Providing care through the social and solidarity economy

June 2024

Lebanon: An assessment summary

Key points

- Lebanon's care workers, particularly those working at home of their employers face serious decent work deficits including inadequate legal and social protection.
- Informal care workers include Lebanese nationals, migrant domestic workers subject to the "Kafala" (sponsorship or guarantee) system, and Syrian and Palestinian refugees.
- These workers typically receive low wages. Many migrant domestic workers, predominantly women, either do not receive their wages or are paid significantly less than promised. They often face restricted mobility, leaving many vulnerable to conditions of forced labour.
- In light of limited progress in improving laws and policies, innovative solutions are being explored, including in the social and solidarity economy.

Background

Lebanon faces significant challenges in its care economy, exacerbated by the 2019 economic crisis and the COVID-19 pandemic. Traditionally reliant on underpaid migrant domestic workers through the kafala system, which is not covered by the labour law, Lebanon has seen a decrease in these workers due to economic decline, leaving a gap in care provision. This economic downturn, combined with the stigma around care work, has hindered national workers from entering the sector. Furthermore, care workers lack coverage under the national labour law, which denies them social protection and can diminish care quality, risking the health and development of those they care for. This has perpetuated a cycle where the care economy operates without adequate oversight or regulation, underscoring a need for innovative solutions.

Cooperatives and other social and solidarity economy (SSE) entities present a promising alternative, offering potential for better working conditions and more equitable care solutions. In light of this, the International Labour Organization's (ILO) Gender, Equality, Diversity, and Inclusion Branch (GEDI) and Cooperative, Social and Solidarity Economy Unit (COOP/SSE), initiated "Cooperative Care Provision as a Gender Transformative Decent Work Solution", have initiated an innovative cross-regional, multi-country programme. The established intervention model involves conducting assessments of local contexts, development of capacity-building tools, and running pilot training programmes.

Throughout 2023, the ILO conducted an assessment in Lebanon to examine the challenges and opportunities in the home-based care sector. The research employed a multifaceted approach, combining a legal and regulatory analysis of cooperatives, an examination of alternative SSE organizational models, and insights from key informant interviews and focus group discussion through a gender-lens.

Key findings

This assessment report included: an overview of the legal framework governing cooperatives in Lebanon and their potential to support home-based care work, an analysis of existing SSE entities and their capacity to bolster home-based care services, and a proposal for pilot testing activities based on findings. These include:

- Legal and policy frameworks: The Lebanese legal environment supports the formation of voluntary associations and cooperatives by national citizens but
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lacks specific legislation for social enterprises, impacting their operational clarity and integration into the formal economy.

- **Challenges in formalization**: The home-based care sector remains predominantly informal, with significant decent work deficits such as lack of social protection, poor working conditions, and inadequate wages. The financial crisis has shifted the care workforce in Lebanon from a reliance on migrant domestic workers to a “dual mode” system, blending unpaid family care with formal non-governmental organization (NGO) support.

- **Economic and social vulnerabilities**: Households rely heavily on informal care workers due to inadequate public investment in care provision and social protection. The reduction in migrant domestic workers has not been matched by a corresponding increase in national workers entering the care sector, largely due to social stigma and inadequate protection.

- **Coordination and mutual support**: Informal care workers are increasingly using messaging platforms to organize shifts and share job opportunities.

- **Alternative organizational models**: Cooperatives offer tax exemptions and subsidies. Social enterprises, lacking legal recognition, face higher taxes and lack of social protection.

- **Considerations for migrant workers**: Current interpretation of Lebanese cooperative laws restrict membership to national citizens, excluding migrant workers from owning shares or acquiring full membership, thereby limiting the scope of these entities to fully integrate and represent the sector's diverse workforce.

**Recommendations**

Drawing insights from the national cooperative law, the assessment concluded by highlighting recommendations for empowering home-based care workers through the cooperative model.

- **Macro-level**: Facilitate cooperative membership for non-nationals. Introduce a legal framework for recognizing social enterprises with tax exemptions, reform the Kafala system. Extend labour law and social protection to cover domestic workers. Implement additional measures to ensure fair treatment and support for all care workers.

- **Meso-level**: Prioritize the cooperative model for home-based care services such as cleaning, cooking, and childcare, due to its suitability for commercial care services and its ability to formalize employment for Lebanese workers. Leverage support for training and capacity building from the General Directorate of Cooperatives to navigate administrative and financial aspects of management. Collaborate with migrant domestic workers, given their high participation in the sector.

- **Micro-level**: Consider registering care cooperatives as cooperative associations with limited liability to minimize individual financial risks. Organize extensive trainings on SSE values and principles, conflict resolution, and governance to ensure effective operation and equitable treatment of members and care recipients.

**Next steps**

The ILO will host a hybrid validation workshop in June 2024 with community experts, tripartite constituents, and SSE representatives. The workshop will help prioritize follow-up action, including roll-out of ILO training tools.

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*We observed that the formalization of the economic activity, whether under the form of a cooperative or a social enterprise, brings an immediate sense of unity or power and strength to the group, yet it does not spontaneously eliminate all internal conflicts.*

Lebanese cooperative expert