. Still, he declared that Lebanon would not forcibly repatriate foreign refugees, particularly those from Syria, under the condition of receiving humanitarian aid amounting to \$2.68 billion (Arab News, 2019).

Thus, this indicates that Lebanon, facing a crisis, is burdened with the substantial responsibility of accommodating refugees, drawing attention and sympathy from the international community. One such expression of international sympathy is evident in the Brussels Conference organized by the European Union, focusing on supporting the future of Syria and the surrounding countries (Council of the EU, 2017). In the 2017 Brussels Conference, international acknowledgment of the impact of the Syrian conflict on the high influx of refugees in Lebanon, a country that has received numerous foreign refugees, was a crucial moment necessitating combined assistance (European Commission, 2021). The driving factors of these economic interests can be identified and discussed thoroughly within the next section.

### **FUNDING DUE TO THE PRESENCE OF FOREIGN REFUGEES**

Lebanon's economic interests in accepting foreign refugees during an economic crisis can be observed in the acquisition of material and other forms of aid, particularly through donations, contributions, or loans from various entities. This reciprocity serves as a form of acknowledgment to Lebanon, a country continually hosting a large number of foreign refugees, representing a potential economic advantage. This aligns with the statements of Alex Mintz and Karl DeRouen (Mintz & DeRouen, 2010):

*“The decision to use aid in foreign policy, aid comes in two general forms: economic and military. It might be used as a reward, punishment, or inducement.”*

In this context, aid that Lebanon can acquire for its economy becomes a reward or reciprocity. Lebanon, as a country that has not ratified the 1951 Geneva Convention, deserves appreciation or reciprocity from entities with significant obligations towards the presence of foreign refugees or cross-border refugees, whether through international organizations or countries that have ratified the 1951 Geneva Convention. This is evident in Prime Minister Saad Al-Hariri's statement (Glasser, 2017):

*"Yeah, 4 and a half million, so you can imagine the burden, and how much it is difficult. And we believe Lebanon is doing a public service for the entire world, and I believe Lebanon should be also compensated for that because if those refugees didn't come to Lebanon, they would be everywhere in the world."*

One Additionally, the Prime Minister emphasizes the need for international community assistance due to the presence of refugees in the country. Therefore, it is evident that Lebanon expects economic aid as a reciprocation for its policy of still accommodating foreign refugees from various crisis-ridden home countries. This influences the international community's response to providing aid to Lebanon, particularly as the refugee issue underscores the humanitarian imperative of strengthening global efforts to aid human survival (United Nations Trust Fund for Human Security, n.d.). Thus, the fulfillment of the needs of foreign refugees in Lebanon is related to the relationship between the Lebanese government and international community assistance (United Nations High Commissioner for Refugees, 2018). Lebanon has indeed received considerable support from various entities expressing such sympathy. The international community's sympathy was evident in various forms of aid received by Lebanon, as detailed below:

### **1. Funding from Various United Nations Agencies**

The United Nations, as an international organization, recognized Lebanon's domestic conditions and the presence of foreign refugees as significant concerns. Particularly, the Prime Minister of Lebanon frequently expressed the country's dire situation and appealed for international aid. In 2017, Lebanon requested at least \$2.035 billion from the United Nations to meet social and economic needs due to its inability to cope with the social and economic risks associated with hosting a large number of foreign refugees (Oosterveen, 2018).

This prompted the United Nations to aid through agencies under its command and direct programs. For example, through the Lebanon Humanitarian Fund in 2018, funding amounting to \$6.5 million was allocated specifically to the most vulnerable parties, such as refugees and the host country, Lebanon (Lebanon Humanitarian Fund, 2018). The funds aimed to ensure the protection of vulnerable populations through protective actions and aid the people of Lebanon, particularly refugees. In 2020, the United Nations, along with aid partners, endeavored to raise approximately \$565 million to assist Lebanon following the significant explosion in Beirut (Gazette, 2020).

Additionally, several United Nations agencies played a role in aiding Lebanon and refugees. These agencies included:

#### **a. Aid Funding (UNHCR)**

The United Nations High Commissioner for Refugees (UNHCR) is an international agency under the United Nations with significant responsibilities regarding refugee issues. UNHCR, with its mandate to provide humanitarian protection focused on refugees requiring international protection, plays a crucial role in assisting refugees in host countries (United Nations High Commissioner for Refugees, 2022). For broader involvement in aiding countries receiving foreign refugees, UNHCR has a funding program named "Funding UNHCR's Programmes." This program presents the needs, income, and contributions of various member countries each year (United Nations High Commissioner for Refugees, 2022). Through this program, UNHCR allocates budgets and expenditures to each region and sub-region globally. In this context, Lebanon falls into the Middle East and North Africa region, and the program's budget and expenditure data are recorded in the Global Report UNHCR through "Budget and Expenditure in The Middle East And North Africa."

<b>Period</b>	<b>Funding for Lebanon</b>
2017	US\$ 325.267.608
2018	US\$ 313.241.213
2019	US\$ 325.058.914
2020	US\$ 331.440.600

**Table 2. Funding for Lebanon from 2017 - 2020**

The funding provided by UNHCR aims to support various programs and initiatives in the region, ensuring the well-being and protection of refugees and addressing the challenges faced by both the refugees and the host country, Lebanon. This continuous international support signifies the economic interests associated with Lebanon's decision to accept foreign refugees, particularly during an economic crisis. The funding received from international organizations and donors serves as a reciprocal relationship, providing economic benefits to Lebanon while addressing the challenges posed by hosting many refugees.

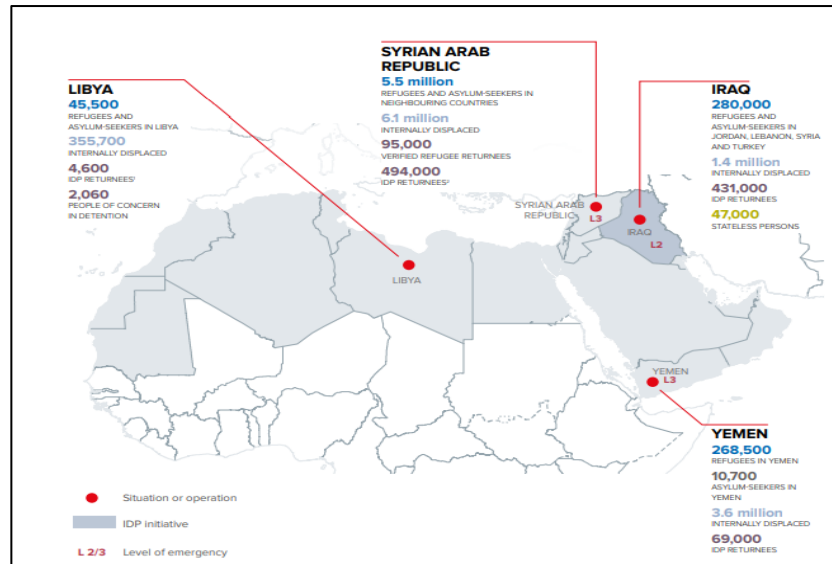


Image 2. Funding Received by Countries in Middle East

Foreign refugees located at the frontlines for emergency aid are still documented every year, despite changes regarding the most vulnerable refugees each year. In this context, the map illustrates the locations of vulnerable foreign refugees whose presence is still accepted in the Lebanon region. There were 45,500 foreign refugees from Libya, 268,500 from Yemen, and notably 5.5 million from Syria, along with 280,000 refugees from Iraq, making them the most vulnerable refugees in 2019 (United Nations High Commissioner for Refugees, 2019). Specifically, refugees from Syria and Iraq are still accepted in the Lebanon region.

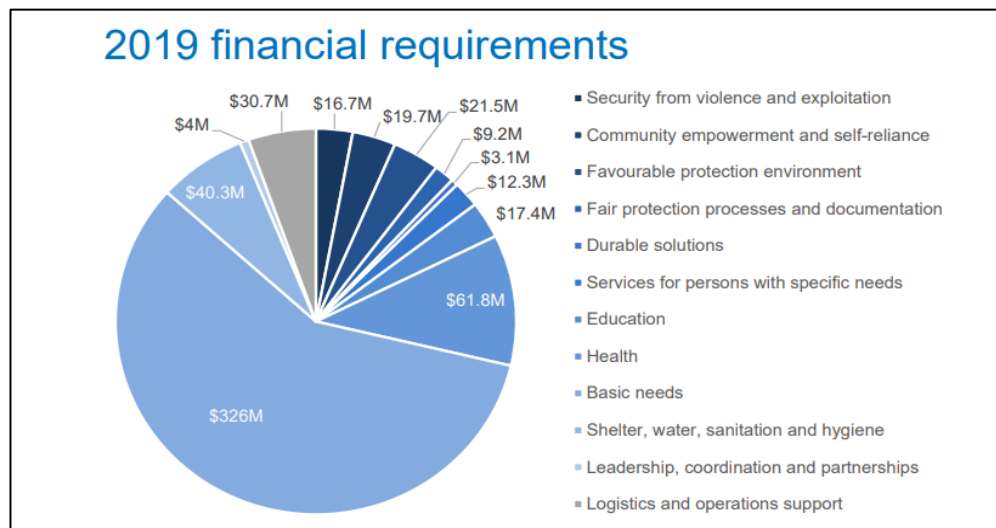


Image 3. Financial Requirements in Lebanon (2019)

Funding from UNHCR shows that Lebanon itself does not bear a large and full responsibility for the needs of foreign refugees in its territory because it is the mandatory responsibility of UNHCR as an official international body with the obligation to provide assistance and support for these foreign refugees. As seen in the diagram, the annual allocation of funds required to be distributed among the twelve sectors for the needs of foreign refugees in Lebanon, as was the case in 2019 (United Nations High Commissioner for Refugees, 2019).

In addition to collectively gathered assistance, UNHCR has a distribution program called the Refugee Zakat Fund, which is a funding mechanism for host countries of foreign refugees obtained from individual donors through a digital platform (United Nations High Commissioner for Refugees, 2019). In this case, the program is executed through UNHCR to provide assistance to specific countries. The success of this program is evident in the collection of funds from individuals through the Refugee Zakat Fund, reaching up to \$43 million through digital platforms, with Lebanon being one of the recipients.

Furthermore, with the domestic conditions worsening in 2020 due to the explosion at the Port of Beirut, which affected not only local residents and buildings but also the presence of foreign refugees in the area, UNHCR's attention increased. UNHCR provided around \$600 in cash assistance to each family, both Lebanese and refugee, due to the escalating crisis (United Nations High Commissioner for Refugees, n.d.). However, this assistance only reached 42% of the target for 84,000 Syrian refugee families (United Nations High Commissioner for Refugees, 2019). UNHCR also assisted in mobilizing needs for refugees in various areas such as water, sanitation, and hygiene.

b. Aid from UNRWA

Similar to UNHCR, UNRWA (United Nations Relief and Works Agency for Palestine Refugees) is also an international body under the UN. UNRWA specifically provides assistance and funding for the needs of foreign refugees from Palestine. The funding received is a voluntary contribution from UN member states and the regular UN budget (United Nations Relief and Works Agency for Palestine Refugees, n.d.). The presence of Palestinian refugees,

who are still accepted in Lebanon, prompts UNRWA to provide humanitarian assistance to Palestinian refugees in Lebanon. UNRWA seeks additional funding of approximately \$87.5 million to provide aid to Palestinian refugees for their livelihoods in Lebanon (VOA, 2022).

Through the Lebanon Humanitarian Fund program strategy in 2018, UNRWA allocated \$500,000 of the \$6.5 million to UNRWA (Lebanon Humanitarian Fund, 2018). In 2019, UNRWA needed \$46 million in funding for Palestinian refugees in Lebanon (United Nations Relief and Works Agency for Palestine Refugees, 2019). During that year, UNRWA provided financial aid of \$27 per family member to Palestinian refugees, especially PRS, to help cover their living costs in Lebanon (European Commission, n.d.). Additionally, through UNRWA and the European Union, Lebanon received €903 million since 2014, renewed periodically until 2020. This aid not only assisted the lives of refugees but also contributed to Lebanon's overall situation (United Kingdom: Home Office, 2018).

c. Assistance through Loan Programs:

Furthermore, there are programs that collaborate with the United Nations for Short-Term Financing through LCRP (Lebanon Crisis Response Plan) and CFF (Concessional Financing Facility). CFF is a assistance program that provides soft loans specifically to Lebanon and. Through LCRP and CFF, Lebanon has received a loan of \$330 million with an additional \$295 million allocated to the concessional financing facility for Lebanon Jordan (Government of Lebanon and the United Nations, 2019). This program serves as assistance and reciprocity for Lebanon, which has been hosting a large number of foreign refugees despite facing a crisis.

## 2. Aid from European Union

In addition to garnering sympathy from the United Nations and various collaborating entities that work within it to assist Lebanon, especially in dealing with economic downturns due to the high number of refugees in its territory, Lebanon has also attracted special attention and support from the European Union (EU). In this regard, the EU can be considered a periodic donor or contributor that consistently shows concern for Lebanon and the refugees within its borders.



Lebanon has established a good relationship with the EU through the European Neighbourhood Policy, initiated in 2006 and renewed in 2016, with its effects extending until 2020 (European Commission, n.d.). The EU recognizes that Lebanon's turmoil is not just a challenge for the presence of foreign refugees but is also a struggle for Lebanon itself (Dandashly, 2021).

Thus, the discussions about the relationship and the hardships faced by Lebanon serve as the basis for the EU's involvement in supporting Lebanon's socio-economic, political, and human rights aspects. The EU not only provides assistance for refugees from various countries but also implements specific programs to address the significant influx of Syrian refugees. Agreements have been made to alleviate the impact of the Syrian crisis and improve the lives of refugees residing in Lebanon (European Commission, n.d.). The EU focuses on providing protection and livelihood support for all refugees, as well as aid to Lebanon through its government.

The EU strives to aid Lebanon in infrastructure development and local services for vulnerable populations, including foreign refugees (International Crisis Group, 2020). The commitment is evident in the allocation of approximately EUR 439 million since 2017 to assist refugees and vulnerable Lebanese communities (European Commission, 2017). Through the European Neighbourhood Instrument (ENI) programming, around EUR 249.5 million is allocated to enhance Lebanon's domestic capacity, improving services for both Lebanese citizens and refugees. Additionally, EUR 224.2 million is specifically designated as guardianship funding for Syrian refugees through the EU Regional Policy Trust Fund in Response to the Syrian Crisis, reflecting the highest refugee crisis, and about EUR 57 million through the Instrument contributing to Stability and Peace (ICSP) program to aid Lebanon's stability recovery (European Commission, 2017). European Union is truly supporting the necessities of refugee for their livelihood through their aid for the state of Lebanon government.

Through the Single Support Framework (SSF), a grant program, the EU extends assistance beyond these funds by providing grants, loans, and soft financing aid to Lebanon (European Commission, n.d.). Furthermore, special allocations ranging from EUR 186.5 million to EUR 227.9 million are provided to aid Lebanon's recovery and offer economic benefits. These allocations aim to: (1) Enhance job opportunities to alleviate the economic crisis and support refugees in Lebanon. (2) Support local

government development programs. (3) Improve security measures, especially concerning counter-terrorism, by comprehensive legal regulations. (4) Develop capabilities and institutional structures to strengthen Lebanon's governance and combat corruption. (5) Provide support to the domestic population in monitoring and implementing public policies and government activities in Lebanon. .

### 3. Aid from European Union

	<i>Indicative amounts</i>	<i>% of total allocations</i>
<i>Sector 1- Promoting growth and job creation</i>	<i>EUR 55.9 million - EUR 68.4 million</i>	<i>30%</i>
<i>Sector 2- Fostering local governance and socio-economic development</i>	<i>EUR 55.9 million - EUR 68.4 million</i>	<i>30%</i>
<i>Sector 3- Promoting the Rule of Law, enhancing security and countering terrorism</i>	<i>EUR 46.6 million - EUR 57.0 million</i>	<i>25%</i>
<i>Complementary support for capacity development and institution building</i>	<i>EUR 9.3 million - EUR 11.4 million</i>	<i>5%</i>
<i>Complementary support in favour of civil society</i>	<i>EUR 18.6 million - EUR 22.8 million</i>	<i>10%</i>

**Table 3. European Union Funding Allocations for Lebanon (2017-2020)**

This aligns with the agreement made by the European Union (EU) to consistently assist Lebanon, especially in humanitarian matters. Despite the established relationship between them, it is evident that Lebanon's economic struggles, compounded by the substantial influx of foreign refugees, necessitate significant assistance. In this context, the EU's aid is not directed to just one party but benefits both sides—the refugees and Lebanon as the recipient nation. The support provided by the EU reflects a commitment to addressing the challenges faced by both refugees and the host country.

### 4. Funding from the United States Agency for International Development (USAID)

As a developed country with a strong economy, the United States plays a crucial role in providing assistance to Lebanon. The United States operates a specific program called the United States Agency for International Development (USAID), which, in 2020, allocated humanitarian aid to Lebanon, including support for refugees, totalling \$395,639,231. This funding was designated for allocation to both refugees and the Lebanese population for various needs (European Commission, n.d.). Even during Lebanon's economic crisis, exacerbated by a high number of refugees and worsened conditions in 2020 due to the Covid-19 pandemic and the Beirut explosion, the United

States sets this as a benchmark to extend humanitarian aid (United States Agency for International Development, 2020).

In addition to the discussed funding for Lebanon, during the Covid-19 pandemic in 2020, Lebanon received assistance to ensure fair vaccination distribution, covering 80% of the population without discrimination, including both domestic and non-citizen populations such as refugees (Yassine, 2021). In this context, Lebanon provided vaccinations for 1.8 million residents, including refugees, even though the number of refugees was significantly lower than the Lebanese population. This illustrates Lebanon's deteriorating conditions attracting high levels of sympathy and benefiting the country. It is evident that Lebanon, in this case, prioritizes its population over refugees.

## CONCLUSION

The domestic turmoil and economic crisis still prompt policies accepting the presence of refugees. This indicates that Lebanon lacks sufficient capabilities to handle refugees through its policies, especially considering that Lebanon is not a signatory to the 1951 Geneva Convention. In this case, analysing policies in terms of a realist perspective, national interests for gaining advantages play a crucial role.

Economic interests serve as the strongest reason for Lebanon to continue accommodating foreign refugees amid its economic crisis. Lebanon's economic interests in hosting refugees are influenced by two factors:

*Funding Obtained by Lebanon:* The government's efforts, often indicating vulnerability amid a high influx of foreign refugees, successfully attract attention and sympathy from the international community, especially from those with significant responsibilities in refugee matters. This is evident in the substantial financial aid received. However, Lebanon's received aid is not only directed towards managing the issues related to foreign refugees but is also used to aid Lebanon's economic recovery as a form of gratitude, sympathy, or reciprocal gesture from the international community. Therefore, the presence of foreign refugees contributes to Lebanon's economic benefits, particularly in the period from 2017 to 2020 when Lebanon received financial aid, soft loans, and grants from various international entities.

*Vice Versa for Lebanon and Foreign Refugees:* in this context, foreign refugees residing in various regions of Lebanon continue to face challenges in their lives. This is particularly evident for foreign refugees who do not have access to official camps and direct registration through UNHCR or UNRWA.

The refugees are confronted with the implementation of government policies in Lebanon that exert pressure and impose hardships on their lives. These measures include: Annual renewal fees, where foreign refugees are required to pay annual renewal fees in a high amount, imposing financial strain on their lives; housing rent, particularly for foreign refugees who must secure sponsorship due to the lack of official camps, necessitating the payment of monthly rent to the government or the respective sponsor; penalty fees, as regulations restricting employment and business establishment exist, refugees are obligated to obtain official permits, leading to taxes. However, as refugees often engage in unauthorized business activities, they are required to pay fines to Lebanon.

This highlights that despite receiving financial aid and goods, refugees encounter difficulties due to the expenditures they must incur to sustain their lives in Lebanon. Thus, this situation poses a dilemma for the refugees themselves; on one hand, they face challenges returning to their homes due to ongoing conflicts, while on the other hand, they must endure a difficult life in displacement with various imposed regulations.

## **BIBLIOGRAPHY**

- Arab News. (2019). Hariri: Lebanon will not force Syrian refugees to return. Arab News. Retrieved from <https://www.arabnews.com/node/1238426/middle-east>
- BBC. (2020). Lebanon: Mengapa Negara Ini Bisa Terperosok Dalam Krisis Terburuk Dalam Satu Dekade?. BBC. Retrieved from <https://www.bbc.com/indonesia/dunia-53659612>
- Betts, A., & Loescher, G. (2011). *Refugees in International Relations*. New York: Oxford University Press Inc.
- Blair, E. (2022). Explainer: Lebanon's financial crisis and how it happened. Reuters. Retrieved from <https://www.reuters.com/markets/rates-bonds/lebanons-financial-crisis-how-it-happened-2022-01-23/>
- Brihi, J., Takieddine, A., & Zmeter, M. (2019). *Unemployment in Lebanon: Findings and Recommendations*. Ministry of Labour, Lebanese Republic Economic And Social Council. Retrieved from <http://www.databank.com.lb/docs/unemployment%20in%20lebanon%20findings%20and%20recommendations%202019%20ecosoc.pdf>

- Council of the EU. (2017). Supporting the future of Syria and the region. Council of the EU. Retrieved from [https://www-consilium-europa-eu.translate.google.com/en/meetings/international-ministerial-meetings/2017/04/04-05/?x\\_tr\\_sl=en&x\\_tr\\_tl=id&x\\_tr\\_hl=id&x\\_tr\\_pto=sc](https://www-consilium-europa-eu.translate.google.com/en/meetings/international-ministerial-meetings/2017/04/04-05/?x_tr_sl=en&x_tr_tl=id&x_tr_hl=id&x_tr_pto=sc).
- Creswell, J. W. (2009). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. California: Sage Publication.
- Dandashly, A. (2021). *Handbook of EU-Middle East Relations*. London: Routledge.
- Deutsche Welle (DW). (2019). Lebanon's protests target country's elite. DW. Retrieved from <https://www.dw.com/en/protests-over-economy-corruption-target-lebanons-elite/a-50894819>
- Euro-Mediterranean Human Rights Monitor. (2021). Lebanon: Falling Into The Abyss. Euro-Mediterranean Human Rights Monitor. Retrieved from [https://reliefweb-int.translate.google.com/report/lebanon/lebanon-falling-abyss-enar?x\\_tr\\_sl=en&x\\_tr\\_tl=id&x\\_tr\\_hl=id&x\\_tr\\_pto=sc](https://reliefweb-int.translate.google.com/report/lebanon/lebanon-falling-abyss-enar?x_tr_sl=en&x_tr_tl=id&x_tr_hl=id&x_tr_pto=sc)
- European Commission. (2017). Report on the state of EU-Lebanon relations: strengthening our partnership. European Commission Press Release. Retrieved from [https://ec.europa.eu/commission/presscorner/detail/es/IP\\_17\\_1750](https://ec.europa.eu/commission/presscorner/detail/es/IP_17_1750)
- European Commission. (n.d.). European Neighbourhood Policy and Enlargement Negotiations: Lebanon. European Commission. Retrieved from [https://ec.europa.eu/neighbourhood-enlargement/european-neighbourhood-policy/countries-region/lebanon\\_en#unrwa-and-palestine-refugees](https://ec.europa.eu/neighbourhood-enlargement/european-neighbourhood-policy/countries-region/lebanon_en#unrwa-and-palestine-refugees)
- European Commission. (n.d.). Programming of the European Neighbourhood Instrument (ENI) (2014-2020). European Commission. Retrieved from [https://www.eeas.europa.eu/sites/default/files/lebanon\\_c\\_2017\\_7179\\_annex\\_en.pdf](https://www.eeas.europa.eu/sites/default/files/lebanon_c_2017_7179_annex_en.pdf)
- Executive Magazine. (2020). Lebanon faces growing unemployment. Executive Magazine. Retrieved from <https://www.executive-magazine.com/opinion/lebanon-faces-growing-unemployment>
- Gallart, O. A. (2015). Syrians In Lebanon: Glass Cannot Fit One More Drop. Al-Jazeera. Retrieved from <https://www.aljazeera.com/news/2015/5/30/syrians-in-lebanon-glass-cannot-fit-one-moredrop#:~:text=according%20to%20lebanon's%20minister%20of,is%20a%20very%20exceptional%20proportion.%e2%80%9d>
- Glasser, S. (2017). Saad Hariri: The Full Transcript. The Global Politico. Retrieved from <https://www.politico.com/magazine/story/2017/07/31/saad-hariri-the-full-transcript-215439/>
- Government of Lebanon and the United Nations. (2021). Lebanon Crisis Response Plan 2017-2021. OCHA. Retrieved from <https://reliefweb.int/report/lebanon/lebanon-crisis-response-plan-2017-2021-2021-update>
- Hadziahmetovic, A., Helebic, J., & Colakovic-Prguda, N. (2018). Economic Crisis: Challenges for Economic Theory and Policy. *Eurasian Journal of Economics and Finance*, 6(4), 48-55. <https://www.proquest.com/openview/5f3a27457f7d814be28c517eeb99906a/1?pq-origsite=gscholar&cbl=4371416>
- Haghdooost, Y. (2020). How the Beirut Explosion Will Worsen Lebanon's Crises. The Washington Post. [https://www.washingtonpost.com/business/how-the-beirut-explosion-will-worsen-lebanons-crises/2020/08/14/67547828-dde3-11ea-b4f1-25b762cddbfb4\\_story.html](https://www.washingtonpost.com/business/how-the-beirut-explosion-will-worsen-lebanons-crises/2020/08/14/67547828-dde3-11ea-b4f1-25b762cddbfb4_story.html)
- Hudson, V. M., & Day, B. S. (2020). *Foreign Policy Analysis Classic*. London: The Rowman & Littlefield Publishing Group.

- Ibrahim, H. (2017). PM Hariri: Lebanon at 'breaking point' due to refugees. Al-Jazeera. Retrieved from <https://www.aljazeera.com/news/2017/4/1/pm-hariri-lebanon-at-breaking-point-due-to-refugees>
- Ichraq, G., & Mustapha, C. (2022). Lebanon, Economic and Financial Crises, Reasons for Collapse. *Revue Française d'Economie et de Gestion*, 3(6), 276-291. [https://www.researchgate.net/publication/361311917\\_Lebanon\\_economic\\_and\\_financial\\_crises\\_reasons\\_for\\_collapse](https://www.researchgate.net/publication/361311917_Lebanon_economic_and_financial_crises_reasons_for_collapse)
- International Crisis Group. (2020). How Europe Can Help Lebanon. Overcome Its Economic Implosion. International Crisis Group. Retrieved from <https://www.crisisgroup.org/middle-east-north-africa/east-mediterranean-mena/lebanon/how-europe-can-help-lebanon-overcome-its>
- International Labour Organization. (2020). Rapid Diagnostic Assessment of Employment Impacts under COVID-19 in Lebanon. ILO Brief. Retrieved from [https://www.ilo.org/wcmsp5/groups/public/--ed\\_emp/documents/publication/wcms\\_754666.pdf](https://www.ilo.org/wcmsp5/groups/public/--ed_emp/documents/publication/wcms_754666.pdf)
- International Labour Organization. (2022). Lebanon follow-up: Labour Force Survey, January 2022. Central Admission of Statistics of ILO. Retrieved from [https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms\\_848353.pdf](https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_848353.pdf)
- Lakhal, S., & Lakhal, C. (2021). Corruption and Ports Management: Case of Beirut Port Blast. *International Journal of Supply Chain Management*, 10(6), 69-75. <https://ojs.excelingtech.co.uk/index.php/IJSCM/article/download/5933/3059>
- Lebanon Humanitarian Fund. (2018). Standard Allocation March-May 2018: Allocation Strategy Paper. Beirut: Lebanon Humanitarian Fund. Retrieved from: [https://www.unocha.org/sites/unocha/files/LHF\\_SA1-2018\\_AllocationPaper\\_FINAL.pdf](https://www.unocha.org/sites/unocha/files/LHF_SA1-2018_AllocationPaper_FINAL.pdf)
- Mitz, A., & DeRouen, K. (2010). *Understanding Foreign Policy Decision Making*. Cambridge University Press.
- Nugrahani, F. (2014). *Metode Penelitian Kualitatif Dalam Pendidikan Bahasa*. Surakarta: Deepublish.
- Oosterveen, H. (2018). Lebanese Municipalities Evict Refugees. The Organization for World Peace. Retrieved from <https://theowp.org/lebanon-municipalities-evict-refugees/>
- Pavero et al. (2017). The Vulnerability Assessment for Syrian Refugees in Lebanon (Vasyr-2017). Retrieved from <https://reliefweb.int/sites/reliefweb.int/files/resources/vasyr%202017.compressed.pdf>
- Saudi Gazette. (2020). UN and partners launch \$565 million appeal for Lebanon. Saudi Gazette. Retrieved from <https://www.saudigazette.com.sa/article/596661>
- Sekarwati, S. (2021). Eksklusif: Duta Besar Hajriyanto Ungkap Sebab Krisis Ekonomi Lebanon. *Tempo*. Retrieved from <https://dunia.tempo.co/read/1486623/eksklusif-duta-besar-hajriyanto-ungkap-sebab-krisis-ekonomi-lebanon>
- Shawish, H. (2019). How did Lebanon become the third most indebted nation. BBC. Retrieved from <https://www.bbc.com/news/world-middle-east-50183895>
- Tanzi, V. (2017). Corruption, complexity and tax evasion. *eJournal of Tax Research*, 15(2), 144-160. <http://classic.austlii.edu.au/au/journals/eJITaxR/2017/8.pdf>

- Transparency International. (2019). Middle East and North Africa. Transparency International. Retrieved from <https://www.transparency.org/en/gcb/middle-east-and-north-africa/middle-east-and-north-africa-1>
- Transparency International. (2022). What is Corruption?. Transparency International. Retrieved from <https://www.transparency.org/en/what-is-corruption>
- Troeller, G. (2003). Refugees in Contemporary International Relations: Reconciling State and Individual Sovereignty. UNHCR: Working Paper No. 85. Retrieved from <https://www.unhcr.org/3e71f1b64.pdf>
- United Kingdom: Home Office. (2018). Country Policy and Information Note Lebanon: Palestinians. United Kingdom: Home Office. Retrieved from <https://www.refworld.org/docid/5b32026b4.html>
- United Nations High Commissioner on Refugees Bureau for Europe. (n.d.). Who's Refugee?. UNHCR Protection Training Manual for European Border and Entry Officials. Retrieved from <https://www.unhcr.org/4d944c319.pdf>
- United Nations High Commissioner on Refugees. (2018). Evaluation of UNHCR prevention and response to SGBV in the refugee population in Lebanon (2016–2018). UNHCR Evaluation Report. Retrieved from <https://www.unhcr.org/5c4afb4d4.pdf>
- United Nations High Commissioner on Refugees. (2018). Global Trends Forced Displacement in 2017. UNHCR. Retrieved from <https://www.unhcr.org/globaltrends2018/>
- United Nations High Commissioner on Refugees. (2019). Lebanon Fact Sheet. UNHCR. Retrieved from <https://www.unhcr.org/lb/wp-content/uploads/sites/16/2019/11/UNHCR-Lebanon-Operational-Fact-sheet-October-2019.pdf>
- United Nations High Commissioner on Refugees. (2022). Mandate of The High Commissioner for Refugees and His Office Executive Summary. UNHCR. Retrieved from <https://www.unhcr.org/5a1b53607.pdf>
- United Nations High Commissioner on Refugees. (2022). Mount Lebanon (Beirut): Lebanon. UNHCR. Retrieved from <https://www.unhcr.org/lb/mount-lebanon-beirut#:~:text=The%20local%20population%20in%20Beirut,such%20as%20Iraq%20and%20Sudan>
- United Nations High Commissioner on Refugees. (n.d.). Cash Assistance for Shelter Programme. UNHCR. Retrieved from <https://www.unhcr.org/lb/cash-assistance-for-shelter-program#:~:text=UNHCR%20is%20providing%20US%24%20600,be%20paid%20in%20USD%20cash.>
- United Nations High Commissioner on Refugees. (n.d.). Global Report 2017. UNHCR. Retrieved from <https://www.unhcr.org/publications/fundraising/5b4c89bf17/unhcr-global-report-2017.html>
- United Nations High Commissioner on Refugees. (n.d.). Global Report 2019. UNHCR. Retrieved from [https://reporting.unhcr.org/sites/default/files/gr2019/pdf/GR2019\\_English\\_Full\\_lowres.pdf](https://reporting.unhcr.org/sites/default/files/gr2019/pdf/GR2019_English_Full_lowres.pdf)
- United Nations Relief and Works Agency for Palestine Refugee. (2019). Palestine Refugees from Syria in Lebanon. UNRWA. Retrieved from <https://www.unrwa.org/palestine-refugees-syria-lebanon>
- United Nations Relief and Works Agency for Palestine Refugee. (n.d.). Who We Are. UNRWA. Retrieved from <https://www.unrwa.org/who-we-are>

Vol 09, No. 1, January 2024

- United Nations Trust Fund for Human Security (UNTFHS). (n.d.). Human Security in Theory and Practice Application of the Human Security Concept and The United Nations Trust Fund for Human Security. UNTFHS.
- United States Agency for International Development (USAID). (2020). Lebanon – Complex Emergency. USAID. Retrieved from [https://www.usaid.gov/sites/default/files/documents/2022-06-01\\_USG\\_Lebanon\\_Complex\\_Emergency\\_Fact\\_Sheet\\_2.pdf](https://www.usaid.gov/sites/default/files/documents/2022-06-01_USG_Lebanon_Complex_Emergency_Fact_Sheet_2.pdf)
- Voice of America (VOA). (2020). Coronavirus Delivers Tough Blow to Lebanon's Dying Economy. VOA. Retrieved from [https://www.voanews.com/a/economy-business\\_coronavirus-delivers-tough-blow-lebanons-dying-economy/6186428.html#:~:text=Some%202020%2C000%20people%20have%20lost.their%20work%20force%20by%2060%25](https://www.voanews.com/a/economy-business_coronavirus-delivers-tough-blow-lebanons-dying-economy/6186428.html#:~:text=Some%202020%2C000%20people%20have%20lost.their%20work%20force%20by%2060%25)
- Voice of America (VOA). (2022). PBB Imbau Masyarakat Internasional Bantu Pengungsi Palestina di Lebanon. VOA. Retrieved from <https://www.voaindonesia.com/a/pbb-imbau-masyarakat-internasional-bantu-pengungsi-palestina-di-lebanon-/6403963.html>
- World Bank. (2021). Lebanon Economic Monitor, Spring 2021: Lebanon Sinking (to the Top 3). World Bank. Retrieved from <https://www.worldbank.org/en/country/lebanon/publication/lebanon-economic-monitor-spring-2021-lebanon-sinking-to-the-top-3>
- Yassine, D. (2021). Facing the abyss: Refugees and the Beirut port explosion one year later. Middle East Institute. Retrieved from <https://www.mei.edu/publications/facing-abyss-refugees-and-beirut-port-explosion-one-year-later>
- Zulkarnain. (2017). Pengungsi Dalam Persepektif Hubungan Internasional. Jurnal Populis, 2(4). <http://journal.unas.ac.id/populis/article/view/342>