

RAED CHARAFEDDINE

Central and Commercial Bank, former First Vice Governor of the Central Bank of Lebanon

Abdulrahman A. Al Hamidy, Director General and Chairman of the Board of Directors at the Arab Monetary Fund

I have known the next speaker, Raed Charafeddine, for many years and he was with us on the board of the Arab Military Fund. He was a central and commercial banker, twice Governor of the Central Bank of Lebanon, I am also proud to have him as a good friend. I know he looks at things deeply and in terms of strategic questioning. His opening remarks will be on the socioeconomic impact of a displaced population, which is a crisis for countries in the region and using Lebanon as an example. I think this is a very difficult issue for several countries in the region, it is sensitive, difficult, and as Anwar Gargash said in the last session, talking about it become emotional.

Raed Charafeddine

The issue of Syrian displacement in Lebanon has evolved from a humanitarian concern to a pressing need for action due to perceived threats to Lebanon's "identity, image, and future." Doubts about the effectiveness of the operations of the United Nations Higher Commissioner for Refugees (UNHCR) and related NGOs, as well as tensions within the Lebanese government further complicate facing the issue. Meanwhile, Lebanon is grappling with an unprecedented economic crisis exacerbated by regional turmoil, public finance challenges, and various other factors, including the COVID-19 pandemic and the Beirut Port explosion. The macroeconomic scene in Lebanon has drastically shifted since 2019, with the regress of trade, tourism, investment, and consumption, while government spending has steeply declined. This has severely impacted GDP growth, inflation, fiscal deficits, currency depreciation, and balance of payments, thus surging the levels of poverty and creating a highly dollarized cash-based economy. The simultaneous escalation of the Syrian displaced population crisis and Lebanon's economic woes are major challenges facing the country.

Lebanese official figures estimate the number of displaced Syrians at 2.08 million or 42% of the Lebanese population, making Lebanon the center of the highest per capita concentration of refugees/displaced people in the world. Such a reality has strained the already unstable public service delivery, infrastructure, labor market, and the environment. Statistics indicate that 70% of Syrian children born in Lebanon in recent years do not hold Syrian nationality, or any other nationality. If this population growth is sustained, Lebanese and Syrians in Lebanon will be almost equal by 2033. Unofficial reports in October 2023 indicated that the UNHCR offers \$270 million per month for the displaced Syrians in Lebanon. According to the UNHCR, the total number of Syrian students registered in schools for the academic year 2020-2021



reached 321,000 compared to 898,000 Lebanese. However, only 11% of displaced Syrian youth were enrolled in education, and 37% of displaced youth are unemployed. Moreover, 40% of Lebanon's prisoners are Syrians.

From an objective standpoint, certain initiatives that can capitalize on the Syrian displaced population, if backed up by international support, would comprise potentials, solutions, and even opportunities. Nevertheless, it has become evident to the Lebanese government and the public at large that the UNHCR and the Western nations have not yet formed the political will to endorse the return of the Syrian displaced populations to their country, as was evident in the recent stance of the European Parliament.

The issue of the displaced/refugees/forced or willing migrants is not new to the global scene since the dawn of history. The last eight decades marked an unprecedented magnitude of this phenomenon many of which remain unresolved. That includes the Palestinians all over the world since the 1940s, the Sahrawis of Western Sahara in Algeria since 1975, the Adjumanis of South Sudan in Uganda since 1997, the Rohingyas of Myanmar in Bangladesh since 2016, and in between the Iraqis, Yemenis, Afghanis, Somalis, to name a few. Durable solutions were found for some of those communities in Western societies. Still, almost all of them are hanging out there with their pains, anguish, and aspirations. The fear is for the Syrians displaced in Lebanon to face the same prolonged agony along with their host communities as the latter category. Though most of the Syrian territories have been witnessing relative stability and security for quite a while now, the conflicting global political agendas and the economic deterioration in Syria are likely to inflict on Lebanon more unbearable displacement costs that would highly compromise its stability and even existence. With the internal and external challenges the country is facing, this depiction of an “existential threat” seems to become more of a reality.

Abdulrahman A. Al Hamidy

Thank you so much, Raed. We have to go to the Lebanese for your education and skills, you are everywhere in our region and participating in a vibrant private sector, despite all those difficulties. If you go to Lebanon, the private sector is very vibrant.