

Executive Summary of the Report of the UN Special Rapporteur on extreme poverty and human rights, Olivier De Schutter, on his visit to Lebanon¹

The UN Special Rapporteur on extreme poverty and human rights led a fact-finding mission to Lebanon to assess the Government's response to the multiple crises affecting the country, and an in-depth investigation into the root causes and impacts of these crises. The result of this investigation, published in a [UN report](#), is that the Lebanese State, including the Government, the wider political establishment, and the Central Bank are responsible for the human rights violations that have resulted from the crisis, including the unnecessary immiseration of millions of people in Lebanon.

The economic and financial crisis in Lebanon is a man-made disaster with deep roots in a venal political system plagued with conflicts of interest. High-level politicians and individuals closely linked to political elites control assets in the banking sector, including acting as members of boards of directors of some of the largest banks in Lebanon such as Audi, Bank of Beirut, or Fransabank. At the same time, the lack of capital controls allowed for deposits held abroad by residents of Lebanon to double between 2017 and 2021. Conflicts of interest between the political system and the banking sector cast serious doubts on their good-faith handling of the economy and people's savings. Moreover, the Government has a say in the appointment of four of the six members of the National Anti-Corruption Commission, which opens the appointment process up to future political interference. The Central Inspection, an institution that should be given sweeping powers to investigate allegations of corruption and bribery, is severely underfunded, with 98 per cent of its budget going to staff salaries alone, and it is barred from inspecting critical institutions such as the Council of Development and Reconstruction and the National Social Security Fund.

The Banque du Liban (BDL), through its problematic monetary policies, has brought the Lebanese State into contravention of its international human rights obligations, including the obligation to guarantee an adequate standard of living to its population. BDL granted exceedingly high interest rates to commercial banks and wealthy depositors, which helped to maintain the fixed exchange rate, but it weakened the financial stability of the banking sector and led to losses now calculated at over \$60 billion. BDL's opacity regarding these losses amounts to an accounting sleight of hand that led to the creation of public debt without a transparent budgetary process or any public oversight through parliamentary committee hearings or other bodies. BDL's accounting practices have long differed from international standards, since it does not publish profit and loss statements since 2002 and counts on future revenues at exceedingly high levels. BDL also maintains a policy of multiple exchange rates despite such policy being known to lead to corruption. BDL's policies have contributed to a downward spiral of the currency, the

¹ Unofficial summary provided in English and for informational purposes only. Main report accessible at <https://undocs.org/A/HRC/50/38/Add.1>

devastation of the economy, the wiping out of people's lifetime savings and, ultimately, to plunging the population into poverty. To ensure compliance of monetary policy with human rights law, the mandate of BDL must include regular assessments of the impact of its decisions regarding interest and exchange rates on different groups in society.

Pre-crisis Lebanon was already characterized by appalling levels of income and wealth concentration at the top, owing to a tax system that favours evasion and benefits the wealthy, and decades of misplaced investments. Lebanon's extreme inequality is the result of dramatic decreases in income taxes and corporate taxes in the 1990s, which benefited higher-income and wealthy individuals, and a gradual increase in consumption and other taxes, which in turn hurt the poor most. These decisions, together with an estimated 30 per cent of tax evasion and misplaced investments over decades—including key investments following sectarian patterns, and not socioeconomic priorities, and most of government debt going to finance current expenditures rather than long-term investments—have turned Lebanon into one of the most unequal countries in the world.

Lebanon lacks a functional social protection system. It lacks unemployment insurance, child benefits, old-age or disability pensions, and sickness and parenthood benefits. A national social protection strategy must be adopted urgently. The system has a limited impact on poverty reduction, a minimal impact on inequality, and is largely skewed towards protecting those on high incomes. Among the poorest 10 per cent of Lebanese, only 37 per cent is covered by some form of social protection, compared to 93.5 per cent of individuals in the richest decile. The National Social Security Fund should be open to scrutiny by the Central Inspection and the value of its assets guaranteed in the recovery plan, as future social security for the population.

To comply with international human rights law, the electricity sector needs independent oversight, a careful regulation of any private sector involvement, and the protection of low-income groups from tariff increases. Independent oversight, through a transparent and accountable electricity regulatory authority that is fully independent from the Government, is key for compliance with human rights law. Proper regulation of private participation in the electricity sector must be guaranteed to ensure low-income groups are not adversely impacted, including subjecting private providers to public sector obligations, ensuring future public-private partnerships do not obscure public borrowing, and regulating commercial tariffs to ensure fair pricing systems. Currently, the Government has no plan for how to cushion the impacts of the foreseen increase in electricity tariffs, which will have disastrous consequences on people in poverty and on low incomes.

Lebanon is characterized by a chronic neglect of public services to the benefit of private provision of education and healthcare. Lebanon heavily subsidizes the private education sector, with little oversight over its dubious quality. Despite Lebanon's lower-than-average numeracy and literacy levels in regional terms, government expenditures on education have continued to decrease as a percentage of total expenditure. Similarly, the healthcare system mainly protects those on high incomes. The private sector provides 82 per cent of healthcare services in the country and most of the Government healthcare budget subsidizes inpatient care at private facilities. Only 17.7 per cent of low-income Lebanese have health insurance.

The international community has a responsibility to ensure that the political establishment in Lebanon, which has resisted reforms thus far, is transparent and accountable to its population. This includes requiring that the Government publicly disclose how and when it will use its IMF-allocated Special Drawing Rights, and demanding accountability for the \$250 million in UN aid that were lost due to the BDL's multiple exchange rate policy.

Women, children, refugees, migrants, and people with disabilities are subjected to structurally discriminatory policies that have worsened their plight during this crisis.

Women face structural barriers in accessing work, with Lebanon having one of the lowest rates of women's labour market participation in the world, at 29.3 per cent, and a wage gap of a third of men's salaries in the private sector. Lebanon ranks the lowest third country in the world for indicators for women including education attainment, health and survival, and political empowerment. Since the start of the crisis, gender-based violence and sexual harassment have increased dramatically. Lebanese women still cannot pass on their nationality to their children and spouses due to legal discrimination enshrined in the 1925 Nationality Law, which should be amended to reverse this inequity.

Child poverty has doubled since the crisis started and is now at over 80 per cent. 42,000 children have not returned to school in 2020-21, with a seven-fold increase in school dropouts. Practical barriers to the right to education remain: children without identity documents or a civil status extract can be denied access to school; costs of transportation and school materials can be exceedingly high for parents; and schools can demand documents that many refugee children cannot produce. Removing such practical barriers must be now a priority to ensure all children return to school without delay.

Syrian and Palestinian refugees experience forced informality and are subject to forced evictions and discriminatory wage limitations. The somber plight of refugees is compounded by the Government's official policy of non-integration in the case of Syrian refugees—with more than 80 per cent aged over 15 lacking legal residency—and a discrimination by law that excludes Palestinian refugees from practicing dozens of professions and the right to own property.

Migrant workers are not protected by labour laws and their status is governed by the *kafala* system, which leads to forced labour and exploitative practices. By maintaining this system, Lebanon is in violation of its duties towards migrants under international human rights law. The *kafala* system should be abolished and the revised standard unified contract adopted.

People with disabilities remain marginalized in government policy and practice, with their real numbers hidden. Between 71 per cent and 80 per cent of people with disabilities are not or have never been employed. Most public schools remain unfit to accommodate children with disabilities, with many dropping out owing to the lack of assistance. Households with a member with disabilities in the lowest 20 per cent of income earners spend on average over an additional 30 per cent to reach the same standard of living as other households. Yet there is a lack of adequate social protection programs and health care for this group. Lebanon should ratify the UN Convention on the Rights of Persons with Disabilities and its domestic legislation should be made compatible with the Convention.