

Inclusive Workplaces and Policies

Shaping the Future of Lebanese Labor Law and Ensuring Diversity, Equality, and Inclusion in the Workplace in times of crisis and war.



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Background

Since October 2023, Lebanon has been enduring an on-going Israeli war which have worsened since the 17th of September, 2024 and have resulted by the 4th of November, 2024 in the death of 3,002 individuals[1], the injury of 13,492 individuals[2] and the displacement of over 1,200,000 individuals[3] in Lebanon.

According to a “Position Paper on the Economic and Social Impacts of the Israeli War on Lebanon” by the Independent Task Force for Lebanon, “the economic costs of the war would exceed twenty billion dollars, with economic activity halting in most sectors in the South and Bekaa regions (which account for one-third of Lebanon’s population and workforce), leading to significant household income losses and slowed economic growth. Estimates suggest that the war will cost Lebanon’s economy 70% of GDP, equivalent to \$13 billion, while about one million displaced Lebanese have stopped working, leading to additional economic losses ranging from \$500 million to \$1 billion (Study by the Lebanese Institute for Market Studies, October 2024)”⁴.

All the key sectors have been dramatically impacted by the on-going Israeli aggressions perpetrated against Lebanon. The destruction of agriculture land, farms and livestock caused by continuous airstrikes and the use of white phosphorus has heavily affected the agriculture sector for generations to come⁵. The industrial sector as well as the trade sector have endured the destruction of businesses, factories and essential infrastructure⁶. The services sector including tourism and hospitality has suffered a significant blow with a decrease of tourists’ arrivals to Lebanon, governments’ travel restrictions, cancellations of hotel reservation⁷ as well as the destruction by Israel of historical sites.

The Israeli war on Lebanon has also had adverse effects on labor due not only to the destruction of businesses, essential infrastructure and agriculture land, farms and livestock but also, to the inability of workers and employees to access their workplace, the displacement of a large number of individuals from the workforce as well as the reduction of workhours, the increase of lay-offs, the suspension of businesses and economic hardships for still operating businesses, ultimately leading to a rise in unemployment rates and loss of livelihoods. Furthermore, the rise in inflation has also been coupled with a decrease in the purchase power.

The war’s severe economic impacts have further strained an already struggling economy, which has been contending with an ongoing economic and social crisis since 2019. This situation is compounded by a lack of effective measures to address these challenges. The failure to reform key social protection mechanisms, including the labor code, and to activate critical labor and social actors—such as workers’ and employees’ unions, the Ministry of Labor’s Labor Inspection Administration, the National Employment Office, and the National Social Security Fund—has undermined their ability to ensure effective social protection, especially during crises and war. The consequences of this failure became particularly evident after the 2019 economic and social crisis, which led to rising unemployment, widespread layoffs justified by economic factors, a breakdown in social dialogue, and a lack of labor inspection oversight on work conditions, economic layoffs, and entry into the labor market. Additionally, access to labor justice institutions, mainly the Arbitration Councils and the Arbitral Commission for the Settlement of Collective Disputes, has been severely hindered.

[1] <https://www.moph.gov.lb/en/media/news>.

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[1] INDEPENDENT TASK FORCE FOR LEBANON, “POSITION PAPER ON THE ECONOMIC AND SOCIAL IMPACTS OF THE ISRAELI WAR ON LEBANON”, 20 OCTOBER, 2024.

[1] INDEPENDENT TASK FORCE FOR LEBANON, “POSITION PAPER ON THE ECONOMIC AND SOCIAL IMPACTS OF THE ISRAELI WAR ON LEBANON”, 20 OCTOBER, 2024. [1] INDEPENDENT TASK FORCE FOR LEBANON, “POSITION PAPER ON THE ECONOMIC AND SOCIAL IMPACTS OF THE ISRAELI WAR ON LEBANON”, 20 OCTOBER, 2024. UNDP, “ECONOMIC AND SOCIAL CONSEQUENCES OF THE ESCALATING HOSTILITIES IN LEBANON”, 24 OCTOBER, 2024. THE POLICY INITIATIVE, “ECONOMIC IMPACT OF THE WAR IN LEBANON: REAL AND POTENTIAL LOSSES”, 2 DECEMBER, 2024. [1] INDEPENDENT TASK FORCE FOR LEBANON, “POSITION PAPER ON THE ECONOMIC AND SOCIAL IMPACTS OF THE ISRAELI WAR ON LEBANON”, 20 OCTOBER, 2024. UNDP, “ECONOMIC AND SOCIAL CONSEQUENCES OF THE ESCALATING HOSTILITIES IN LEBANON”, 24 OCTOBER, 2024. THE POLICY INITIATIVE, “ECONOMIC IMPACT OF THE WAR IN LEBANON: REAL AND POTENTIAL LOSSES”, 2 DECEMBER, 2024. [1] INDEPENDENT TASK FORCE FOR LEBANON, “POSITION PAPER ON THE ECONOMIC AND SOCIAL IMPACTS OF THE ISRAELI WAR ON LEBANON”, 20 OCTOBER, 2024. UNDP, “ECONOMIC AND SOCIAL CONSEQUENCES OF THE ESCALATING HOSTILITIES IN LEBANON”, 24 OCTOBER, 2024. THE POLICY INITIATIVE, “ECONOMIC IMPACT OF THE WAR IN LEBANON: REAL AND POTENTIAL LOSSES”, 2 DECEMBER, 2024.

Legal Context

In that context, despite recent amendments to the Lebanese Labor Code, the Labor code and labor related legislation fall short of ensuring diversity, equality and inclusion in the workplace. Indeed, article 7 of the Labor code excludes from its scope of application various categories of workers such as domestic workers in private houses, workers for non-commercial and non-industrial agriculture corporations as well as family workers employed in a solely family establishment under the management of the father, the mother or the guardian, which have been severely impacted by the war. Furthermore, employees lack protection against occupational diseases, labor institutions which aim to ensure practical protection and equal access to the labor market have proven to be inefficient and inaccessible and Employees' unions, which have been required to obtain prior authorization from the Minister of Labor, have been significantly weakened. Ultimately, no effective measures have been implemented to address the impact of crises and wars on labor, despite Lebanon's ongoing struggles with such challenges.

An analysis of the Labor Code provisions, and applicable legal solutions reveals that the only current legal responses treat wars and crises as instances of force majeure, applicable when force majeure conditions are met, or as economic hardship for employers, justifying layoffs for economic reasons. However, this is contingent upon employers adhering to the conditions set forth in paragraph F of article 50 of the Labor Code which states that: "the employer shall be entitled to terminate all or part of his establishment's work contracts in the event of force majeure or compelling or technical circumstances, such as reduction of the size of the establishment, or replacement of a manufacturing process by another, or final stoppage of work. The employer shall be required to notify the Ministry of Labor of his intent to terminate those contracts one month prior to execution; he shall equally be required to consult the Ministry of the programming of termination (of such contracts) taking into consideration workers' seniority in the establishment, their specialization, their age, their family and social status, and finally the means deemed necessary for their re-employment".

Regarding the rights of workers who have been laid-off according to these provisions, paragraph G of article 50 of the labor code only recognizes to their benefit "within one year of their termination of service, of priority right (preference) for re-employment in the establishment from which they were laid off if work is resumed normally and allows their taking on for newly created jobs".

It should be noted however, that when force majeure has been considered as temporary – such as in the case of force majeure resulting from the Lebanese civil war and the 2006 Israeli war on Lebanon, Courts have considered that (i) termination of employment due to the employee's absence resulting from these circumstances shall be regarded as arbitrary dismissal based on an unacceptable reason whereas the employment contract is temporary suspended and that employees are required to return to work upon the conclusion of the war[1] and that (ii) employers are not required to pay wages when the suspension is due to external factors[2].

[1] Arbitration Council of Beirut, Decision No. 11/1991 – N. Zain, Labor Issues 1992, Employment Suspension, No. 4, p. 83; Arbitration Council of Beirut, Decision No. 16/1991, N. Zain, Labor Issues 1992, Employment Suspension, No. 3, p. 83; Cassation Court, Civil Chamber, Decision No. 128/2010, dated 28 October 2010, published in Cassandre.

[2] Arbitration Council of Beirut, Decision No. 16/1991, N. Zain, Labor Issues 1992, Employment Suspension, No. 1, p. 82; Cassation Court, Civil Chamber, Decision No. 96/2018, dated 28 June 2018, published in Cassandre.

Current and past measures enforced to address labor in times of crisis and wars

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The above-mentioned provisions are clearly inefficient in ensuring social protection for workers and employees in times of crisis and wars.

Despite the government's adoption of a Crisis Response Plan, the plan lacks essential components related to labor issues, such as job protection, workers' rights, and employment continuity during crises, which undermines support for the workforce. It also fails to provide effective developmental assistance, hindering long-term recovery efforts. Additionally, the plan does not emphasize the importance of social dialogue or consultation with representative organizations of both employers and workers. There is no mention of the Ministry of Labor's active involvement during crises to implement labor-related policies, protect workers' rights, and coordinate efforts to ensure adequate social protection for employees.

These gaps underscore the necessity for institutional coordination and the active engagement of relevant stakeholders, including labor ministries, employers' associations, and worker unions, to respond effectively to the war.

The current lack of labor-related measures stands in stark contrast to the provisions enacted during a limited period of the Lebanese Civil War under Legislative Decree No. 17, issued on March 4, 1977, titled "Special Provisions Concerning the Impact of Events on the Implementation of the Labor and Social Security Laws".

The main provisions of the Legislative Decree can be summarized as follows:

a) Regarding the continuity of employment:

(i)The decree emphasizes the principle of job continuity, ensuring that employment contracts remain valid despite disruptions caused by war. Termination of contracts due to employee absence related to the conflict is therefore considered arbitrary unless justified by unacceptable reasons. Employees' rights to seniority are preserved throughout the duration of the conflict and employees are required to resume work once the conflict has ended.

(ii)The decree restricts the conditions under which employment contracts can be terminated without being considered arbitrary dismissal to the following circumstances:

- ·Inability to Continue Performance Due to Force Majeure: When continuing the contract becomes impossible due to unforeseen events (force majeure).
- ·Employee's Failure to Resume Work: When the employee fails to return to work for reasons within their control, within the deadline of July 31, 1977.
- ·Employer's Failure to Resume Activity: When the employer does not resume business operations within a two-year period for any reason.
- ·Lack of Work Availability: When the employer is unable to provide work for the employee within one year after the employee has resumed their activities.
- (iii)The decree provides for end-of-service compensation in the case of termination calculated based on the highest monthly wage the employee received between January 31, 1975, and the date of the request for settlement of their compensation.

Current and past measures enforced to address labor in times of crisis and wars

a) Regarding the execution of employment contracts:

(i)The decree validates both express and implicit modifications to the employment contract, particularly concerning changes in working hours, the number of hours worked, the workplace, the nature of the work, or the wage amount.

(ii)The decree establishes a mandatory legal framework for wage reductions and the setting of a minimum wage, including specifying a threshold for wage cuts.

(iii)The decree stipulates that the employment contract will return to its original terms once the specified period mentioned in the decree has expired.

(iv)The decree allows for the suspension of the employment contract when its execution is interrupted due to events such as force majeure or similar circumstances.

b) Regarding wages during the suspension period:

(i)The decree mandates that a minimum wage be paid during the suspension period, lasting until the expiration of the timeframe specified in the decree. No wages are owed after the specified period expires, if the suspension continues.

(ii)The decree specifies that employment contracts should resume when the employer resumes business activity. In the case of a partial resumption of activity, workers should be gradually reinstated, taking into account criteria such as seniority, family situation, and professional qualifications.

c) Regarding Social Protection:

(i)Employees are entitled to full family allowances, and social security is responsible for covering hospitalization expenses under the sickness and maternity branch. However, the employer is required to pay 50% of the medical expenses for employees.

(ii)Social security contributions are calculated based on the actual wages paid to the employee.

(iii)For employees who worked for an employer that resumed or continued business activity after an interruption, end-of-service compensation is calculated based on the highest monthly wage received by the employee between January 31, 1975, and the date of their request for settlement (provided the request is made before December 31, 1978).

(iv)Employers may be allowed to pay social security contributions in installments, and they may also be granted an advance to cover their due contributions.

Available alternatives

In light of previous measures implemented to address the impact of war in Lebanon, and in reference to ILO Resolution No. 205 on "Employment and Decent Work for Peace and Resilience" (2017), the following specific actions can be adopted to mitigate the effects of war on labor:

- **Collecting and analyzing labor market data:** This is a critical first step to understand how the war has impacted employment, which will, in turn, inform the development of effective policies and strategies to support the workforce during this challenging period.
- **Immediate response to meet basic needs:** Providing social protection, livelihood support, emergency employment measures, and income-generating opportunities is essential for populations and individuals rendered especially vulnerable by the crisis. Ensuring a basic income for those who have lost their livelihoods will help stabilize communities during recovery.
- **Labor policies and legislation:** Where feasible, labor policies should focus on establishing livelihoods and income through immediate employment and social protection measures. This includes ensuring the continuity of employment contracts, partial wage payments, and the flexibility to modify employment terms (e.g., working hours, remote work, etc.).
- **Ensuring consultation and participation:** Actively engaging employers' organizations and workers' unions in the planning, implementation, and monitoring of recovery and resilience measures is essential. Strengthening social dialogue and collective bargaining will be key, along with building the capacity of governments, employers' organizations, and workers' groups to respond effectively.
- **Rebuilding labor market institutions and employment administration:** Rebuilding labor market institutions, such as employment services and labor inspection, is crucial for long-term stability and effectiveness in the labor market.
- **Providing guidance and support to employers and employees:** It is vital to support both employers and employees, particularly through measures that help reintegrate individuals affected by the war, such as vocational training and skills development. Establishing a guidance unit for both employers and employees can help navigate these challenges.
- **Ensuring uninterrupted access to education:** Ensuring that all individuals, including displaced persons and refugees, have continued access to education is essential for building future workforce capacity. This should be supported by comprehensive vocational training, employability programs, and skills development, in consultation with educational institutions, training providers, and labor organizations.
- **Training teachers and trainers:** To ensure the delivery of quality education and skills development, particularly in crisis situations, there is a need to train teachers and trainers who can effectively support both the current and future workforce.
- **Enhancing social protection programs:** Strengthening social protection programs, particularly through institutions like the National Social Security Fund, is critical for providing a safety net for those in precarious employment, helping workers stay protected during the recovery phase.
- **Promoting and supporting sustainable enterprises:** Supporting the growth of sustainable enterprises, especially small and medium-sized businesses and cooperatives, is key to economic rebuilding. This should be complemented by supporting the public sector and fostering public-private partnerships to drive the recovery process.
- **Facilitating the creation of new employment opportunities:** Particularly in sectors directly related to the emergency response, such as healthcare, local production and manufacturing, and care services. It is vital to ensure labor protection for workers in these critical sectors to support both recovery and long-term resilience.

Available alternatives

- **Rebuilding the labor management system:** Rebuilding labor management systems, including labor inspection, is essential for ensuring fair working conditions and upholding labor rights during the recovery period.
- **Targeted assistance for small and medium-sized businesses:** Offering targeted support to small and medium-sized businesses will help them plan for business continuity, secure financing, and ensure their survival and growth in the post-crisis economy.
- **These actions will collectively help mitigate the war's impact on labor and support the recovery and resilience of both the workforce and the economy.**



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The Lebanese League for Women in Business (LLWB) is a non-profit organization established in 2006. As a socio-economic association, LLWB is committed to empowering women in business and the workforce.

Our mission is to support women to take the lead and succeed in their professional growth. To ensure inclusion, diversity and equity, we also encourage the active participation of men mainly youth in our initiatives, recognizing that gender equity and women's empowerment require collective action and collaboration.

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