



SOUTH MED SOCIAL DIALOGUE

Social Dialogue in Lebanon

Regulations and Realities of Social Dialogue





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Social Dialogue

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Lebanon 2021

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PART - I

SITUATIONAL ANALYSIS REVIEW





FINDINGS

General Observations

- The social partners interviewed are not adequately articulate in social dialogue and many lacks such articulation in International Labour Standards.
- There is a great lacuna in the literature on the reasons behind the Lebanese enterprises' resistance to collective bargaining agreements.
- There is a lack of trust in the public institutions' abilities to be effective in dispute resolution and conflict management.

Consensus and non-consensus position of the Social Dialogue Partners (SDPs)

There is a remarkable consensus among the SDPs that

- Dialogue is the proper tool to solve disputes and conflicts.
- A company that adopts social dialogue as a method of resolving labor disputes is usually a more successful company.
- The tripartite social dialogue contributes to the strengthening of democracy in the country.
- Social dialogue often leads to common understandings between employers' representatives and trade union representatives that are in the interest of both parties and society at large.
- The existence of independent trade union organizations

representing employers and others representing workers in the country is essential to the stability of the labor market.

- The tripartite social dialogue should play an important role in determining the economic choices of the state.
- The process of building a methodology for social dialogue to reach concurrence in the labor market leads directly to the weakening of trade unions because the latter will be forced to make concessions during the dialogue process.
- The adoption of a social dialogue methodology to achieve concurrence in the labor market between employers and trade unions has a negative impact on the ability of employers to run their businesses effectively, as social dialogue usually puts socially motivated constraints on management.
- The representation of employers and trade unions in the current Lebanese Economic and Social Council is inadequate and inappropriate.
- The Lebanese Economic and Social Council's communication and consultation efforts with employers and trade unions are weak.
- The government controls and manages the process of social dialogue and its institutions according to its agenda.
- The current governing power is earnestly interested in activating social dialogue.
- Suspicion and lack of trust between the three parties have impeded any significant progress in social dialogue in the country.

- A better degree of social dialogue between the three parties cannot be achieved without further political reform.

There are some contradictory positions among the SDPs about

- The topics that can and cannot be discussed in social dialogue processes (e.g. training of workers, promotions, occupational health and safety procedures, etc.) as these issues are governed by the internal regulations and policies of each company.
- Social dialogue between employers' representatives and trade union representatives cannot succeed without government intervention.
- Calling for social dialogue to resolve labor disputes causes foreign investment to decline.
- Economic and social policymaking is the responsibility of the government and Parliament. Subjecting this matter to a dialogue between the government and employers' and workers' organizations renounces the government's responsibility to make difficult decisions.
- In light of the existence of the Lebanese Economic and Social Council, and to avoid duplication of responsibilities, there is no need for an independent tripartite committee to engage in social dialogue on labor issues.
- The concept of social dialogue derives from Western culture and is incompatible with our culture and our political and economic conditions.

- The current Lebanese Economic and Social Council provides an appropriate framework for social dialogue and plays well the role that is expected of it.
- The country will witness significant progress in the field of social dialogue during the next three years.
- Employers in Lebanon talk about their willingness to engage in social dialogue, but in reality, they are not sincere, as they do not believe in the principle of negotiating with workers.
- Trade unions in Lebanon speak of their readiness to engage in social dialogue, but the reality is different, as they do not seem to have a full understanding of how to deploy their bargaining power, besides exercising strikes for workers' demands.
- Political and sectarian interference in trade unions' and federations' operations were found to be a serious impediment to their effectiveness.
- Civil society and NGOs must be involved in social dialogue to achieve decent work as indicated by the 2030 SDG.
- The five most important topics to be given priority on the agenda of social dialogue now and over the next three years are Labor Law reform, salary adjustment, education, economic reform, and health care.



There is an exceptional unanimity among the SDPs as to recommendations for improvement in labor employers' relations

- Create specialized bilateral committees at the workplace representing employers and workers to discuss and find appropriate solutions to various issues related to labor relations.
- Devise training programs for employers and/or their representatives, as well as company management, on social dialogue and negotiation skills.
- Establish a tripartite national framework/council comprised of representatives of the government, employers, and employees whose mandate is to engage in social dialogue and whose decisions have binding powers.
- The Labor Law Code should include articles/clauses that stipulate the importance of social dialogue between the two parties of production and that establish the workable legal framework for it.



Questions for future discussions

Q1: If and when CBA is not possible, do alternatives exist and if so what will be the role of the trade unions?

Q2: If and when trade unions are either inactive or ineffective or on the decline (as it is the situation in many countries) will there be space for non-union voice mechanisms that will limit rent-seeking?

Q3: How policies should stimulate value-enhancing choices by firms and workers?

- The social partners interviewed are not adequately articulate in social dialogue and many lack such articulation in International Labour Standards.
- There is a great lacuna in the literature on the reasons behind the Lebanese enterprises' resistance to collective bargaining agreements.
- There is lack of trust in the public institutions' abilities to be effective in dispute resolution and conflict management.

II INTRODUCTION

The primary state body involved in social dialogue in Lebanon is the Ministry of Labor. The role of the Ministry is focused on; regulations through the issuance of directives and proposal of laws, facilitation through the creation of structures for social dialogue, and mechanism for dispute resolution through official mediation in the settlement of disputes. Trade unions are the other main actors of social dialogue between employers and employees. In addition, the third actors are employer's organizations that are scattered among the various economic sectors in the format of trade unions.

The main legal tool for social dialogue in the workplace is the Labor Law. Thus, the Lebanese Code of Labor Law was introduced on December 23, 1946. It includes 8 titles related to the work contract, organization of work, arbitration process, trade unions, penalties on the breach of the Code of Labor, labor exchange, and

general final provisions. Later on, legal provisions were added. They are related to minimum wage, compulsory holidays, and health regulations.

Besides labor law, a number of laws regulate various aspects of private-sector employment the most important of which are the Lebanese Labour Law (1946) and the Social Security Law (1963) and their supplementary decrees, in addition to Decree No. 7993 on Trade Unions (1952) and Decree No. 1756 regulating the Employment of Foreign Persons (1964) and the Law on Collective Labour Contracts, Mediation, and Arbitration (1964)

Moreover, Lebanon has ratified a number of international conventions aiming at protecting workers and their rights. According to ILO, social dialogue includes all types of negotiation, consultation, and exchange of information between, or among, representatives of governments, employers, and workers on issues of common interest.



The pillars of these legal frameworks are The recognition of individual freedom of association with certain limitations, the right to create new trade but with important limitations through getting an official recognition to act as a genuine trade union, the existence of some formal bodies for tripartite social dialogue, with a limited scope of competences, the inexistence of structures for continuous sector level social dialogue, apart from disputes resolution systems, and the absence of mandatory measures to organize representation and negotiation at such level. Currently, the legal labor frameworks are currently under pressure due to the sharp economic, political, and financial crisis in Lebanon.



THE POLITICAL SITUATION

The Taef Accord concluded in 1990 ended the 1975-1990 Lebanese war. Lebanon's political system divides power between its main religious communities. The executive branch was transferred from the President of the Republic to the Council of Ministers where executive decisions are made.

The worsening economic situation led to what was referred to as the 17 October Revolution, 2019. As a matter of fact, the political situation escalated sharply when people started demonstrations against the government plans to cut government wages, reduces pensions, and increase taxes on gasoline, tobacco, and calls on applications such as WhatsApp. These measures were part of an austerity program of taxes increase and spending reductions, in order to reduce the government deficit while maintaining the price of the Lebanese Lira rate at 1500 Lira per dollar. This reduction of the budget deficit was a condition of 10.2 billion dollars of loans and 860 million US dollars of grants agreed in in 2018 with the IML, the World Bank, and a number of countries.

Rapidly, protests escalated against the government recovery plans, and its failure to provide basic services such as electricity, water, and health care, endemic corruption in the public sector, and the lack of accountability of the political class.

The government was forced to resign on October 29, 2019. A hard-currency liquidity shortage leads banks to impose tight curbs on cash withdrawals and transfers abroad. The government vows to enact long-delayed reforms failed to make progress that might unlock foreign support.

After long months of negotiations between the political actors, a new gov-

ernment was formed on January 21, 2021. The newly appointed ministers were portrayed as technocrats who promised to no avail to operate without loyalty to political parties. Indeed, demonstrations continued amidst call for early elections

On March 7, 2020, the government announced that Lebanon cannot repay its treasury bonds and calls for negotiations to restructure its debt. On May 1, 2020, Lebanon signed a formal request for IMF assistance after approving a plan setting out vast losses in the financial system. The banking association rejected the plan, claiming its proposals for restructuring the banking sector would further destroy confidence in Lebanon.

The government was forced to resign after the devastating Beirut Port explosion on August 4, 2021. Negotiations to form a new government are still taking place in a difficult context. Repetitive conflicts over cabinet formation related to constitutional powers factors, cabinet size, sectarian representation, and ministerial allocation continue to dominate the public discourse and waste precious time.

They remain, however, peripheral to the central issue that traditional political parties currently face: a struggle for political survival at a time when tough decisions need to be made. The collapse in the currency exchange rate and their inability to get back their deposits mainly in foreign currencies have hurt and angered their own popular bases paid in Lebanese Lira.

A new government was formed on September 9, 2021. A disastrous economic situation and the need to undertake structural economic reforms will be a priority on the government agenda.



IV

THE SOCIAL AND ECONOMIC SITUATION

Lebanon has a liberal economy with little government interference in the private sector. The country's economy was based on services that made up almost 70% of the GDP, a flourishing banking sector, the remittances of Lebanese immigrants, tourism, real estate development, and a low tax system.

Since 1997, successive Lebanese governments maintained a fixed exchange rate between the Lebanese Lira and the US dollar using the remittances of Lebanese migrants and foreign currency reserves held by private banks to finance the budget deficits through issuing treasury bonds. This came to end when the flow of foreign currencies to the country was sharply reduced.

a. Risks and challenges

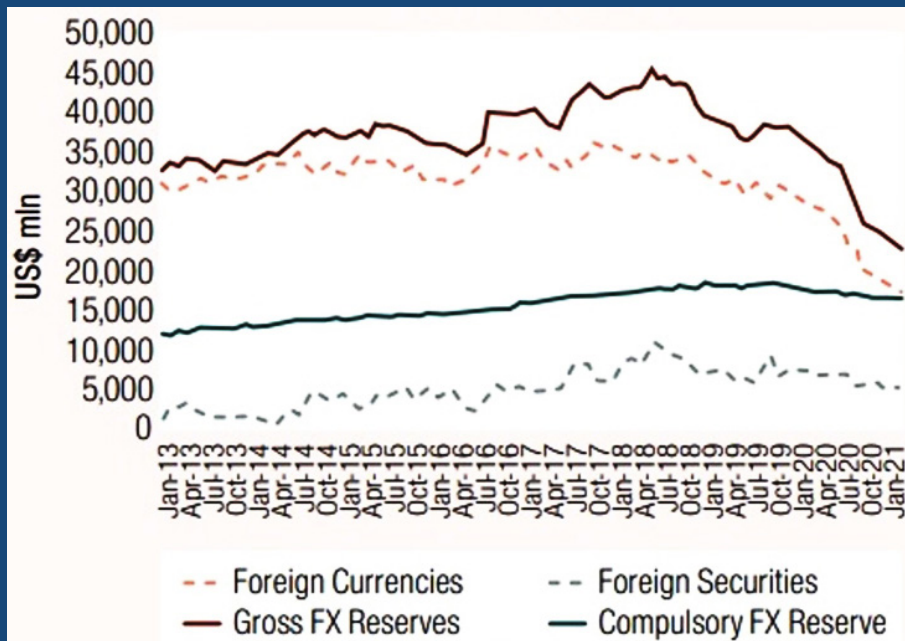
With the beginning of the economic slowdown in the Gulf countries due to the decrease of oil prices, and the Arab Spring, remittances of Lebanese living in those countries decreased. In addition, a number of those expatriates returned home. Those expatriates returned home. Foreign currencies reserves started to decrease. Later on, the Central Bank resorted to the Ponzi scheme to keep financing public expenditures leading to the depletion of those reserves.

As a result, the government engaged through the Central Bank in a policy of subsidizing a number of items such as oil, gas, wheat, medical equipment, and other goods. The policy cost was estimated at billions of dollars and led to a lot of trafficking and smuggling of subsidized goods outside the country and increased dollar shortages.

In August 2021 the Central Bank announced that it will stop subsidizing fuel and other goods by the end of September 2021 because the reserves of the Central Bank were almost depleted. In fact, the 14 billion dollars, it still holds is made up of obligatory reserves that cannot be spent. Thus, the imminent lifting of subsidies promises to be very difficult on the population and will further exacerbate inflationary pressures and social unrest.



A Steady Depletion in the Gross Foreign Exchange Position at BdL



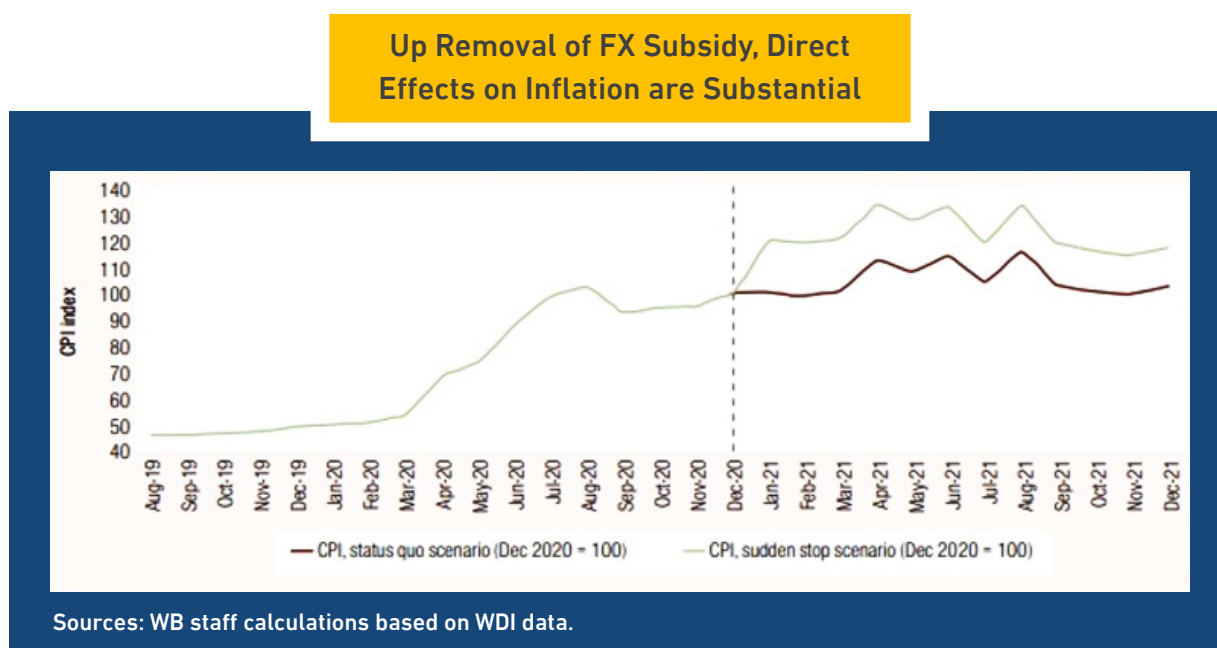
Sources: BdL and WB staff calculation.

Note: Compulsory FX reserves are World Bank estimates based on published data, and a 15 percent required reserve ration on FX deposits in commercial banks.



Even if maintained, subsidies will only temporarily delay the collapse of the economy, siphoning along the way any remaining foreign currency reserves at the Central Bank. Selfish political bias may in fact favor this scenario, thereby postponing public fury and total collapse of the country.

The Lebanese economy is down falling. Thus, The GDP per capita reached its lowest level since 2018 and the public debt reached 151 percent of the GDP in 2018. Real GDP growth is estimated to have contracted by 20.3 percent in 2020, following a 6.7 percent contraction in 2019. Tourist arrivals fell by 71.5 percent, over the first five months of 2020. Meanwhile, construction permits and cement deliveries suffered respective declines of 26.9 percent (YoY) and 44.7 percent over the first 10 months of 2020.



As, a result of the decrease in the flow of US dollars, the Lebanese LIRA started its terrific downfall. The Lebanese Lira value fell from 1500 Liras to the dollar to 20000 Liras on August 31, 2021, with a peak of 24000 Liras per US dollar.

Exports were the only contributor to growth in 2020, for the second year in a row. Based on Custom's data, the merchandise trade deficit was reduced by 54.8 percent over the first 11 months of 2020, benefitting from a 45.4 percent retraction in imports.

2 The Global Competitiveness Report, Op. Cit.
 3 Source: World Bank Group, Lebanese Economy Monitor, Lebanon Sinking to the Top Washington DC, 2021.
 4 WFP, Assessing the Impact of the Economic and COVID-19 Crises in Lebanon, 2020, <https://docs.wfp.org/api/documents/WFP-0000116784/download/>.

b. Impact on Firms

The Global Competitiveness Index that provides a view of the business environment ranks Lebanon poorly: 100 out of 141 (one being the best), the best score was the redundancy costs 21. Worst ranked are active labor policies 123, pay and productivity 67, and the ratio Source of wage and salaried female workers to male workers 103. It is worthwhile mentioning that cooperation in labor-employer relations also scored relatively poor 106, Labor efficiency ranked 100, cooperation in labor employers' relations 106, active labor policies 123, and Reliance on Professional management scored 109.¹

On the other hand, the World Bank conducted an Enterprise Survey in Lebanon in Lebanon November 2020 after of explosion of the port of Beirut and the unfolding economic crisis. The survey's results demonstrate

that; 16. % of firms surveyed are confirmed or assumed permanently closed while manufacturing firms that remain open are operating at 35 percent of capacity, and that 46 % of the firms have been affected by the Port of Beirut explosion; 72 percent have been temporarily closed at some point since the beginning of the pandemic due to Covid-19; 17 percent experienced an interruption of their supply chain.; 79% of the firms say their sales declined significantly together with demand since the beginning of the financial crisis (October 2019); a 74 percent drop in demand for their products and services; 55% of businesses experience liquidity challenges with only 13 % relying on banks to get liquidity.

In conclusion, Lebanese businesses suffer from difficult economic conditions due to the economic crisis the currency collapse, the lack of liquidity, and poor salaries and working conditions.



Topics	2019 Changes	2020
Overall	142 -1	143
Starting a Business	146 -5	151
Dealing with Construction Permits	170 +6	164
Getting Electricity	124 -3	127
Registering Property	105 -5	110
Getting Credit	124 -8	132
Protecting Minority Investors	140 +26	114
Paying Taxes	113 -3	116
Trading Across Borders	150 -3	153
Enforcing Contracts	135 +4	131
Resolving Insolvency	151 0	151

Sources: The Global Competitiveness Report, 2019?, in Labor Market Profile 2020, Danish Trade Union development Agency, 2020.

c. Impact on jobs

Based on estimation from ILO, the total employment in Lebanon was 2.1 million in 2019. The public administration, education, and health sector have the highest share of employment (26%, 556,000 workers) followed by the commerce and tourism/hospitality sector (21%, 449,000 workers). Construction sector's share (12%, 245,000 workers) and manufacturing sector (9.5%, 200,000) are closely in line with the Arab States average, 14% and 8.3%, respectively. Women cover just 24% of the total employment, and they are mainly in 'other sources (51%), and public ad-

ministration, education, and health sector (42%) and agriculture (31%).²

The financial and economic crisis is increasing the risk of social unrest. The crisis is a result of institutional weaknesses, deficient economic and social policy, corruption, and poor public service. Social unrest is fuelled by increased poverty, the dwindling salaries of workers because of inflation and currency downfall. Phone surveys conducted at the end of 2020 by the World Food Program found that: 41 percent of households are having in getting food; 36 % having difficulties in accessing health care while unemployment also rose to 40%.

Average Change in Full Employees by gender for All Firms Surveyed

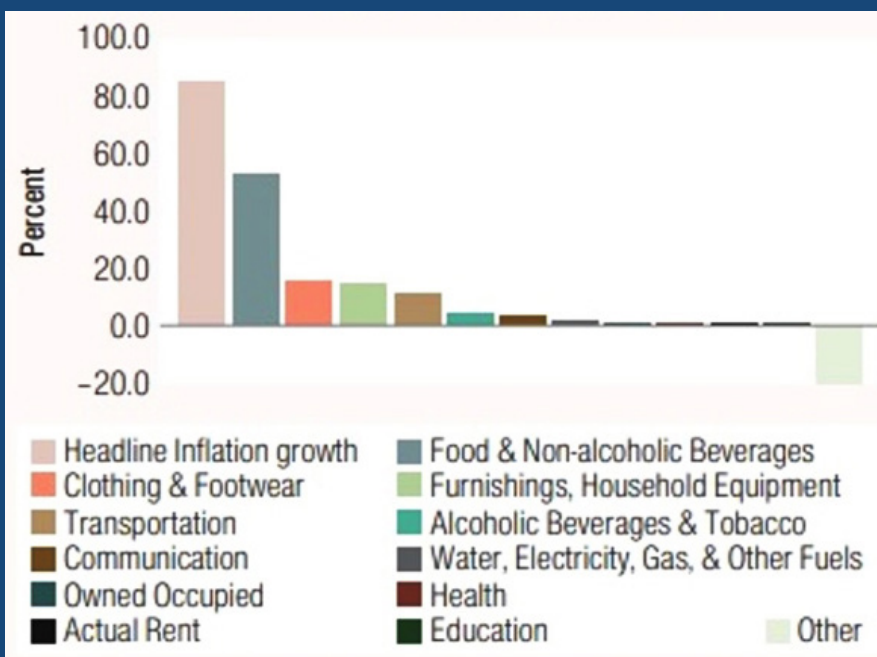
Size (in full-time employees)	Number of firms	Average size	Average percentage of females to total full-time employees	Average percentage change in full-time employees	
				Male	Female
5-19	219	8.4	16%	-25%	-20%
20-99	123	37.1	20%	-30%	-27%
100 or more	37	171.3	10%	-22%	-23%
All firms	379	24.8	16%	-27%	-25%

Relatively few firms surveyed have resorted to other labor adjustment measures, such as reducing salaries, benefits, or working hours. Only, 13 percent of firms have decreased salaries by around 45 percent, while 29 percent of firms increased salaries of their employees by around 40 percent. Note that these nominal increases were in fact negative in real terms, as inflation reached triple digits during this period. Additionally, according to the survey, 23 percent of firms have decreased benefits to their workers, by 79 percent on average, while 41 percent of firms have decreased working hours by 36 percent on average (the other 59 percent of firms reported no change to workers' hours).

On the other hand, the World Bank survey found that one in five workers lost their jobs since October 2019, while 61 percent of firms surveyed decreased the number of permanent workers by 43 percent on average. Medium-size and large firms laid off a larger number of workers than the small ones: 76 percent of large firms surveyed downsized by an average of 37 percent, while 70 percent of medium firms downsized by 43 percent. The loss of jobs was slightly smaller for women, Yet, the school closure due to corona made it more difficult for women to conciliate their jobs, family life as well the opportunity to find future employment opportunities according to a study conducted by Stand for Women, that concluded that half of the businesses that closed will not be able to reopen without some form of assistance.³

Besides laying off workers, most businesses have resorted to reducing salaries, benefits, and working hours:13 percent of firms have reduced salaries by around 45 percent, while 29 percent of firms increased salaries of their employees by around 40 percent (due to inflation, and currency devaluation). Moreover, according to the survey, 23 percent of firms have decreased benefits to their workers, by 79 percent on average, while 41 percent of firms have decreased working hours by 36 percent on average.

Inflation in Basic Items is a Key Driver of Overall Inflation, Hurting the Poor and the Middle Class



Sources: CAS and WB staff calculations.

The WFP's reported in its survey that "Out of the working Lebanese, 23 percent reported recent salary reductions. Young workers who fall within the 25 to 34 age range accounted for 28 percent of those who saw salary reductions since the COVID-19 outbreak. When applying a gender lens, it became apparent that a slightly higher proportion of Lebanese women reported recent income reductions compared to men (24% vs 21% respectively)."⁴

The multiplicity of crises affecting Lebanon is likely to have an escalating impact on poverty. After remaining in the single digits for over a decade, average annual inflation increased in 2020, while average food inflation alone grew by a record 254 percent over 2020. The annual rates do not fully reflect the rapid rise in monthly inflation wherein the year-on-year inflation rate reached 146 percent in December 2020 with a corresponding food inflation rate of over 400 percent. The growth in food inflation is particularly concerning, as food consumption forms a larger proportion of the expenses incurred by poorer households.

The deteriorating purchasing power is causing households to struggle in making ends meet. Those paid in Lebanese Lira—the bulk of the labor force—are seeing potent purchasing power declines." The aforementioned WFP survey further found that "41 percent of households reported challenges in accessing food and other basic needs. Out of Lebanese respondents who are aware of or had to seek medical care, nearly half reported health services functioning as usual, however 34 percent reported facing barriers to accessing health care due to recent non-functional facilities or other inaccessibility reasons."⁵



SOCIAL DIALOGUE AND COLLECTIVE BAR- GAINING IN LAW AND IN PRACTICE

a. Freedom of Association in Theory

Lebanon ratified Convention 87 on Freedom of Association with reservations on trade formation. Some issues persist mainly related to trade union freedom in some parts of the public sector. In fact, freedom of association is largely possible in Lebanon. The degree of unionization is low to very low, partially due to the social and economic structure of the country, with a high level of employment in sectors less likely to be unionized such as the informal economy and small size businesses. On the employers' side the level of "unionization", or representativeness, can be qualified as high.

b. Freedom of Association in Practice

According to the Lebanese Constitution "Lebanon is a parliamentary democratic republic based on respect for public liberties, especially the freedom of opinion and belief, and respect for social justice and equality of rights and duties among Human rights principles were integrated into Lebanese positive law at the international level through the ratification to the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the In-

ternational Covenant on Civil and Political Rights (ICCPR).

At the national legal level, the Universal Declaration of Human Rights became part of the second paragraph of the preamble to the Constitution under Constitutional Law No. 18 dated 21/9/1990 as follows:

"... Lebanon is also a founding and active member of the United Nations Organization and abides by its covenants and by the Universal Declaration of Human Rights. The Government shall embody these principles in all fields and areas without exception."

The ratification of these treaties – though not directly connected to labor law- had a lasting impact on the evolution of the legislative process in Lebanon, has had a direct impact on litigation. They allowed people to protect fundamental principles and freedoms that are not explicitly stipulated in the national law. Thus, disputing parties were capable to include in their lawsuits principles and rights set out in international treaties and in human rights treaties. Thus, the judiciary gained a major tool in protecting fundamental rights and freedoms, especially in the context of litigations related to the freedom of organizations and to workers' sacred rights. In fact, there have been several cases where such human rights principles were successfully advocated to protect wage earners' rights.

c. The legal framework

The main legal tool for social dialogue in the workplace is the Labor Law. Thus, the Lebanese Code of Labor Law was introduced on December 23, 1946. The Code regulates working conditions and employment contracts as well collective and individual labor relations. It includes 8 titles related to the work contract, organization of work, arbitration process, trade unions, penalties on the breach of the Code of Labor, labor exchange, and general final provisions. Later legal provisions were introduced later on. They are related to minimum wage, compulsory holidays, and health regulations. Moreover, Lebanon ratified conventions concerning wage earners' rights.

Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work. Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions promote a well-regulated and well-functioning labor market. In addition, there are 71 conventions, which ILO considers "up-to-date" and actively promotes.

According to ILO, social dialogue includes all types of negotiation, consultation, and exchange of information between, or among, representatives of governments, em-

ployers, and workers on issues of common interest. Moreover, Lebanon's accession to the ILO in 1948 allows filing complaints before the organization, which has the authority to consider them, conduct investigations, and make recommendations. This took place in 2012, when the National Federation of Worker and Employee Trade Unions in Lebanon (FENA-SOL) sued the Lebanese government before the ILO Committee on Freedom of Association, requesting the Lebanese State to replace the obligation of obtaining a license from the Ministry of Labor to create a trade union and replacing this explicit request, by just sending to the Ministry of Labor a prior notice in conformity with the principle of the freedom of assembly.

In Lebanon, the legislation regulating social dialogue dates from the nineteen forties. Yet, the legal frameworks are currently under pressure due to the sharp economic, political, and financial crisis in Lebanon. The pillars of these legal frameworks are The recognition of individual freedom of association with certain limitations, the right to create new trade but with important limitations through getting an official recognition to act as a genuine trade union, the existence of some formal bodies for tripartite social dialogue, with a limited scope of competences, the inexistence of structures for continuous sector level social dialogue, apart from disputes resolution systems, and the absence of mandatory measures to organize representation and negotiation at such level.

Subject and/or right	Convention	Ratification date
Fundamental Conventions		
Freedom of association Ratified	C087 - Freedom of Association and Protection of the Right to Organize, 1948	Not
and collective bargaining 1977	C098 - Right to Organize and Collective Bargaining Convention, 1949	
Elimination of all forms of 1977	C029 - Forced Labour Convention, 1930	
forced labour 1977	C105 - Abolition of Forced Labour Convention, 1957	
Effective abolition of child 2003	C138 - Minimum Age Convention, 1973	
labour 2001	C182 - Worst Forms of Child Labour Convention, 1999	
Elimination of Discrimination 1977	C100 - Equal Remuneration Convention, 1951	
in employment 1977	C111 - Discrimination (Employment and Occupation) Convention, 1958	
Governance Conventions		
Labour inspection 1962	C081 - Labour Inspection Convention, 1947	
	C129 - Labour Inspection (Agriculture) Convention, 1969	NR
Employment policy 1977	C122 - Employment Policy Convention, 1964	
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	Not ratified
Up-to-date Conventions		
Elimination of child labour 1977	C077 - Medical Examination of Young Persons (Industry) Convention, 1946	
and protection of children and young persons 1977	C078 - Medical Examination of Young Persons (Non-Industrial Occupations) Convention, 1946	
Labour administration 2005	C150 - Labour Administration Convention, 1978	
Employment policy and 2000	C159 - Vocational Rehabilitation and Employment (Disabled Persons) Convention,	
promotion	1983	
Vocational guidance and 2000	C142 - Human Resources Development Convention, 1975	
Training		
Wages	C095 - Protection of Wages Convention, 1949	1977
	C131 - Minimum Wage Fixing Convention, 1970	1977
C014 - Weekly Rest (Industry) Convention, 1921 1962		
Working time		
C106 - Weekly Rest (Commerce and Offices) Convention, 1957 1977		

Occupational safety and Health	C115 - Radiation Protection Convention, 1960	1977
	C120 - Hygiene (Commerce and Offices) Convention, 1964	1977
	C139 - Occupational Cancer Convention, 1974	2000
	C148 - Working Environment (Air Pollution, Noise and Vibration) Convention, 2005	1977
	C170 - Chemicals Convention, 1990	2006
	C174 - Prevention of Major Industrial Accidents Convention, 1993	2005
	C176 - Safety and Health in Mines Convention, 1995	2000
Seafarers 2018	MLC, 2006 - Maritime Labour Convention	
Dockworkers 2004	C152 - Occupational Safety and Health (Dock Work) Convention, 1979	

Source: ILO, NORMLEX, Lebanon, ILO, List of instruments by subject and status C172 - Working Conditions (Hotels and Restaurants) Convention, 1991



i. The Situation in Practice: Trade unions

The Lebanese legislation addresses the organization of trade unions in a number of texts, mainly in Title IV of the Labor Law, and Decree No. 7993 of 1952. The main legal provisions include the following:

- Each category of occupation has the right to create a trade union.
- Trade unions are not allowed to engage in politics.
- Trade unions cannot be created without the authorization of the ministry of labor.
- Employees have the freedom to decide whether to join or not a certain trade union.
- Foreign or migrant workers have the right to join trade unions but do not have the right to vote or to be elected.
- The government has the right and power to solve the union if the latest did not abide by the duties imposed on it or undertook an activity that does not fall within its competencies.
- Trade unions have the right to unite under a “federation” of trade unions. The federations are subject to the conditions imposed for the establishment of trade unions.

➤ Trade unions should commit to the conditions stated by decree No. 7993 and should be under the supervision of a delegate appointed by the ministry of labor and responsible for inspecting the elections.

➤ Elections should not be considered as final unless approved by the ministry of labor.

➤ Labor inspectors should look at the records when making the final account or when there is a complaint from a member of the union’s council.

The history of the trade unions’ movement in Lebanon is divided into three major phases. The first phase, during the French mandate period, marked the birth of the workers’ movement. A number of efficient trade unions were formed between 1919 and 1924, such as the association of railway workers and employees, the trade union of printing press workers, and the trade union of carpenters. This period peaked with the creation of “the Confederation of Trade Unions of Workers and Employees in Lebanon” in 1939.

The second phase happened after the independence of Lebanon in 1943. The enactment of labor law in 1946 was a major achievement of the worker’s movement because it has provided basic labor rights such as the rights of association, the right to paid holidays, maternity leaves, female and child rights, dismissals, severance pay, and indemnity for work

termination. It was marked by the development of trade and services and the relative decline of the industry. The obligation to defend workers' rights. The difficult conditions of workers under an ultra-liberal economy led trade unions to unite under a Council of Federations to protect wage earners and improve their salaries. In 1971, all federations decided to rally under a new organization called the General Confederation of Lebanese Workers (GCLW).

The third phase started after the war: it has witnessed mounting conflicts within the General Confederation of Lebanese Workers, due to the political fight for power and the sharp divisions around reconstruction policies. The GCLF failed to keep workers' purchasing power. On the other hand, Trade unionization is mostly public-sector-oriented. In addition, unionization in the public sector is more important than in the private sector.



d. The Situation in Practice: The GCLW

The General Confederation of the Lebanese Workers rallies under its umbrella most trade unions and federations. The number of trade unions reached around 420 in 2008. In the mid-1990s, another surge was recorded in the number of trade unions for political reasons and without being truly representative of workers.

Federations in Lebanon are of four types:

- General federations stemming from different economic sectors.
- Sectorial federations.
- Regional federations that comprise federations from a specific region.
- Federations of public institutions.

After the Taef agreement in 1990, the role of the GCLW began to decline sharply because of its failure to undertake a successful and inclusive national dialogue in order to overcome sectarianism and divisions resulting from the war and to conduct peaceful dialogue with social actors.

On the contrary, the political class encouraged the creation of new trade unions and federations on a political and confessional basis allowing practically some political parties and indirectly the government to control the decision-making process within

the GCLW by guaranteeing a large number of loyalist federations in the council of representatives and therefore the executive bureau. This increase in the number of federations was accompanied by important divisions within the GCLW that resulted in the weakening of its fight in front of the state and the ruling political and financial elites. Hence, the GCLW became a tool in the hands of the political class. For example, the GCLW had planned a general strike on October 12, 2011, to demand a wage increase for workers. At the time, the Minister of Labor proposed a set of recommendations for the wage increase that was judged insufficient by the GCLW. However, one day before the forecasted strike, the GCLW leadership, took a unilateral decision to cancel the call for the strike and reached a questionable settlement with the government. Many trade unions and federations did not see themselves represented by the GCLW action and rejected the agreement with the government because they considered the wage increase inadequate and too low. Moreover, the wage increase excluded workers who earned more than 1.8 million LL per month, which deprived a large proportion of wage earners without a wage increase.

e. The Situation in Practice: The UCC

The Union Coordination Committee (UCC) gathers under its umbrella worker's organizations that are not enrolled under any GCLW federations.

They are The League of Public School Secondary Teachers; The League of Public Primary School Teachers; The League of Public Administration Employees. These leagues act like trade unions despite the legal provisions that hamper their actions. These leagues have acted largely since 2011 under the umbrella of the UCC. Currently, every group of the public sector has its own league.

The UCC provided a powerful trade union structure and a national negotiation platform much more active than the GCWL. The leagues negotiate as one united group living conditions and social rights with the government.

The UCC led a series of strikes and demonstrations during the period 2011-2014 requesting a new salary scale. The activism of the UCC may pave the way towards a shift upward in the trade union's movement weakness because the GCLW was unable to play its role in representing the interests of all workers or in leading the workers' movement to achieve their legitimate interests.

The reasons for the relative vigor of the UCC are due to the unity of public sector workers and teachers due to the fact that, unlike the private sector where more than one unit can be established in the same sector of activity, there is one league for civil servants, secondary teachers, and primary school teachers. In addition, teachers and civil servants are automatically members of their leagues, which is not the case with unions in



the private sector. This guarantees the high representativeness of those leagues.

Moreover, elections in the three leagues are regular and never postponed. Instead, they take place every two years especially in the secondary teacher's league which is the backbone of the UCC. These regular elections give legitimacy to the three leagues allowing them to resist political pressure. Also, the elections take place beyond confessional divisions and involve in one time all the Lebanese territory. at the level of Lebanon as one district, which flattens sectarian divisions.

On the other hand, all the decisions of the UCC are taken by consensus. Important decisions such as strikes are taken by votes in general assemblies. UCC has to go back to the general assemblies for large decisions such as strikes and boycotts. This democratic and independent decision-making of the UCC comes from the structure of UCC leagues.

The other two leagues coordinate with the secondary teacher's league and act together when it comes to worker's demand actions.

f. The level of unionization in Lebanon

The level of unionization is low because of the lack of representativeness of the GCLW. Two studies have shown that GCLW membership represents only 5-7% of salaried workers. Most of those workers are concentrated in the trade and services sectors, public agencies, and independent authorities for whom union membership extends to all workers.

The failure of the GCLW to lead the worker's movement is evident in many ways, including the failure to get for workers long-delayed wage adjustments because of its weak representation, undemocratic practices, and its heterogeneous structure. Thus, the 50 trade unions federations include general (formed

from trade unions of different sectors), sectorial, and geographic federations, without any mechanisms to regulate the relationship among these various structures. Observations show that more than half of all federations in the GCLW are of confessional nature that was established after the end of the Lebanese war in 1990 which brought to power sectarian political parties. As previously mentioned, the GCLW's has severely weakened after 1990 and continues to suffer from low representativeness, while its leadership is affiliated to one political party. Another example is the total paralysis of the GCLW in these times where workers suffers from a huge drop in their income.

On the contrary, the UCC has been calling for strikes in the past months in the public service and in education claiming the upgrade of workers' salaries that were eroded by currency devaluation and inflation.

**Distribution of Federations in GCLW
according to their type**

Types of federations	Number	Share, %
Sectorial federations	23	46 %
Federations of Public Autonomous Institutions	2	4.0 %
General federations	14	28 %
Geographical federations	11	22 %
Total	50	100 %

Sources: DTDA, LMP Data Collection Template, Lebanon

g. Employers' Organizations

Association of Lebanese Industrialists (ALI)

The Association of Lebanese Industrialists was created in 1942. It represents manufacturing companies present on the Lebanese territory. The number of registered companies reached 804 in 2019. ALI is composed of 17 assemblies and 14 syndicates. ALI engages in social dialogue and negotiation with the government and trade unions concerning social, economic, and policy issues, and lobbies to promote industrial development, job growth, and increase of industrial outputs. According to the estimates of ILO around 9.3% of the total employment is composed of employers.

ALI represents Lebanese industries in national councils and committees that consider economic and social policies, labor legislations, taxation, social security, industrial relations,

research, health care, and public policies for small and medium-size businesses.

Professional Orders

In Lebanon, there are powerful syndicates for different professions such as dentists, medical doctors, pharmacists, engineers, lawyers, nurses... These unions are called *Ordre* in French and differ from trade unions because affiliation to the syndicate is mandatory to be allowed to exercise the profession.

Those Orders are involved in social dialogue to defend by preference the interests of their profession. They engage in dialogue with GCWL on social and economic issues. Among the trade unions not enrolled in the GCWL figures: The Trade Union of Employees of the Central Bank, The Trade Union of Private Union Teachers, and The National Federation of Unions (FENASOL).

The Economic and Social Council

The Economic and Social Council provides a platform of dialogue between employers and employees but has not been very active since its creation.

h. Social Dialogue

The social dialogue in Lebanon covers the following aspects: industrial relations, the freedom of association, the right to organize, collective bargaining, settlement of labor litigations, and settlement of labor disputes. However, in the aftermath of war, social dialogue has been very weak and almost absent between the different social actors (employers and employees).

In addition, religious affiliation is playing an important role in making social dialogue between different groups more difficult. Disputes have often taken the form of strikes with the aim of getting salary increases leading occasionally to an insufficient salary increase.

i. Decent Work Agenda

LMPs report on several key indicators within the framework of the Decent Work Agenda (DWA) and the Sustainable Development Goals (SDGs). They especially address particular aspects of labour market development such as the evolution of trade union membership, social dialogue and bi-/tripartite mechanisms, policy development and legal reforms, and the status of ILO conventions and labour standards, among others.

Lebanon was planning by 2030, to achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.

The table below represents key indicators that follow the Decent Work Agenda. The selected key indicators are concentrated on areas where the trade union movement has a central role in the labour market.



Creating decent jobs	
Policy reforms addressing creation of decent employment	Yes. National Employment Office (NEO) is financing skills development by providing some assistance to civil society associations, which are doing vocational training. The ministry of social affairs is furthermore in charge of a project concerning poverty eradication. An assessment has started to develop a broader project for social protection.
ILO standard setting on improvement of status of workers from the informal economy	No. Most informal workers are migrants working in the agricultural sector under both low productive and poor working conditions.
Guaranteeing rights at work	
Growth in trade union members (%)	N/a
Violations of trade union rights	Ranking 4 out of 5 (5+ is the worst) *
Labour legislation is improved according to ILO standards	No. Last relevant legislation was in 2014 (modification of articles 28, and 29 of Labour Law).
Trade union organisations with minimum 30% women representation in decision-making bodies	No. Even though women membership ratio often is equal to the women working in the specific sector ratio, their representation in executive boards is much lower.
Extending social protection	
Health social protection coverage as % of total population in partner countries	52 % (2007)
Workers from the informal economy have access to national social security schemes	N/a
Promoting social dialogue	
Trade union density of total employment (%)	N/a
Trade union density of employees (%)	N/a
Cooperation in labour-employer relations	Ranking 106 out of 141 (1 is best) **
Number of Collective Bargaining Agreements (CBAs)	N/a
Workers' coverage of Collective Bargaining Agreements to employees	N/a
Bi-/tri- partite agreements concluded	N/a

* This is interpreted as systematic violations of rights. Countries with a rating of 4 are interpreted as the government and/or companies are engaged in serious efforts to crush the collective voice of workers putting fundamental rights under threat (Source: ITUC, Global Rights Index).

** This indicator is based on data from the Global Competitiveness Index that represents employers' opinions from surveys (Source: World Economic Forum).

Source: DTDA Analytical Unit and Slaiby, Ghassan, Template for collective of Data and Information for Development of Labour Market Profile (DTDA), 2019.



Tripartite Structure

Tripartism is founded on cooperation based on contracts concluded between employers, workers, and the state. Each actor is a social partner whose role is defined during the process of negotiations. ALI and CGTL operate as equal social partners in a tripartite setting. It is obvious that all the governments following the Taef accord in 1990 did not engage seriously in social dialogue on the labor issues but were reactive to trade unions pressures and protests than on objective market and labor cost analysis.

The major central structures of the tripartite are the Office of National Employment, the Index Committee, the National Security Fund, and the government. For example, tripartite agreements were reached in 2012 and in 2012 between the government and the UCC that gave an increase of salaries to government employees while the private sector did not benefit from it.

Since then there has been discussion from time to time on a new salary raise without getting to anything substantial. In fact, trade unions have been very weak or even totally absent in face of the terrible degradation of wage earners' conditions in terms of salaries, pensions, transport, taxes, an increase of the minimum wage, and social security coverage.

In return, the government is avoiding making new raise proposals because of the huge deficits of the budget, the public debt increase, and the diminishing of tax collection. Recently, the government

accepted to give a one-month bonus to the employees of the public sector and increased the transport allowance from 8000Liras per day to 24000Liras. The transport allowance was also extended to the employees of the private sector.

In addition, there is no permanent structured dialogue between the government, employers, and employees further to which proposals are being addressed properly by the government.

Bipartite National Social Dialogue

As far as bipartite national social dialogue is concerned, the present situation is not promising. Trade unions regularly present wage increase demands to the government at the central level, not to the employers. The basis is often a demand for increases in the minimum wage, which then, via spill-over, would also be applicable to other wage levels. The government then is expected to consider the case based on Price Increase Index but little is done because businesses are in very bad final shape and have seen their activities reduced because of the crisis and the sharp decline of the Lira that made salaries irrelevant. Hold discussions with the employers and make a final proposal. Neither party signs the agreement, but both implicitly accept it.



i. Social Dialogue Structures and Practice at Sector Level

Legal Framework

There is no proper structure for promoting social dialogue at the sectoral level. However, the Ministry of Labor is in charge of mediation between wage earners and collective contracts at the sector level. Despite the number of institutions and proper legislation, there are few collective agreements. At the sectoral level, there are three conventions, concerning: Banks, oil companies, and Supermarket chains (i.e. Spinneys).

The percentage of collective agreements and the number of employees adhering to collective agreements is very small. Other companies can adhere to the collective agreement but it is rarely the practice. Thus, the total bargaining coverage via sectoral agreements is hence very low.

The trade unions would like to encourage the sectoral federations of the CGEM to enter into negotiation to sign sectoral collective agreements. It should also be noted that there is also a very centralized approach to wage formation, still the main subject of social dialogue with little capacity for sectoral variation.

This is especially the case with wage discussions (both on the minimum wage, and on wage increases above the minimum wage level). They are in essence

conducted at the central level, in the framework of tripartite (but not bipartite) “negotiations”. The processes are very often similar; the trade unions introduce a high wage demand, expecting a much lower outcome; the employers do not directly participate, leaving the negotiation process in the hands of the government which often take the final decision, announcing it as a political decision, and then suggesting that the existing wage pyramid should not be upset, thereby generalizing the wage increase across the whole of the private sector.

What has to be underlined here is that, apart from the process, there is also a lack of capacity or willingness at the sector level to conduct more specific negotiations geared to the specific characteristics of the relevant sector opportunities or challenges. The lack of a specific structure for sectoral bargaining must surely not help.



j. Social dialogue at the company level

Legal framework

At the company level, there is little social dialogue for the lack of the existence of a legal structure and for the unwillingness to do it. There may be a trade union with the competence to conduct such dialogue.

On the other hand, it may occur that a trade union delegation with the competence to represent the trade union(s) at the company level, and which may be involved in the conclusion of agreements at the company level.

At the company level, there are a limited number of collective agreements in force. They mainly concern large companies and multinationals. In practice, collective bargaining coverage via company agreement is low.

e. Collective Agreements Disputes and Settlements

i. Legal framework

Collective agreements are defined as a dialogue between, on the one side, representatives from the most representative trade unions, or trade unions from the most representative employee groups, and on the other, employers or representatives from

employers' organizations, in order to:

- Determine and improve working and employment conditions;
- Organize relations between employees and employers; and
- Organize relations between employers or their organizations and one or more of the most representative trade unions.⁶

This should take place at the national, sectoral, and company levels at least once a year.

ii. Mechanisms available to resolve labor disputes: arbitration

Title II of the Labor Code deals with labor disputes between wage earners and employees. Mechanisms for resolving disputes arising from labor relations and social security issues can be divided into administrative control mechanisms under the supervision of the Ministry of Labor, and those of a judicial nature considered before special councils called arbitration councils that are the sole competent body to rule on these cases.

iii. Conciliation: Labor Ministry inspectorate

The Labor law granted a mediation role for the Ministry of Labor, handled by the Ministry's inspectorate. The latter is entrusted with supervising compliance with the texts and

legislation in force to ensure the application of legal provisions in terms of work conditions, and the protection of employees during the performance of their work. Usually, workers start their litigation by filing a request to the Ministry of Labor's Inspectorate prior to resorting to the judiciary.

The first phase is called conciliation. The role of conciliation is assumed by the Ministry of Labor. The dispute is submitted to a mediator who tries to find a common ground between the two sides. In case the conciliation fails, the labor dispute is to be settled through the Arbitration Council.

The labor law fixed a time limit on the ability to claim labor rights. Thus, the right to claim compensation for arbitrary dismissal expires within a month from the date of the notification of dismissal.

Article 351 of the Law of Obligations and Contracts stipulates that the right of workers and trainees in respect of claiming wages, expenses, per diems, and advances shall expire after two years from the date of termination of the contractual relationship. In addition, Article 48, paragraph 3, of the Social Security Law provides that the right to claim family compensation expires two years after it is due.

However, the labor inspectorate presently suffers from a severe shortage of inspectors and financial means, which limits its supervisory role leading to a limited role in overseeing the workplace.



iv. The Arbitration Council

The Arbitration Council is composed of representatives of employers and of employees and is headed by a judge. There is an Arbitration Council in every Mohafazat (Governorate). The decisions of the Arbitration Council may be appealed before the Court of Cassation.

Article 77 of the Labor Law established a labor arbitration council in the head-quarter of every Lebanese governorate, qualified to deal with individual labor disputes arising from the application of the Social Security Law, as well as “differences arising from the determination of the minimum wage” and disputes arising from labor emergencies.

Labor arbitration councils are special judicial bodies in terms of their composition and their mandate.

Labor Arbitration Councils enjoy the exclusive jurisdiction to adjudicate disputes related to specific Labor activities. In addition, the composition of these arbitration councils is also different from civil or criminal judicial courts. They are headed by a judge and include a representative of the workers, a representative of the employers, and a representative of the government and of the Ministry of Labor.

The objective of this representation of the conflicting parties in the arbitration councils would ensure a socio-economic approach to the problem presented in parallel with the purely judicial and legal approach.

Article 344 of the Lebanese Penal Code forbids the act of abstaining from implementing the decisions of the labor courts under the provisions and could be punishable by up to a year of imprisonment.

The law made facilitated access to arbitration councils for wage earners. Thus, Article 80 of the Labor Law exempts the parties to the dispute from paying any judicial fees and relieves them from the duty to hire a lawyer. In addition, Article 80 of the Labor Law stipulates that the labor arbitration councils shall deal with the cases brought before them in an expeditious manner. Article 50 of the Labor Law gave the labor arbitration councils a period of three months to rule on the cases they are judging, in fact, the real duration to issue a ruling may take years.

v. *Arbitration Commissions for the Resolutions of Collective Labor Disputes*

The Arbitration Commissions for the Resolution of Collective Labor Disputes was established by decree in 1964. It has the authority to judge collective labor disputes, which arise between a group of employees and the employer, regarding collective contracts stipulations, over the interpretation of laws, decrees, regulations, or contracts, especially with regard to wage increases, labor working conditions, or social benefits.

Arbitration commissions interfere when mediation partially or fully fails after the dispute has taken place, or based on the request of one of the parties to the contract, or 15 days from the date of the collective cessation of employment. Arbitration commissions are composed of representatives of workers, representatives of employers, and representatives of the Ministry of Labor. Article 56 of the Decree of 1964 stipulates that judgments must be issued “within one month from the date of the first session, and the commission shall have the power to extend this period by two weeks. Its decisions are final and cannot be appealed by any channels.”

Other organizations that deal with issues related to labor are The National Organization for Employment, The National Corporation for Vocational Training, The Chambers

of Commerce, Industry and Agriculture, Collective Labor Committees, The National Association for the Disabled, The National Committee for Combating Child Labor.

In 2017, The Ministry of Labor launched a project to encourage social dialogue. Its aim was to develop a National Strategy for Social Dialogue in Lebanon that involves the development of a National Strategy for Social Dialogue that involves ECOSOC, NEO, GCWL, the Ministry of Labor.

vi. *Disputes in Practice*

In 2018, with the October 17 revolution social unrest increased poverty and worsened the wage earners living conditions. Yet, the trade unions were almost absent from the scene because of the mainmise of some political parties on them.

The GCWL is almost absent and does not undertake any activity to defend the horrible worsening social situation of workers. The GCWL role is to issue episodic statements calling for giving workers their rights and preserving their livelihood.

On the contrary, the UCC has been very active and has been calling open strikes especially in the public sector.



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ندوة اقليمية حول دور الجامعات المحلية
والجمعيات المهنية
في تعزيز الحوار الاجتماعي في دول جنوب المتوسط

4-3 تشرين الأول / أكتوبر 2022



نحو حوار

في منطقة

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Jihen Boutiba

Mustapha Tlili

Ziad Abdelsamad

vii. *Substantive Outcomes*

Having discussed extensively the social dialogue processes (or rather the absence of them), it is clear that the outcomes are limited. In fact, it looks like at least at present, that the main outcomes of social policy, covering wages, working conditions, and industrial relations, are decided on by the government.

There are processes of pre-consultation in a divided trade union front; the employers stay partly hidden, but the real outcomes are basically determined either by the government or unilaterally at the company level via the HR policy of companies.

viii. *Relations Between Parties*

At present social dialogue, especially at the national level where it is most important, is going through a difficult stage because of the current economic crisis.

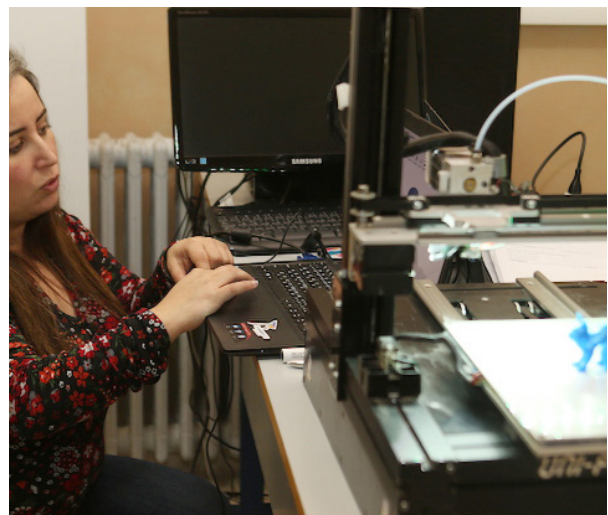
The environment is not helpful. The advocated structural economic adjustment policies that are a prerequisite condition for economic recovery require employment downsizing, reduction of public expenditures, pension reduction, and salary freeze, thus limiting the negotiating margins of the government and employers as well as by extension in the public sector. Moreover, the strong political connotations of trade union positionings may not facilitate tripartite dialogue.

There are also structural deficiencies in the social dialogue institutions such as the lack of independent social dialogue institutions, of decisive competencies, of coordination between the different bodies, of proper preparation and follow-up, and of concrete approaches. The consequence of these structural deficiencies is an absence of interest, commitment, detailed work, and tangible outcomes.

f. *Specific Issues*

i. *Social dialogue and Informal Economy*

Social dialogue does not concern workers and employers in the informal economy in a direct way. Yet, given the extent of the informal economy, the subject of extending unionization to the informal sector employees should be the focus of social dialogue between the government, trade unions, and employers organizations.



CONCLUSION

Lebanon has already had a set of tripartite bodies concerned with social dialogue: Employers, employees, and the state. Yet, the culture of society needs to be strengthened. Yet, the degree of implementation of social dialogue does not correspond with the expectations of the social partners especially in the current grave economic crisis that is affecting workers and most of the population. Social dialogue is mainly seen as a constraint by the Government, while employers as an opportunity to protect their interests, and trade unions are an opportunity for negotiating their legitimate rights. In fact, their many obstacles to social dialogue mainly the lack of political will, institutional under-performance, and the lack of realism.

To foster social dialogue at the local level, it is important to:

- Promote best practices in companies
- Support companies engaged in social dialogue
- Establish works councils in companies
- Train CEOs and HR Directors in social conformity and social dialogue
- Encourage the social mediation mechanism in light of the newly enacted law on mediation

Recommendations

To encourage social dialogue in the industrial sector, there is a need for capacity building in respect to the following:

- Extend the scope of collective bargaining and social dialogue to all professional fields by providing the means and appropriate information to proceed.
- Formulate capacity-building programs for the social partners in terms of:
 - Training on collective bargaining techniques.
 - selection and training of social mediators; provision.
 - of an appropriate level of information for the social partners in tripartite discussions with the government.
- Provide incentives to conclude more collective contracts.
- Establishment of a National Council on Social Dialogue: A national tripartite council on social dialogue could be created with higher visibility, supervising the existing tripartite bodies. The lack of coordination between the current tripartite bodies could be solved by this new body.
- Encourage social dialogue through the establishment of a regional council on social dialogue could be established.

- Create a joint sectoral bargaining dialogue commission at the sectoral level to encourage collective social dialogue and collective bargaining.
- Amend the labor legislation in Lebanon in line with international labor standards.
- Enforce the full respect of the fundamental principles and rights at work of all workers in the private and public sectors, in the formal and informal economy, including migrant workers.
- To develop social dialogue and collective bargaining mechanisms at all levels; enterprise, sectoral, and national, as appropriate channels for unions to negotiate and impact economic and social policies.
- Favor bipartite approach instead of a tripartite one.
- Amend the structure of the GCLW because it is highly conservative in terms of work traditions and structure. The change is important to assert the independence of the CGLW from the political establishment.
- Work to create modern and democratic federations.
- Amend the labor legislation in Lebanon in line with international labor standards, taking into account all the realities of the labor market and workforce specificities.
- To work to unionize workers who usually have limited trust in trade unions.
- Unionize employees in the informal sector.
- Enforce the respect of freedom of association as stipulated by interna-

tional conventions numbers 87, 98, 189, and 135 is a fundamental objective.

- Increase the influence of business associations on socio-economic policymaking.
- Join and actively participate in the international trade union movement and learn from its experience and best practices.

Finally, the workers' trade union movement should be more inclusive and adopt long-term strategies for the mobilization and activities of trade unions that go beyond spontaneous reactions to events and government decisions.



PART - II

RESULTS OF THE LEBANESE SOCIAL ACTORS' SURVEY



I

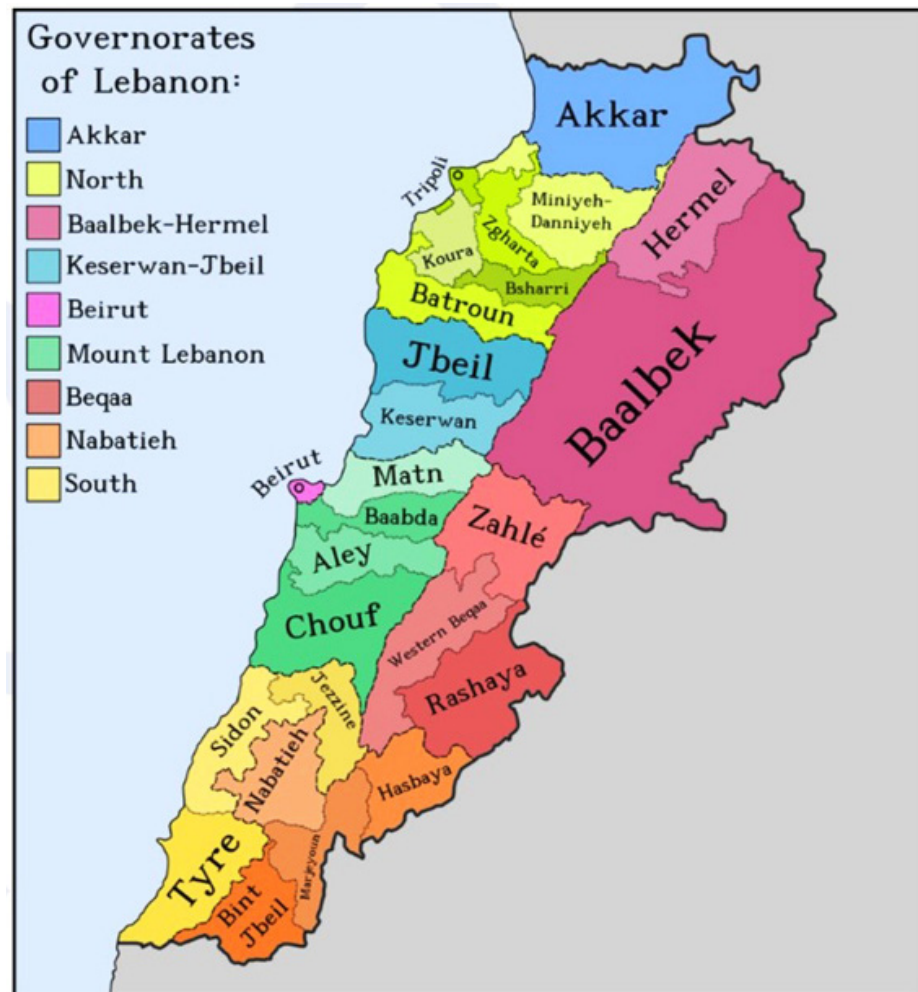
INTRODUCTION

One of the assessment instruments for this report is a survey administered to a sample of 30 social partners (e.g. trade unions, business support organizations, and civil society organizations) and 10 local authorities (e.g. municipalities). The purpose of this survey is to obtain insights from these social partners concerning their views on social dialogue and collective bargaining. The survey was administered between September 4, 2021 and completed the fieldwork on September 11, 2021. We succeeded in administering the survey to 42 social partner institutions (11 Trade Unions, 10 Business Support Organizations, 10 NGOs, and 11 Municipalities).

Our Plan A was to engage the more notable business syndicates. However, due to the protracted deterioration of the economic, social, and everyday life in Lebanon, our attempts were not fully successful, so we moved to Plan B. The latter had a clear objective to reach our target number of surveys within the limited time that we have (i.e. ten working days) to complete this part of the project.

We contacted hundreds of institutions throughout the country to reach our target of 40 surveys. We succeeded in surveying 42 institutions that were spread geographically in the nine Governorates (Mouhafazat) of the country, i.e. Akkar, Baalbeck-Hermel, Beirut, Bekaa, Mount Lebanon, North Lebanon, Nabatiyeh, Kesserwan and Jbeil, and South Lebanon.

We perceptively reached out to organizations that care about the issues of gender, youth, the physically challenged, the elderly, as well as the lesser labour unions that are normally ignored. We judiciously ensured the participation of both men and women, as well as those from smaller communities in the Lebanese mosaic such as the Armenians, the Alawaties and the Kurds.



List of Surveyed Social Partners

Municipalities	<p>1. Baalbek- Bekaa. بعلبك – البقاع</p> <p>2. Bekfaya - Maten. بكفيا- المتن</p> <p>3. Bishmizzine- Koura. بشمزين – الكورة</p> <p>4. Halba- Akkar. حلبا - عكار</p> <p>5. Jouwaya- Nabatiyeh. جويا - النبطية</p> <p>6. Jounieh - Kesserwan. جونيه – كسروان</p> <p>7. Qobayat - Akkar. القبيات - عكار</p> <p>8. Saidon – South Lebanon. صيدا – الجنوب</p> <p>9. Tripoli–NorthLebanon. طرابلس-لبنان الشمالي</p> <p>10. Zahle - Bekaa. زحلة – البقاع</p> <p>11. ZoukMekhayeI-Kesserwan. زوقمكايل-كسروان</p>
Business Syndicates	<p>1. اتحاد صناعي الشوف</p> <p>2. تجمع صناعي الضاحية الجنوبية</p> <p>3. جمعية الصناعيين في زغرتا</p> <p>4. جمعية صناعي وتجار المكلس وجوارها</p> <p>5. نقابة اتحاد المخابز</p> <p>6. نقابة اصحاب الحضانات المتخصصة في لبنان</p> <p>7. نقابة اصحاب الصناعات الغذائية اللبنانية</p> <p>8. نقابة اصحاب معامل التنظيف والكوي في بيروت</p> <p>9. نقابة اصحاب معامل المفروشات الخشبية</p> <p>10. نقابة مزارعي جبل لبنان</p>
Labour Unions	<p>1. اتحاد النقابات العمالية والصحية</p> <p>2. اتحاد نقابات البقاع</p> <p>3. اتحاد نقابات موظفي وعمال الفنادق والمطاعم والتغذية واللهو في لبنان</p> <p>4. نقابة المعلمين طرابلس الزهرية</p> <p>5. نقابات موظفي وعمال اهراءات الحبوب</p> <p>6. نقابة سائقي سيارات نقل النفايات في لبنان</p> <p>7. نقابة عمال بلدية حارة حريك</p> <p>8. نقابة عمال صناعة الاحذية في لبنان الشمالي</p> <p>9. نقابة مستخدمي وعمال شركة المستقبل لصناعة الانابيب</p> <p>10. نقابة موظفي وعمال الخطوط الجوية الفرنسية</p> <p>11. نقابة المجازين في العلوم المخبرية الطبية في لبنان</p>
NGOs	<p>1. Akkazeh</p> <p>2. Al Ensan Amanah Association</p> <p>3. Alawite Islamic Charity League</p> <p>4. Akkar Network for Development (AND)/Halba Akkar</p> <p>5. LAID الجمعية اللبنانية للمبادرة والتنمية</p> <p>6. Lebanese Armenian Community Social Workers' Union - ZVARTNOTZ</p> <p>7. Mouvement Associatif de SAD des Mères Accouchées et Nouveaux-Nés</p> <p>8. North Lebanon Local Economic Development Agency</p> <p>9. التجمع النسائي الديمقراطي اللبناني</p> <p>10. رابطة نوز الثقافية الاجتماعية</p>

II

SURVEY RESULTS ANALYSIS

General Analysis

Gender

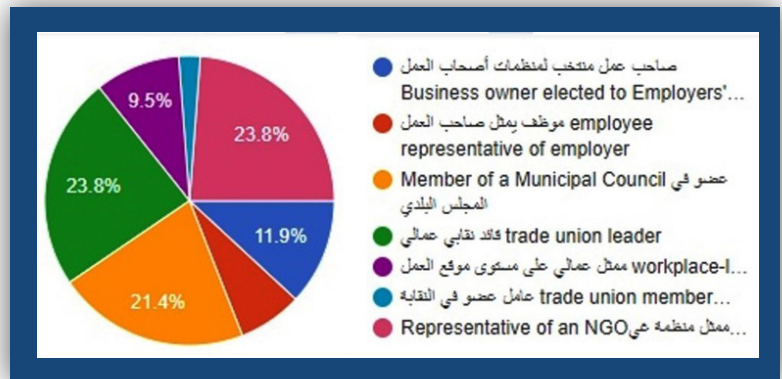
23.8% of the respondents were women vs. 76.2% were male.

Age

The majority (42.8%) of the respondents were between the ages of 45 and 54, followed by 28.5% between the ages of 35 and 44, and 12% between the ages of 55 and 64.

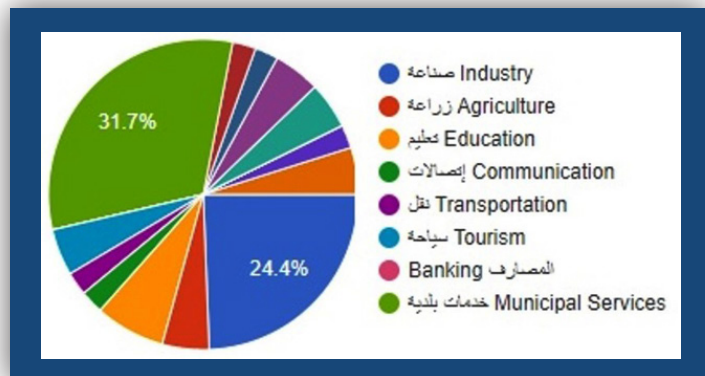
Representation

In terms of representation 23.8% of the respondent were leaders in labour unions and representative of NGOs respectively. 21.4% were members of Municipal Councils, 11.9% were business owners elected to Business Support Organizations, 9.5% workplace level labor representative, 7.1% employee representative of employer, and 2.5% trade union member.



Surveyed Institutions Intervention Sectors

The surveyed institutions belonged to various sectors of the economy. The majority (31.7%) were in the municipal services, 24.4% were in the industry sector, and the rest were distributed almost equally on sectors such as agriculture, education, communication, transportation, tourism, banking, advocacy, gender, human rights, development, construction, health, and policies.



Surveyed Institution's Opinion

This section presents the responses of the surveyed in regards to various statements. They will be presented by question and answers:

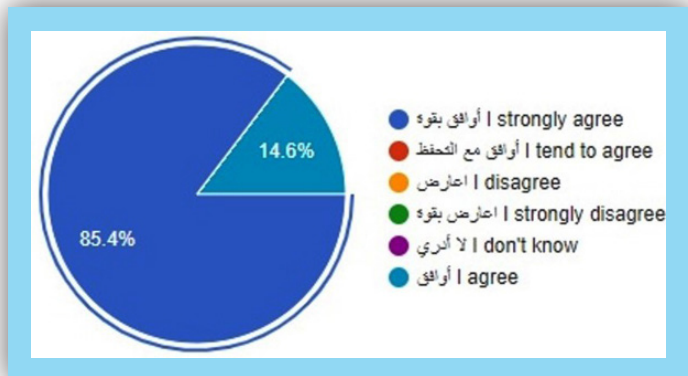
Q1: Employers' and workers' affiliation with their respective trade union organizations contribute to creating an environment conducive to social dialogue.

The majority (92.8%) of the respondents indicated their various level of agreement with the statement vs. 4.8% who disagreed.



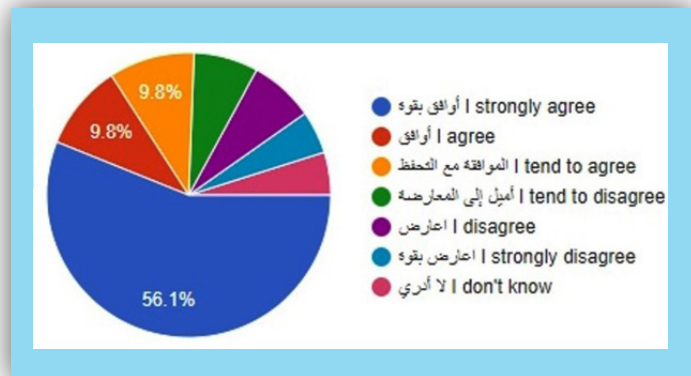
Q2: Social dialogue between the parties to the production process (employers' representatives and workers' representatives), whether at the company, sector, or national level, is a necessary means of solving problems in different work locations.

All the persons surveyed either strongly agreed (85.4%) or agreed (14.6%) with the statement.



Q3: Topics such as: Training of workers, promotions and occupational health and safety procedures are not appropriate topics for social dialogue between employers' representatives and trade union representatives, as these issues are governed by the internal regulations and policies of the company.

Of the total number of respondents, 90% supported the statement to a different degree. While 4.9% did not know, 5.1% opposed the statement to various degrees.



Q4: Specialized bilateral committees at the workplace representing employers and workers should be created to discuss and find appropriate solutions to various issues related to labor relations.

People interviewed indicated in various degrees their support for the statement.



Q5: It is useful to train employers or their representatives or management and trade union representatives on the aspects of negotiation skills and social dialogue.

Again, 97.6% of the solicited opinions agreed to various degrees with the account stated in Q5 vs. 2.4% who indicated that they tend to disagree.



Q6: A company that adopts social dialogue as a method of resolving labor disputes is usually a more successful company.

Hundred percent of the respondents (100%) agreed to various degrees with the statement.



Q7: There should be a tripartite national framework/council at the national level (comprising representatives of the government, employers and workers) that is concerned with social dialogue and has binding powers.

Of the 42 respondents, 83.3% agreed in various degrees, 7.1% did not know compared to 9.5% who opposed the statement.





Paolo Salvai



Q8: Social dialogue between employers' representatives and trade union representatives cannot succeed without government intervention.

For this question, the majority (69%) of the polled agreed to various extents with the declaration, 4.8% did not know, and 26.2% countered the statement to various degrees.



Q9: The Tripartite social dialogue contributes to the strengthening of democracy in the country.

The answer to this question was also in favor of its content, with 92.9% agreeing to various extents vs. 7.1% disagreeing.



Q10: Calling for social dialogue to resolve labor disputes causes foreign investment to decline.

54.8% of the respondents disagreed to different degrees with the statement, 40.5% agreed in different percentages, and 4.7% did not know.



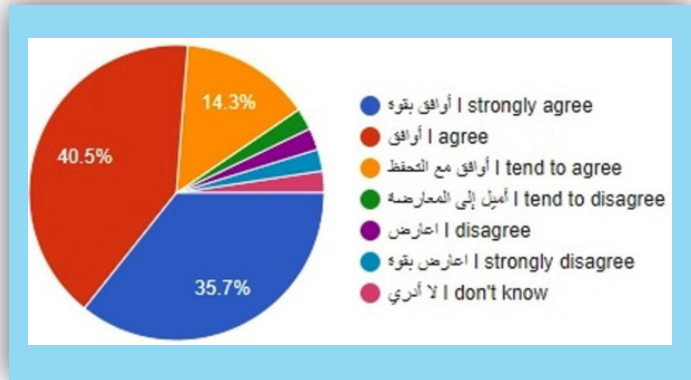
Q11. Social dialogue often leads to common understandings between employers' representatives and trade union representatives that are in the interest of both parties and society at large.

Only 7.2% disagreed with this statement, 90.4% agreed, and 2.4% did not know.



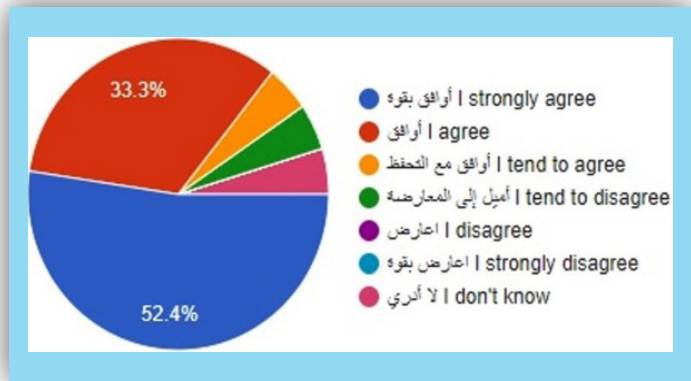
Q12: *The existence of independent trade union organizations representing employers and others representing workers in the country is essential to the stability of the labor market.*

Eighty-five percent (85.7%) agreed with the proclamation compared to 9.6% who did not, and 4.8% who did not know.



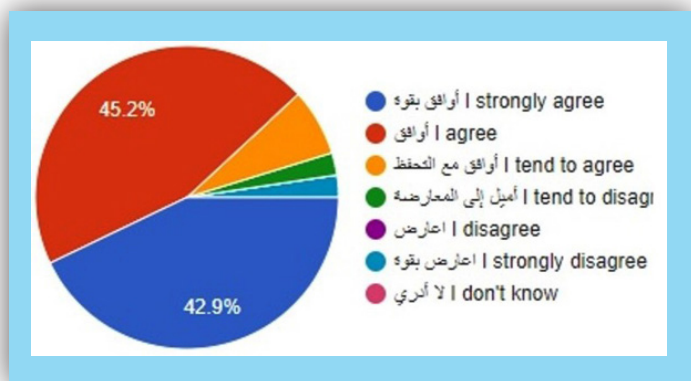
Q13: *The Labor law Code should include article/articles clauses that stipulate the importance of social dialogue between the two parties of production and the need to create an institutional framework (e.g., a committee or council board) to take care of its mechanisms.*

Of the total number of respondents, only 4.8% opposed the statements vs. 95.2% who agreed with various degrees.



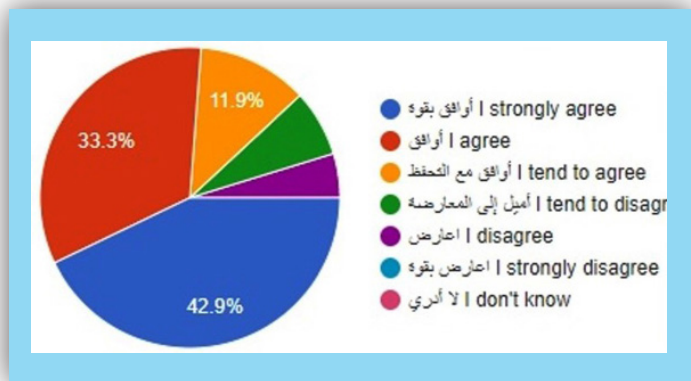
Q14: *The tripartite social dialogue should play an important role in determining the economic choices of the state.*

Of the total number of respondents, only 4.8% opposed the statements compared to 95.2% who agreed with various degrees.



Q15: *The process of building a methodology for social dialogue to reach concurrence in the labor market leads directly to the weakening of trade unions because the latter will be forced to make concessions during the dialogue process.*

Twenty-one (21.4%) disagreed with this declaration, plus 7.1% strongly disagreed and tended to disagree respectively. This means that they do not believe that social dialogue weakens the trade unions and forces them to make concessions. The rest, or 64.4%, agreed to various degrees.



Q16: *The adoption of a social dialogue methodology to achieve concurrence in the labor market between employers and trade unions has a negative impact on the ability of employers to run their businesses effectively, as social dialogue usually puts socially motivated constraints on management.*

The responses to this question were close, with over a third (35.7%) of the solicited opinions signaling to various degrees their disagreement with this statement, i.e. that it is not true that social dialogue puts socially motivated constraints on management. Only 40.5% agreed in varying proportions with it, while 4.8% chose don't know as their response.



Q17: *Economic and social policymaking is the responsibility of the government and Parliament. Subjecting this matter to a dialogue between the government and employers' and workers' organizations renounces the government's responsibility to make difficult decisions.*

Of the total number of respondents, 38.1% disagreed to various degrees with this statement, 2.4% did not know what to answer, and 59.5% agreed with it.





Q18: *In light of the existence of the Economic and Social Council, and in order to avoid duplication of responsibilities, there is no need for an independent tripartite committee to engage in social dialogue on labor issues.*

Almost half (42.9%) of the solicited disagreed, although to various degrees, with this statement, 52.4% agreed with it, also to various degrees, and only 4.8% did not know what to select.



Q19: *The concept of social dialogue derives from Western culture and is incompatible with our culture and our political and economic conditions.*

Surprisingly, 54.7% of the polled agreed, though to various degrees, with the statement vs. 45.3% who did not, with an equal percentage of strongly disagreeing and disagreeing.



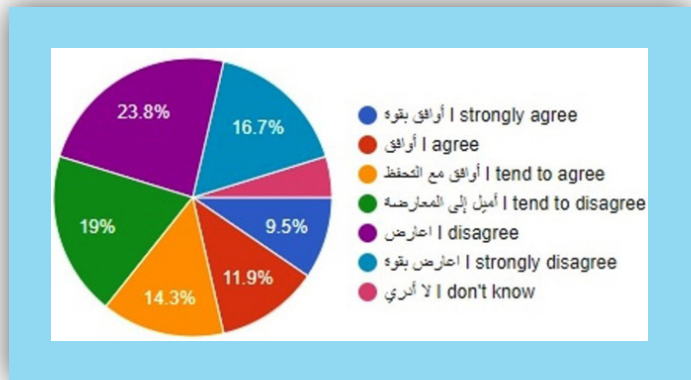
Q20: *It can be said that the current Economic and Social Council provides an appropriate framework for social dialogue and plays well the role that is expected of it.*

Fifty-nine percent (59.5%) of the respondents disagreed, still with dissimilar degrees, with this declaration compared to 35.7% who agreed, although with various intensities. Only 4.8% did not know what to make of it.



Q21: The representation of employers and trade unions in the current Economic and Social Council is inadequate and inappropriate.

Seventy-Three (73.8%) of the solicited agreed with the statement albeit to various degrees, while 16.6% disagreed, though to different degrees, with it, and only 9.5% did not know what to answer.



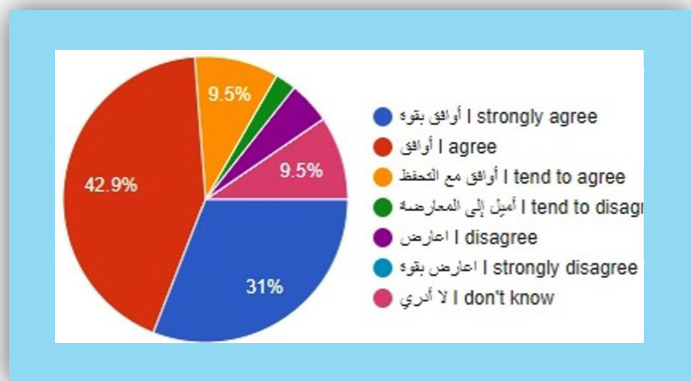
Q22: The Economic and Social Council's communication and consultation efforts with employers and trade unions are weak.

Eighty-three (83.4%) approved the statement, though to various degrees, while 7.2% disagreed, and 9.5% chose "I don't know" as their answers.



Q23: The reality in the country is that the government controls and manages the process of social dialogue and its institutions according to its agenda.

Sixty-four (64.3%) agreed to this statement, though to various degrees, while 26.2% disagreed also to various degrees, and 9.5% responded "I don't know."



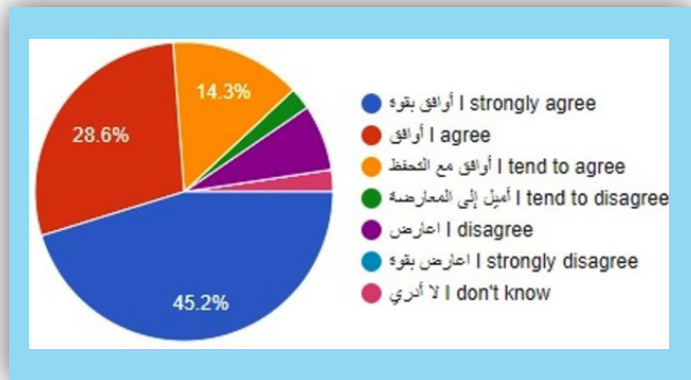
Q24: The current governing power is not seriously interested in activating social dialogue.

Of the total number of respondents, 88.1% agreed with the statement, to various degrees, compared to 9.5% who disagreed, and 2.4% who did not know what to answer.



Q25: Suspicion and lack of trust between the three parties have impeded any significant progress in social dialogue in the country.

The majority (85.7%) of the respondents signaled their agreement with this statement, of which 40.5% indicated that they strongly agree, 38.1% agree, and 7.1% tend to agree. The majority (9.5%) of those who disagreed (7.1%) said that they tend to agree, one percent disagreed, and 4.8% said that they don't know.



Q26: A better degree of social dialogue between the three parties cannot be achieved without further political reform.

Eighty percent (80.9%) of the respondents agreed to various degrees with this statement, while 7.1% tend to disagree and one disagrees.



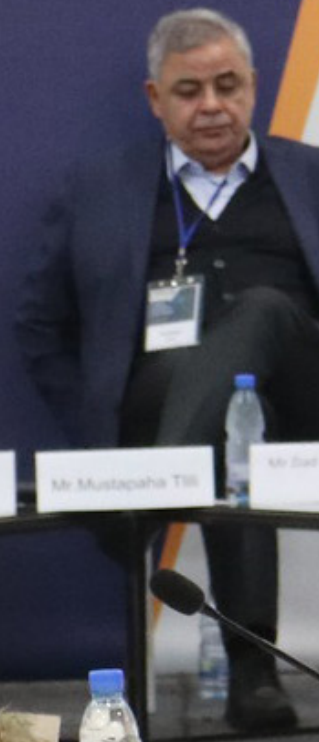
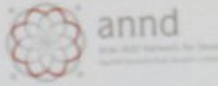
Q27: The country will witness significant progress in the field of social dialogue during the next three years.

Almost half (45.2%) of the respondents are hopeful and have agreed to various degrees with the statement, while 35.8% disagreed and 19% signaled that they don't know.





BUSINESSMED
Forum of Mediterranean Contributions of Enterprises



Mr. Jihen Bouliba

Mr. Mustapha Tili

Mr. Samir



Q28: Employers in Lebanon talk about their willingness to engage in social dialogue, but in reality they are not serious, as they do not believe in the principle of negotiating with workers.

Eighty-one percent (81%) of the polled agreed to various degrees, while one disagreed, one strongly disagreed, and 14.3% specified that they tend to disagree.



Q29: Trade unions in Lebanon speak of their readiness to engage in social dialogue, but in reality they are not serious. They believe that a strike is the only way to meet workers' demands.

Sixty-nine percent (69%) of the surveyed agreed to various extents, while 26.2% disagreed to various extents, and 4.8% responded with "I don't know."



Q30: Political and sectarian interference in trade unions' and federations' operations are serious impediments to their effectiveness.

Overwhelming agreement is recorded for this statement. Ninety-seven (97.6%) of the respondents agreed,

though to various degrees with only 2.4% who recorded the answer as "I don't know."



Q31: Civil society and NGOs must be involved in social dialogue to achieve decent work as indicated by the 2030 SDG.

Seventy-eight (78.5%) of the polled agreed with the statement, compared with 16.7% who disagreed, and 4.8% who selected “I don’t know” as an answer.



Q32: In your opinion, what are the five most important topics that should be given priority on the agenda of social dialogue now and over the next three years?

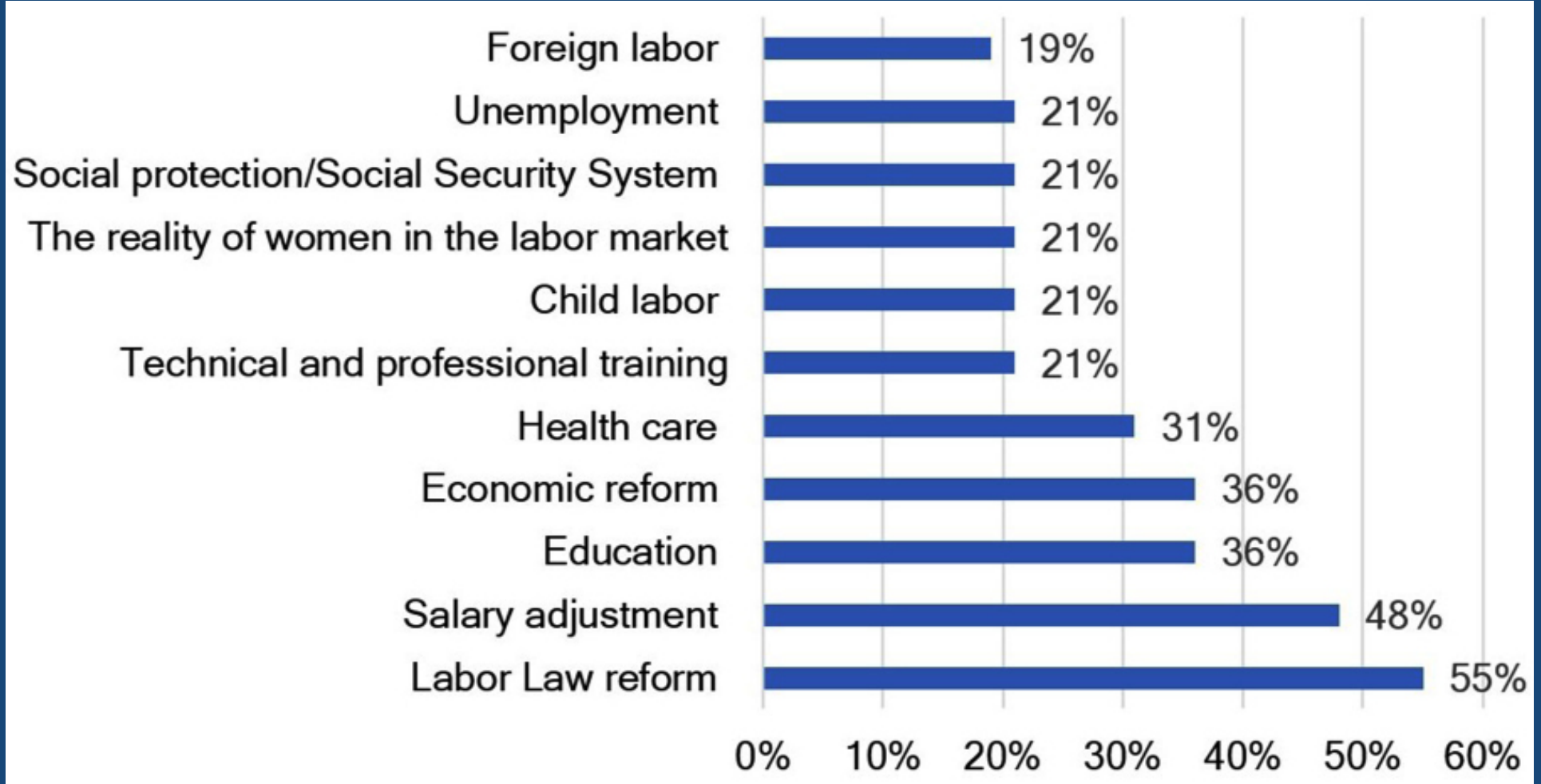
The majority of the respondents chose the following topics which are ranked according to the percentage received (see graph below):



- Labor Law reform (54.8%)
- Salary adjustment (47.6%)
- Education (35.7%)
- Economic reform (35.7%)
- Health care (31%)



Priority Topics for social Dialogue



PART - III

RESULTS OF THE INTERVIEWS WITH THE LEBANESE ENTREPRISES



SOLiD
SOUTH MED SOCIAL DIALOGUE

ندوة اقليمية حول دور الجماعات المحليّة
والجمعيات المهنيّة
في تعزيز الحوار الاجتماعي في دول المنطقة

I

INTRODUCTION

The second assessment instrument for this report is an interview conducted with a sample of 30 Lebanese businesses. The purpose of the interviews is to obtain answers from these businesses regarding the main trends in the practice of social dialogue and the methods employed to settle labor disputes. The survey covers various aspects, including the legal framework of labour relations, i.e., the collective bargaining agreement, the existence of representative staff institutions, the functioning of the institutions representing employees in the company, and the modalities of conflict management, among others.



List of Interviewed Businesses	
1.	ZAIDAN S.A.L.- Metal and Cardboard Manufacturing
2.	BROTHERS Electronics, SARL- Home Appliances Retail-Commerce
3.	Chemaly & Chemaly, SAL - Printing Press
4.	Laklouk- Dairy Products
5.	ARD (Unifert)- Agricultural Chemicals and Equipment
6.	Hyundai Century Motor Company- Automotive Field
7.	Mounir Bisat Company- Food Products Manufacturing
8.	Arwan Pharmaceutical Industries SAL- Pharmaceutical Production
9.	Cebex Chemicals SARL- Chemicals
10.	3M Plast Industrial Company SARL- Plastic & Cardboard Manufacturing
11.	Casper & Gambini's- Tourism/Hospitality
12.	First National Bank SAL- Banking
13.	Bev Holding Beverages- Beverages
14.	Century SARL- Manufacturing of Furniture
15.	Johnson & Johnson- Manufacturing of Healthcare Products
16.	Al Rifai- Roastery & Confectionary
17.	Nestlé- Food Products Manufacturing
18.	Ksara SAL- Beverages
19.	Organon- Medical Treatment and Solutions
20.	Sanita- Manufacturing of Healthcare Products
21.	Food Processing And Packaging Company- Food Products Manufacturing
22.	Integrated Pharma Solutions (IPS), Pharmaceutical Production
23.	Saint George Hospital University Medical Center- Health & Hospitalization
24.	Agri Soil SAL- Food Products Manufacturing
25.	Bou Chalhoub Establishment- Agribusiness
26.	Daher International Food Company- Food Products Manufacturing
27.	Cat & Mouth Catering- Tourism/Hospitality
28.	Beirut Beer- Beverages
29.	Balkis Co. SAL- Beverages
30.	Al Kazzi Trading SAL- Roastery

The interviewed were executed between September 8 and were completed by September 20. Our Plan A was to interview the more notable businesses in a variety of sectors. However, due to the protracted deterioration of the economic, social, and everyday life in Lebanon, our attempts were not fully successful, so we moved to Plan B. The latter had a clear objective to reach our target number of interviews within the limited time that we have (i.e. ten working days) to complete this part of the project. We were successful with Plan B and the interviews were completed on time following an aggressive campaign to reach our target number within the time scheduled. The sectors and subsectors that we were able to cover were: Agribusiness, pharmaceutical, food and beverages, banking, tourism/hospitality, printing press, manufacturing, commerce, automotive, and hospitalization and health. The geographical locations were also covered to the extent possible with companies located in the Bekaa Valley, Beirut, the Maten, Byblos District, and the South. We have tried to diversify the size of these businesses between large, medium, and small and were able to capture the medium-sized businesses as they are the majority of businesses in the country.

II INTERVIEWS RESULTS ANALYSIS

General Analysis

One third (10/30) of these companies were founded between 1990 and 1998, nine (9/30) were established between 2002 and 2001, two (2/30) in the 80s, two (2/30) in the seventies, one (1/30) in the sixties, two (2/30) in the forties, one (1/30) in the thirties, one (1/30) in the tenties (or 191st decade), and two (2/30) in the 1800s.

The average number of staff is 200, with the smallest being five (5) and the largest being 1500. Women make up 37.9% of the workforce of these

30 companies, compared to 62.1% of males. Women form 50% or more of the workforce in third of the surveyed companies (30%) especially those in the banking and the hospitalization and health sectors, in beverage and



food production, in pharmaceutical manufacturing, in roastery plants, and in commerce.

All the surveyed companies are privately owned. The majority of the companies or twenty-five (25/30) have staff in permanent contract, while a few have staff in fixed term, or seasonal, or temporary.

Average labor for the surveyed companies is 54% with the rest distributed among professional staff, administrative and managerial staff, and directors.

Involvement in Negotiation

Twenty-four (24) or 80% of the companies have never been involved in any tripartite or bipartite negotiations and only 20% have engaged in bipartite negotiations

Freedom of Association Written Policy

Seventy-three percent (73%) of the companies do not have written policies on freedom of Association versus 27% which do. The latter companies are Casper & Gambini's, Ksara, Organon, Saint George Hospital University Medical Center, Bou Chalhoub Establishment, Daher International Food Company, Cat & Mouth Catering, and Mounir Bisat Company.



Collective Bargaining Agreement

Twenty-nine of the interviewed companies do not have CBA. Only the First National Bank (FNB) has signed a CBA.

Six out of 30 companies indicated that they are not interested in having CBA. The rest or 24 companies did not answer the question.

It is interesting to assess why is it that businesses in Lebanon resist engaging in CBA. Reviewing the literature to find answers did not yield neither sufficient answers nor satisfactory ones.

Labor Union Representation

One (1/30)-- the First National Bank declared that it has labor union representatives associated with the Federation of Syndicates of Banks Employees in Lebanon. The latter is a member of the General Confederation of Lebanese Workers. The other 29 companies do not have labor unions.

Trade Unions' Permission to Access their Members

Seventeen or 57% of the companies permit trade unions to access their members in the companies compared with 43% do not grant such permission.

Works Council

There is a Works Council at 3M Plast Industrial Company. However, its members are appointed and not elected. Three (3) other companies, Hyundai, Arwan Pharmaceutical Industries, and Balkis, through their Boards of Directors, perform the functions of the Works Council. The members of these boards are appointed, not elected. In labor-related matters, the president of the company, HR, or the Director of the Department are the go-to people.

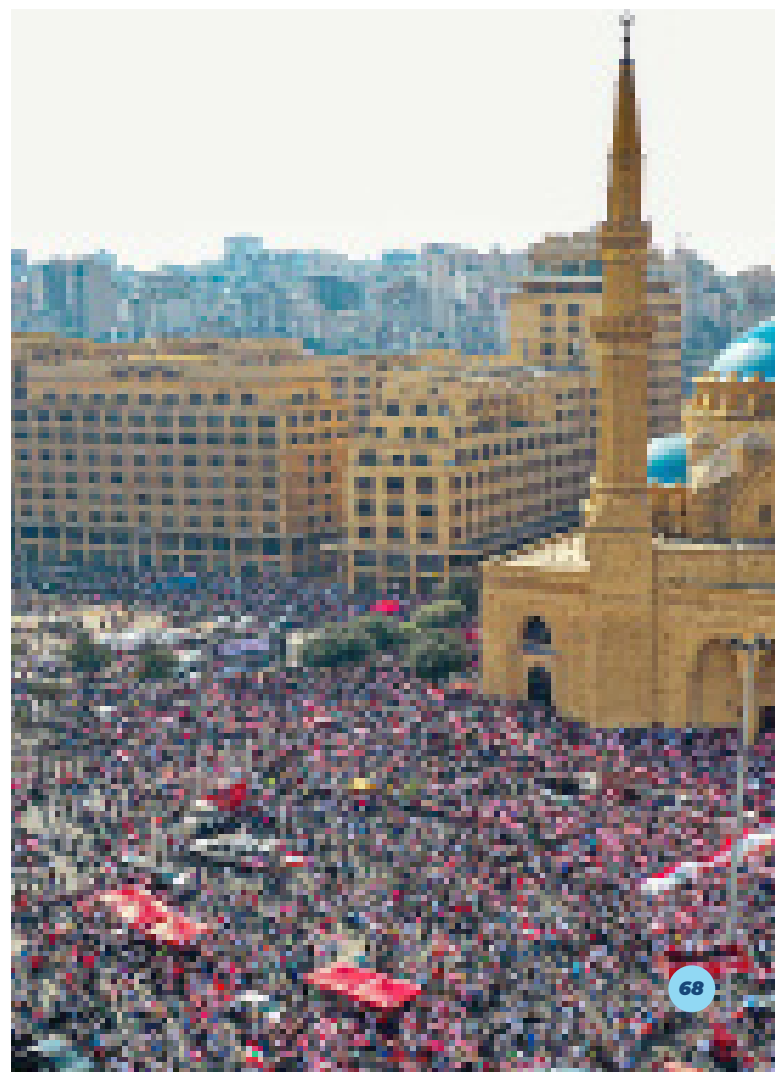
At 3M Plast, Hyundai and at Arwan Pharmaceutical, the Board of Directors/Work Councils have co-deter-

mination role, while that of Balkis its role is consultative.

As for the importance of the role that the Work Councils play at the company level, both Balkis and Arwan said that the role is important while Hyundai and 3M Plast said that the role is somewhat important.

Labor Disputes and Conflict Management

Three (3), Bev Holding, Cat and Mouth, and Al Kazzi, out of 30 faced collective labor conflicts in the past three years and these conflicts were completely solved involving employee's representatives. Only Bev Holding's employees went on strike.



Three other companies' employees went on strike also; these are Century, Johnson, and Organon. The disputes at these companies were fully resolved.

None of the conflicts or disputes involved mediation or arbitration as alternative modes of conflict management. Only two companies, Cat and Mouth and Kazzi, involved social relations consultants to settle the labor disputes in their establishments.

Efficient Modes for Dispute and Conflict Management

The majority of the interviewed (86%) agreed that the most efficient mode for dispute and conflict management between employees and employers is conciliation before the Ministry's inspectorate, followed by the second most efficient mode (76%), i.e. voluntary, autonomous conflict resolution bodies set up by the social partners, tailed by mediation (72%), and arbitration (i.e., The Arbitration Commissions for the Resolution of Collective Labour Disputes) (65%). As for the least efficient in comparison with the other modes, the surveyed pointed out to the labor courts, followed by the public independent agency for conflict resolution, and lastly the pri-

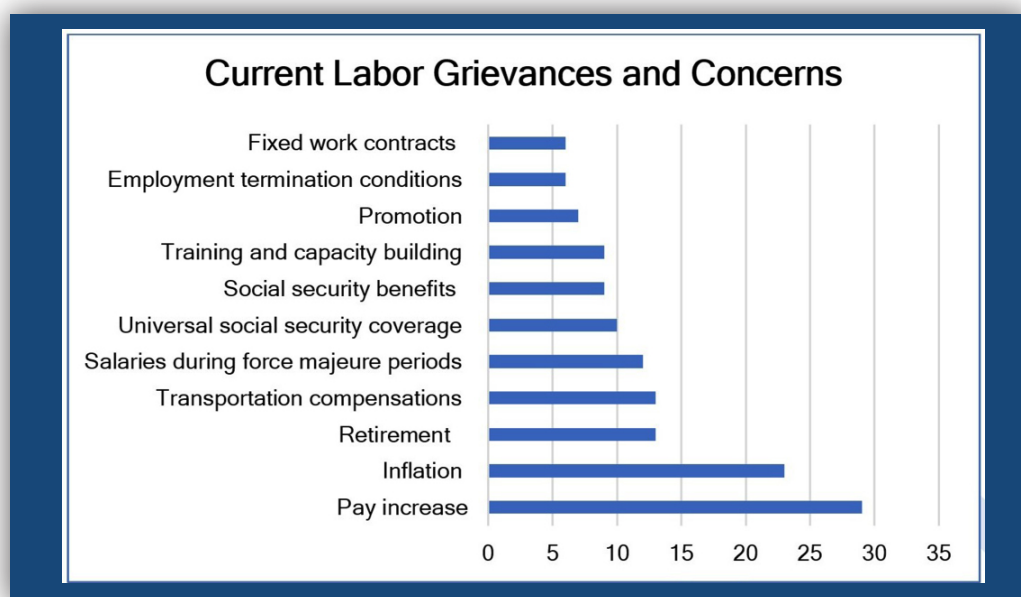
vate independent agency for conflict resolution.

Effect on Cooperation between Employers and the Workers' Unions

The polled companies referred lack of cooperation between employers and the workers' unions to management unfair practices, restrictive government laws, poor communication, unstable economy, rigid management, workers' unfair practices, and unions unfair practices.

Current Labor Grievances and Concerns

According to the surveyed businesses, the majority of the current labor grievances and concerns are related to increase in pay scale, followed by inflation, retirement plan, transportation compensation, salaries during force majeure, social security, and training and capacity building.



As shown in the graph above, the top five concerns that received the highest scores are those affected by the current situation in the country and are related to plummeting purchasing power, rapid hyperinflation, depreciation of the Lebanese pound and its impact on the worth of the end-of-service indemnities, and the skyrocketing gasoline prices that affect transportation costs.

According to the ILO, the social protection system in Lebanon is described as having low coverage rates and lack of coordination. The National Social Security Fund (NSSF) covers only 30% of the labour force.⁷ The ILO further denoted that “Lebanon is the only country in the region and one of the 16 countries out of 179 countries worldwide which has not yet established a pension scheme that would provide periodic benefits for workers in the private sector in case of old-age, disability and death.”⁸ The absence of such a system results in economic, social, and personal insecurity for the country’s population during old age, as well as in the case of disability and the death of the breadwinner. As such, “social protection policies are in need of revision and enforcement.”⁹

Employees of these companies may address their concerns to the Director of Human Resources or, if the matter is very important, discuss them with their immediate managers, who will

report them to the top management.

Initiative to Address Grievances and Concerns

Many of the surveyed companies responded to the most pressing of the grievances—salaries. Two-thirds (20) of these companies increased salaries in various percentages and exchanged rate calculations. Some companies began providing transport; others increased transportation allowance; a few started distributing monthly financial aid or food rations; others offered financial assistance during emergencies; yet others aided in the payment of the staff’s share of the NSSF contribution and the insurance fees. Some companies went beyond the tangible interventions to help with the well-being of their employees by being more flexible, others provided psychological support, yet one company approved the three months’ paternity leave.



7 ILO, Reforming the End of Service Indemnity scheme in Lebanon’s private sector..., 2019, https://www.ilo.org/beirut/projects/WCMS_710814/lang--en/index.htm.

8 Ibid.

9 ETF, Torino Process 2014: Lebanon, 2015, https://www.etf.europa.eu/sites/default/files/m/E95B8886BC992CC1C1257DE0006455CB_TRP20%202014%Lebanon_EN.pdf.

FNB CASE STUDY

FNB is the only company of the thirty surveyed companies that had CBA.



Social Dialogue in Lebanon

Regulations and Realities of Social Dialogue



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