



# LIVELIHOOD OUTCOMES OF MULTI-PURPOSE CASH ASSISTANCE

Services and Assistance for Enabling Recovery  
(SAFER)

JULY 2024

## Acknowledgements

*This research explored the livelihood outcomes of multi-purpose cash assistance by Mercy Corps in Lebanon. Data collection for this report was carried out in April 2024.*

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*Cover photo: Ahmed Mustafa Shams, 71, in his living room. He has seven children, who are all married, and 16 grandchildren. In February 2023 he started receiving \$150 in monthly emergency cash assistance from Mercy Corps' SAFER program. "Before receiving the cash assistance, our situation was dire," he says. "My wife was the only one working, earning 30,000 LBP per day, and we could barely afford to have bread in the house." He had to stop working as a farmer 3 years ago, as he could no longer manage the physical demands of work. "The cash assistance has helped us stop borrowing money from others to afford basic food like beans, lentils, bulgur, and bread," Ahmed says. "While we still mostly eat the same types of food, sometimes we can buy vegetables and fruits, but this happens rarely. The assistance has prevented us from accumulating more debt." Ezra Millstein/Mercy Corps*

# Executive Summary

Since 2019, the severe economic crisis in Lebanon has plunged a large portion of the population into poverty. Over the last decade, poverty has more than tripled, reaching 44% in 2022. Many families were forced to adopt negative coping strategies such as reducing food consumption and withdrawing children from school due to inadequate government support. To alleviate the socio-economic vulnerability of poor Lebanese families, Mercy Corps implemented the "Services and Assistance for Enabling Recovery" (SAFER) program from December 2022 to February 2024. Under the SAFER program, Mercy Corps distributed multi-purpose cash assistance (MPCA) transfers of USD 150 per household per month to 1,251 vulnerable families in the Bekaa region, along with financial management and coaching for 350 participants.

The SAFER program improved food security and reduced poverty among participants but fell short of providing sustainable pathways to maintain families out of poverty. During the program duration, employment rates declined due to factors like underemployment and business closures. This evaluation aimed to assess the impact of SAFER assistance on promoting livelihood pathways, identify family profiles likely to achieve self-reliance, understand factors affecting livelihood opportunities, explore the role of MPCA and financial training, and identify complementary activities for future phases.

Using a predominantly qualitative approach supplemented by secondary data, the study collected primary data through in-depth interviews with participants and key informants. It focused on capturing participants' perspectives, identifying factors that empowered or hindered their journey to self-sufficiency, and defining secure livelihoods.

## Main Findings

Findings showed that unemployment among SAFER participants was often due to old age, disability, or chronic illnesses, with 63% of those over 50 citing these reasons. Secondary data corroborated that 35% of non-working individuals were of retirement age, with unemployment increasing with age. Health issues, retirement, or inability to find work were the main reasons for job loss in the past three years.

Working participants were mostly self-employed in unstable jobs without social protection benefits, and very few reported leaving their jobs voluntarily due to extremely low salaries. Working women faced conflicts between jobs and childcare, preferring flexible or home-based work. A wide social network and referrals were crucial for job maintenance, although jobs remained unstable.

Families with senior members and fewer children tend to deprioritize basic needs and accept poor living conditions, while larger families with young children face high expenses, compelling heads of households to maintain or seek employment despite inadequate wages and unfavorable working hours.

There is no evidence that the SAFER MPCA program led participants to quit employment or increased dependency on assistance. Those who lost jobs did not correlate this with MPCA, and job seekers continued their search while receiving assistance, as it was insufficient to cover all needs. Employed participants reported that MPCA helped repay debts and cover expenses without encouraging them to quit their jobs.

In summary, MPCA stabilized finances and facilitated job transitions without causing participants to quit existing employment. The study identified pathways through which MPCA, and financial training stimulated positive livelihood opportunities, such as direct investment in self-employment and career changes.

Participants who effectively used MPCA typically had established businesses or experience in home-based income generation and were of working age without debilitating health conditions.

## Recommendations

Successful graduation strategies should address multiple poverty-trapping factors and offer tailored support, including combining MPCA with healthcare, education, and cash-for-work programs. A multifaceted graduation approach targeting basic needs, income generation, social empowerment, and financial support is recommended. Lasting impact also requires reforms to Lebanon's social security system (NSSF) alongside cash assistance programs.

More generally, cash assistance should be conceptualized within a larger market-system development (MSD) approach that considers the “push” and “pull” factors. SAFER provides push factors in the form of MPCA and financial literacy training. The pull factors correspond to the private sector-led market access support. In practice, this requires coordination between cash assistance programs (like SAFER) and the various Mercy Corps interventions in the various regions of Lebanon, which do follow an MSD approach.

On a more micro level, mentoring and training is essential for low skilled and seasonal employees to be able to better integrate into the job market. Therefore, all cash recipients who are categorized as able to work could also be part of a training program that corresponds to their skillset / economic activity sector. For women heads of household, balancing childcare and employment posed a major challenge; therefore, providing adequate childcare facilities or supporting home based economic activity should be explored.



*Ahmed Mustafa Shams' granddaughter and her mother. Ahmed has seven children, who are all married, and 16 grandchildren. In February 2023 they started receiving \$150 in monthly emergency cash assistance from Mercy Corps' SAFER program.*

*Ezra Millstein/Mercy Corps*

# Introduction

The unprecedented economic crisis in Lebanon has left many families unable to meet their basic needs, resorting to negative coping strategies including cutting down on food or withdrawing children from school. Government support in this respect has not been sufficient, and other actors have attempted to fill the gap in various ways.

Mercy Corps, between December 2022 and February 2024, distributed multi-purpose cash assistance (MPCA) to vulnerable Lebanese families in the Bekaa under the “Services and Assistance for enabling recovery” (SAFER) program. The Lebanon Crisis Analytics Team (LCAT) at Mercy Corps strategically identified targeted locations in the Bekaa and Baalbek El-Hermel governorates, where vulnerable households were selected for aid. The selected locations are Bouday, Younine and Yanta. A total of 1,251 Beneficiaries received USD 150 per household per month for twelve months, and a sub-group of 350 participants also received coaching in financial management and literacy which was organized by the local micro-finance institution Al-Majmoua.

SAFER endline results and project evaluation showed that the program was indeed able to improve the food security of program participants and lifted most participants out of monetary poverty. However, the study observed a decline in employment rates among participants. Factors contributing to this decline include underemployment, business closures, and personal reasons.



*Ahmed Mustafa Shams, 71, with his granddaughters. He has seven children, who are all married, and 16 grandchildren. In February 2023 he started receiving \$150 in monthly emergency cash assistance from Mercy Corps’ SAFER program.*

*Ezra Millstein/Mercy Corps*

In this respect, Mercy Corps aims to measure the extent to which the SAFER intervention contributed to promoting livelihood pathways for SAFER program participants. The objectives of the study are:

1. To identify the family profiles that are most likely to achieve self-reliance at the end of SAFER program through livelihood and income generating opportunities.
2. To identify the contextual factors (time of the year, stage of the economic cycle, local labor market conditions) that contribute to or hinder taking up livelihood opportunities.

3. To shed light on pathways through which MPCA, coupled with financial training, helps program participants take up livelihood opportunities (for example, improved mental health, transportation, investment in productive assets)
4. To support the identification of complementary activities, assistance design features and advocacy interventions that can maximize positive livelihood outcomes in the next phase of SAFER intervention.
5. To contribute to pathways to exit assistance for the next phase of SAFER intervention

## Methodology

The methodological approach is predominantly qualitative, relying on the experiences of participants; however, it also relies on a mix of quantitative and qualitative secondary data that have been used to provide a background knowledge as well as inform the primary data findings.

### Desk review

The study kicked off with a desk review that included existing literature on relation between MPCA and livelihood opportunities from Lebanon and other countries with a similar context. In addition, the consultant reviewed the secondary data from baseline, post distribution, and endline monitoring reports and independent evaluation of SAFER. This allowed to build a family profiling of SAFER program participants and examining some of the socio-economic characteristics of families' groups by livelihood status and other factors.

### Primary data collection

The second phase of the study relied on primary data collection through a series of in-depth interviews (IDIs) with program participants and key informant interviews (KIIs) with community stakeholders. The main purpose of the interviews was to gather insights into the successful pathways to sustainable livelihoods of select program participants as well as the barriers to reaching those pathways. Through this, the study aims to extract key lessons that can pave the way for successful livelihoods for other participants. The evaluation prioritizes a human-centered approach, aiming to capture the viewpoints of program participants. More specifically, it aims to document the factors that empowered or hindered them to achieve self-sufficiency and what they consider as a secure and dependable livelihood.

### In-depth and key informant interviews

A total of 37 IDIs were conducted over the phone with four sub-groups of SAFER program participants.

- Group 1: 10 IDIs with households with members who had a job at baseline but not at endline (lost their job)
- Group 2: 8 IDIs with households with members who did not have a job at baseline and had one at endline (found a job)
- Group 3: 5 IDIs with households with members who had a job both at baseline and endline (kept their job)
- Group 4: 14 IDIs with households with at least one member who was unemployed / jobless at baseline and remained so at endline (remained jobless)

The initial sampling was based on an equal quota for each group of participants identified using endline data; however, the actual sample slightly diverged from this quota because many participants had either changed their working status since their endline interview, or the endline data was not accurate. The largest limitation in this respect was that many of those who were recorded as employed in the endline were in fact not working; hence, the “kept job” category was the smallest.

Group	Type	Endline size	Selected	Interviews
1	Lost job	40	10	10
2	Found job	10	10	8
3	Kept job	134	10	5
4	Remained jobless	816	10	14

Table 1 IDI sample composition

In addition to the IDIs, three key Informant Interviews were conducted with the mayors of the target villages to obtain a more holistic view of the current employment and labor conditions and situation in these towns, and the most productive economic activities there.

## Limitations

The study encountered the following limitations and implemented the related mitigation measures.

1. **Endline data on employment status of program participants was inaccurate.** The consultant adopted an ad-hoc approach to mitigate this challenge by confirming employment status of program participants during the IDIs. The “kept job” category was the only category where significantly less people than initially planned for were interviewed, and the timeline of the study did not allow for further calls to be attempted.
2. **Some KII participants were not responsive to the interview questions, providing brief answers without elaborating.** This is probably due to the data collecting taking place over the phone as opposed to in person. Another factor could include general survey fatigue that many people in project implementation areas have been suffering from over the past years.
3. **All primary data was collected through phone-based interviews, which limited the consultant’s access to a larger sample of interviewees and did not allow for site observations.** This presents a lesson learnt for future similar research to include site visits as part of the study methodology to allow the researcher more access to potential interviewees and allow for observation and a more contextual understanding of the local communities and their living conditions.

# Existing evidence from literature review

## Contextual background

Bouday, Younine, and Yanta were identified as locations with a high concentration of families living in poverty by the LCAT assessment based on the night-light reflectance data as a proxy measure for vulnerability.

Bouday, located in the Baalbek district of the Baalbek-Hermel governorate, has a population of approximately 12,000 people, though this number fluctuates depending on the season, decreasing in winter and increasing in summer according to the town mayor. The region comprises several villages with agricultural lands that fall under the jurisdiction of the Bouday municipality; therefore, many of the farmers and agricultural workers are not residents of Bouday, the town. Overall, the area has around 750 farmers who tend to an agricultural expanse of around 20,000 hectares, primarily yielding wheat, vegetables, and tobacco. Key informants also mentioned that the land in Bouday is suitable for potatoes, and this used to be a profitable crop prior to the crisis. More recently, some farmers have introduced the cultivation of anise as a profitable crop. Many households engage in home-gardening, cultivating vegetables and herbs for household consumption. Recent years have witnessed a significant exodus from Bouday, particularly towards Beirut and its suburbs, due to deteriorating agricultural conditions and limited livelihood opportunities, affecting around the large share of the population reliant on agriculture. Syrian labor has also affected the local labor dynamics even though Syrian historically work in the agricultural sector in Bouday. But, since the onset of the crisis and the strains it has put on families, some tensions and competition over employment has arisen between Lebanese and Syrians according to key informants.

Younine, also located in the Baalbek district of the Baalbek-Hermel governorate, has a population of approximately 9000 residents. The community of Younine relies on agriculture, particularly the cultivation of grains such as wheat, barley, chickpeas, and lentils, alongside various fruit trees including cherries, apricots, grapes, and peaches. Additionally, residents engage in the cultivation of potatoes and tobacco, as well as livestock rearing. Despite its abundance of water and natural springs, dry spells and pollution have adversely impacted water quantity and quality. Although underground water sources exist, their extraction necessitates significant digging efforts beyond the municipality's capacity, placing a strain on local farmers. Some individuals also pursue employment in both public and private sectors, operate local shops, and practice various professions and handicrafts, contributing to the town's economic diversity.

Yanta, situated in the Rachaya district of the Beqaa governorate, is the smallest of the three villages, and is home to approximately 1000 residents, with a sizable diaspora residing mainly in North America. The village relies on agricultural activity, focusing on the cultivation of grapes, cereals, apples, and other fruit trees. One of its prominent products is grape molasses, along with honey. Notably, the diaspora from Yanta has played a significant role in the village's development, contributing to the construction of traditional summer houses, and enhancing landscaping. Additionally, their donations have supported various initiatives within the municipality, especially since the onset of the financial crisis. Furthermore, a large share of senior residents in Yanta relies almost entirely on remittances from their children living abroad. Interviews with local stakeholders explain that the local government of Yanta has prioritized infrastructure development, particularly in water and electricity provision, ensuring affordable access for all residents. Furthermore, the municipality has actively promoted agriculture by distributing seedlings, tools, and fertilizers to local farmers, aiming to bolster the agricultural sector and sustain the community's livelihoods; however, the increasing needs are surpassing the capacity of the municipality to help farmers. In terms of Syrian refugees' presence, there are around 15 refugee families in Yanta amounting to around 100 people who reside in Yanta.



The three towns share several characteristics, namely, their agricultural nature, the fact that they host many Syrian refugees, and their high levels of vulnerability. This situation describes most towns in the Beqaa and Baalbek-Hermel governorates, who have been highly impacted by the multi-faceted crises affecting the country. The multi-dimensional poverty index published by the Central Administration for Statistics in 2019 shows that even prior to the crisis, the Beqaa governorate is one of the most deprived areas, having one of the highest levels of poverty in the country, followed by Baalbek-Hermel governorate. The lack of health insurance appears to be the top contributor to poverty and vulnerability in these areas (as well as other areas in Lebanon)<sup>1</sup>. The economic crisis only came to exacerbate this situation, affecting the livelihoods of households and eroding their incomes.

A FEWS NET report from February 2024 shows that shocks to agricultural production have been severe in the North and Beqaa regions, linked to high costs of inputs and fuel amid low farmgate prices<sup>2</sup>. For example, the Bekaa region is one of the main producers of potatoes, grown all year round and harvested from April to June. Due to high production costs and low farmgate prices, many farmers opted not to harvest their crops in 2023 as they would have incurred greater net losses. The price of imported potatoes from Egypt was 20% to 40% lower than Lebanese farm gate prices.



*Hajja Nima Shams, 65, eats a plate of food she has purchased with multi-purpose cash assistance from Mercy Corps' SAFER program.*

*Ezra Millstein/Mercy Corps*

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<sup>1</sup> Central Administration of Statistics, "[Multidimensional poverty index 2019](#)", March 2022

<sup>2</sup> FEWS NET, "[Conflict, economic decline, and governance crisis deepen food insecurity](#)", February 2024

## Impact of MPCA on program participants

Literature identifies 5 ways in which cash transfers can strengthen the adaptive capacity of households<sup>3</sup>:

1. Help meet basic needs.
2. Respond to climate-related shocks.
3. Reduce pressure to engage in coping strategies which weaken long term adaptive capacity.
4. Transfer money to investment in terms of livelihood and adaptive capacity improvement.
5. Facilitate mobility and livelihood transitions.

The SAFER program provides clear evidence for strengthening the adaptive capacity of its beneficiaries through helping them meet their basic needs and reducing negative coping strategies. Indeed, the endline report shows that the MPCA program has reduced many challenges for households and improved their living circumstances, and participants reported high satisfaction levels with the program. Comparison between baseline and endline surveys shows that the cash assistance has had a positive impact on households' food consumption score (FCS) and improved their food security through shifting coping strategies from meal reduction to resorting to less preferred foods. In addition, households reported an increased ability to meet their basic needs as well as to save, while reducing their reliance on borrowing money for food.

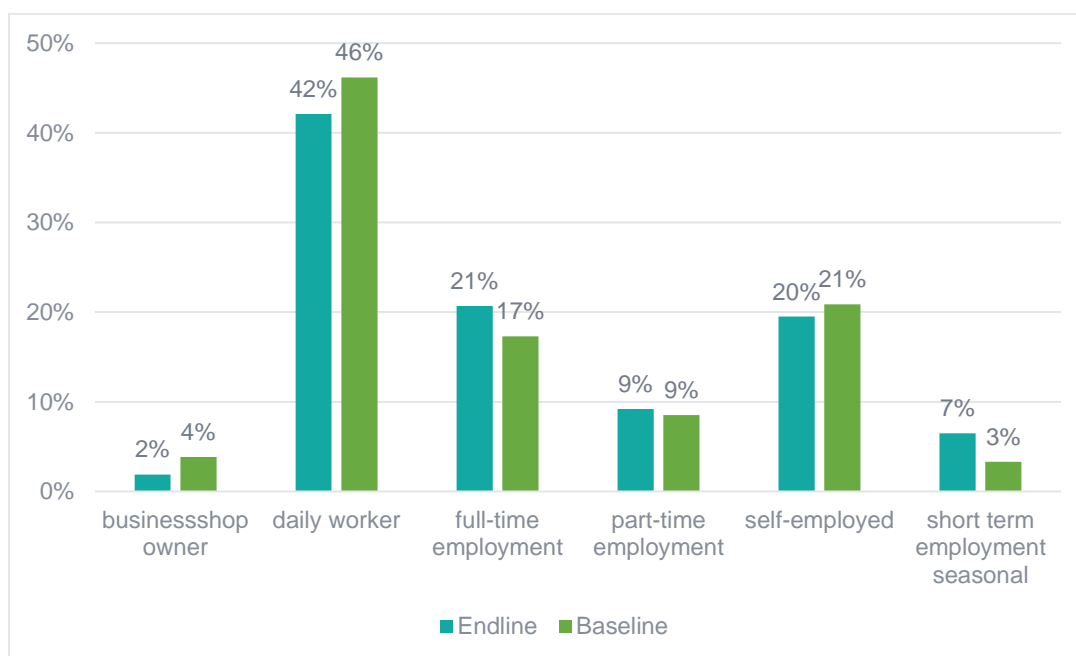
These results are further validated by the LCAT Market Impact Report which observed that SAFER participants mostly spent the MPCA they received on better quality food (i.e. increasing the number of times they consume meat, poultry, fruits and vegetables per month), healthcare (i.e. purchasing medicine or seeking healthcare services), and education (including purchasing books and stationary, paying registration fees for school or university, or paying for transportation to and from school)<sup>4</sup>. Local actors and authorities also validated this by reporting overall improved living conditions, like people being able to buy needed clothing, filling their cars with fuel, paying off their debts, or dealing with health issues.

However, there is less evidence for SAFER increasing the adaptive capacity of its beneficiaries through facilitating mobility and livelihood transitions. Employment circumstances appear to have deteriorated between baseline and endline. Participants reported that, at baseline, 58% had worked in the last 30 days, whereas at the endline, only 28% reported themselves or one of their family members working. The type of employment available mostly constituted daily work, as the figure below depicts.

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<sup>3</sup> Godfrey Wood, R. (2011) '[Is there a role for cash transfers in climate change adaptation?](#)' in Devereux, S. and McGregor, J.A. (eds.) Social protection for social justice, International Conference Institute of Development Studies, Brighton 13-15 April

<sup>4</sup> Lebanon Crisis Analytics Team, "[Market Impact – MPCA](#)", June 2024



*Figure 1 Type of employment of SAFER program participants*

Although there is some evidence for cash transfers under SAFER being used to invest in livelihood activities, it has been limited to a few cases only, and cannot be considered as a main way people have used cash assistance. Azuara<sup>5</sup> argues the effect of the cash transfer programs is higher for those individuals considered relatively less poor of the population receiving the assistance. And indeed, the few cases of SAFER program participants using MPCA for investment purposes are those who already have a micro, small, medium enterprise (MSME) setup or possess the needed skills and can largely meet their basic needs.

## The multiplier effect

The LCAT Market Impact Report shed light on the indirect impact of MPCA on the local economies of the villages where SAFER program was implemented, where people observed a multiplier effect for the increased cash in circulation within the local village markets, although short lived and limited to the period of SAFER program<sup>6</sup>. Marchants, butchers and pharmacists from Younine and Bouday reported increased sales during the period of the program and local actors reported improved economic activity in the villages. Butchers reported an increase in demand for meat products, which validates also participants reporting improved quality of food and more frequent consumption of meat. However, they reported that the increase in sales did not reach pre-crisis levels. Pharmacies reported increased demand for Lebanese-made medicine and observed people purchasing higher stock of their needed medicine (e.g. buying a whole package compared to one blister of medicine). Mini markets observed people buying more and better-quality products, and they re-stocked some products that they were not re-stocking before.

<sup>5</sup> Azuara O. (2009), "[Does poverty Alleviation Increase Migration? Evidence from Mexico](#)", University of Chicago,

<sup>6</sup> Lebanon Crisis Analytics Team, "[Market Impact – MPCA](#)", June 2024

However, no one mentioned an increase in employment amongst their customer base, or them hiring new employees themselves. The multiplier effect of the cash assistance was not sufficient or long-lived enough to lead to changes in labor demand or create new work opportunities. This is most likely due to the temporary nature of the assistance and people expecting that it will end within a year. In a study conducted by Mercy Corps in Yemen, the multiplier effect was calculated for regions that had benefited from cash assistance, and indeed it had also lead to increased economic activity including increased demand, and changes in the types of good demanded, mainly increasing demand for higher quality goods; however, none of the surveyed businesses reported increasing the number of their employees or increased wage rates. Indeed, the paper concludes that total economic impact of MPCA should not be conflated with permanent economic growth; rather, it quantifies the temporary increase in economic activity generated by the cash injection<sup>7</sup>.

## International literature

Indeed, literature from international experiences observes that cash assistance programs have a higher impact on improving people's consumption needs rather than on their livelihood conditions. One study<sup>8</sup> on six countries in Sub-Saharan Africa provided evidence for a marginal livelihood impact from cash transfers, where receiving cash improved strategic livelihood choices by allowing households to shift away from negative coping strategies such as child labor and begging. However, the study finds that cash transfers are less effective at increasing productive investment, especially within a complex wider economic context. One factor that appeared to positively contribute to the livelihood benefits of cash transfers was the timeliness and regularity of cash transfers' receipt; the more regular and constant the cash flows are, the better the livelihood benefits could be.

Another study in South Africa finds that cash transfers to elderly South Africans lead to increased employment among younger members of their households through the increased probability for these younger members to become labor migrants once the household starts receiving the cash transfers (in the form of a pension in this case)<sup>9</sup>. Therefore, cash transfers might have a longitudinal impact on households that cannot be captured through cross-sectional analysis and require several rounds of cash assistance and a longer research time horizon to be studied.

## Social stability and tensions

MPCA has contributed to decreased inter-communal tensions according to the LCAT Market Report, as it targeted the vulnerable Lebanese communities that had not been the focus of cash assistance programs as much as the Syrian refugee communities<sup>10</sup>. Indeed, all three communities are hosts to Syrian refugees and

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<sup>7</sup> Cash Consortium of Yemen, "The Multiplier Effect of Multi-Purpose Cash Assistance in Ad'dahli and Ja'ar Sub Districts in Yemen", unpublished

<sup>8</sup> Fisher, Eleanor, Attah, Ramlatu, Barca, Valentina, O'Brien, Clare, Brook, Simon, Holland, Jeremy, Kardan, Andrew, Pavanello, Sara and Pozarny, Pamela (2017) "[The livelihood impacts of cash transfers in sub-Saharan Africa: beneficiary perspectives from six countries](#)". World Development, 99. pp. 299-319. ISSN 0305-750X

<sup>9</sup> Ardlington, C., Case, A., and Hosegood, V., (2007) [Labour Supply Responses to Large Social Transfers: Longitudinal Evidence from South Africa](#), NBER Paper

<sup>10</sup> Lebanon Crisis Analytics Team, "[Market Impact – MPCA](#)", June 2024

perceptions among Lebanese residents about the unfair distribution of aid and assistance being skewed towards Syrians had been a source of tension for a while, especially since the onset of the economic crisis and the significant deterioration in the living conditions of Lebanese families.

## Evidence from Lebanon

Evidence from Lebanon's cash transfer programs, including those implemented with Syrian refugees, on the relation between livelihoods and cash transfers is quite limited. Available literature is limited to linking the eligibility of cash recipients to their employment status, where, for example, a study from 2022 conducted by CAMEALEON and Exigo on how Syrian Refugee households spend MPC and use it to access services, mentions that labor is often not seen as a viable option to households benefiting from MPC because of the need to prioritize care work for older persons and household members with a disability<sup>11</sup>. In addition, labor opportunities were seen as limited and hazardous, even if there were household members who were able and willing to work.

The SAFER program evaluation notes that the MPCA impact has been significant yet short lived, as many cash assistance programs are, and suggests having livelihood opportunities linked through referrals or integration of livelihood through a match-fund for a more sustainable impact. It also suggests conducting an employability skills assessment and a market assessment to elaborate on needs in the target areas.



*Bread, eggs, potatoes, onions and garlic are among the food supplies that Wafa Jamal Mohsen, 65, purchased with multi-purpose cash from Mercy Corps' SAFER program.*

*Ezra Millstein/Mercy Corps*

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<sup>11</sup> Exigo, "[Leaving no one behind: Evidence from Lebanon on how multi-purpose cash beneficiaries with different vulnerability profiles spend income and access services](#)", September 2022

# Findings

This section presents the findings from the qualitative interviews with participants, community stakeholders and members of the private sector. The findings are triangulated with the analysis of SAFER endline data. The section starts with an overview of the demographic characteristics of the family groups of interest. Then, it looks at the households whose heads have remained unemployed throughout the SAFER program or who lost their job during the time period of the project. This group also include families where the head has remained or went out of the labor force. It examines the factors that have hindered these people’s employment, and how MPCA played out as a factor affecting employment decisions within the household. Finally, it delves into the profiles of households with heads who have remained employed or found new employment during the time period of the program. It explores the role that MPCA played in their employment status.

## Demographics

A general overview of the data collected during this study reveals several differences between the selected groups of SAFER participants. The following table shows some basic characteristics of the sample of respondents from the four groups that were interviewed during the present evaluation. The most notable observations that can be made are that households where the head has remained jobless over the SAFER program period are smaller households with fewer children, who are often composed of retired / senior couples living with one or more of their adult children or siblings. In contrast, household heads who have kept their jobs or found jobs live in larger households with more children, and more than one family member is working.

Type	Household size	# of children below 15	# of working members	Gender of household head
Lost job	5.8	1.3	0.5	90% male
Found job	4.8	1.7	1.4	63% male
Kept job	5.6	1.6	1.6	80% male
Remained jobless	3.9	0.6	0.5	64% male

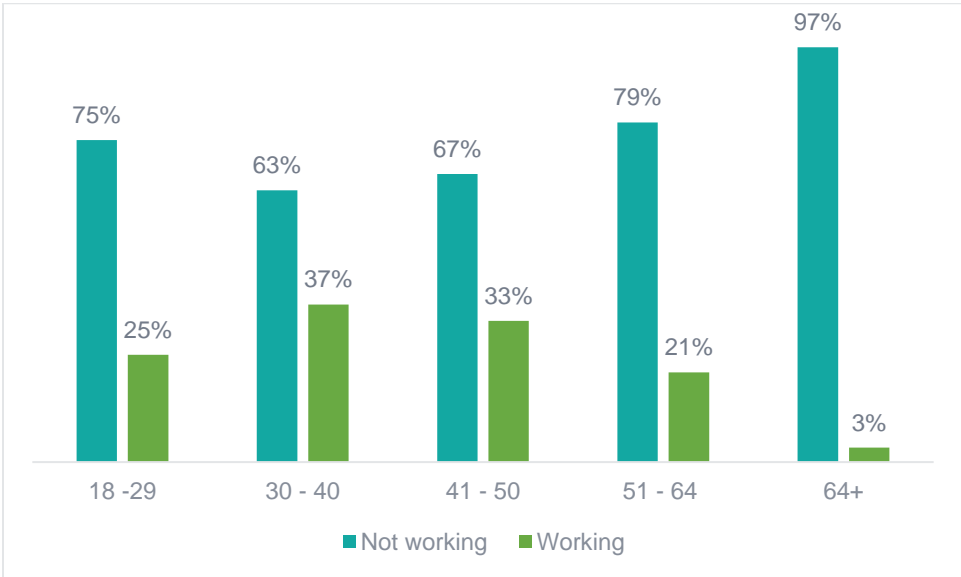
*Table 2 Sample demographic characteristics*

Therefore, from these results, we can conclude that families with more senior members and fewer young children appear to be deprioritizing certain basic needs and conceding to living in poverty and deprivation. In contrast, larger families with young children have high childcare and education expenses and are obliged to keep the jobs they have or find work, even though the available jobs may not meet their criteria for decent wages and acceptable working hours. These parents feel compelled to do everything in their power to meet their children’s basic needs and work towards ensuring a future for them.

# Unemployment or out of the workforce experiences

Of the interviewed program participants, 24 were unemployed at the time of the interview, of which 10 had lost their job during the program duration and 14 were unemployed or out of the labor force before receiving SAFER assistance. There were no essential differences between those who had lost their jobs prior to receiving MPCA and those who had done so during the program. The only observed difference was in the average income they reported, where people who lost their work reported around USD 140 per month, while those who remained jobless reported a lower average income of USD 100 per month.

A large share of SAFER participants who are not working are in fact unable to or unfit for work due to old age, disability, or chronic illnesses. Within the sample of interviewed SAFER participants, 63% of those older than 50 years mentioned chronic illnesses or disability as their main reason for unemployment. This finding is also supported by the analysis of endline data, which shows that unemployment increases steadily with the age of the household head. In fact, if we look at all SAFER participants (both working and not working), it is also evident that most elderly individuals are not working, while the highest share of working SAFER participants is within the younger age group of 30 – 40 years.



*Figure 2 Employment status by age group*

Furthermore, 71% of men heads of household were not working compared to 95.5% of women heads of household indicating a much higher incidence of unemployment among women. Women who are not working are reporting mainly lack of job opportunities and disability as their main reasons for being jobless.

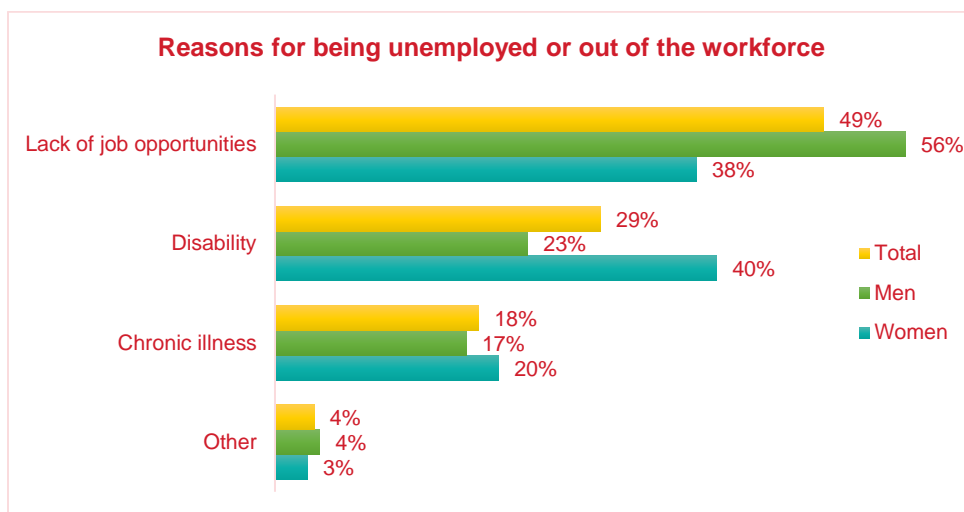


Figure 3 Reasons for being unemployed or out of the workforce by gender

Most interviewed participants who had lost their jobs over the past three years had done so due to health issues, retirement, or inability to find work. Half of the interviewed participants reported health problems as the main reasons for them not working, whether it was debilitating surgery, the development of a chronic disease, or an accident that had rendered them unable to work, i.e. they have had to exit the workforce. Most of these people were not searching for work any longer because they could not work even if they wanted to.

Those who have retired were all retired from the military and reported being too old or chronically ill to look for new employment. As the devaluation of the Lebanese Lira eroded the dollar value of their end of service indemnities and pensions, they were mostly relying on their children for support and some of them mentioned working for a short period of time as drivers or other daily work.

The lack of job opportunities was the other major reason for unemployment among SAFER participants<sup>12</sup>. The heads of household who have lost their jobs or have been jobless throughout the past 3 years were previously employed in various sectors, most of which can be described as low skill jobs with low stability and sustainability (see table below).

### HEALTH ACCIDENT SEVERELY IMPACTING A FAMILY

*A family of 6 composed of two sisters, one married with 3 children under 15, depended on the husband's work in the military until he had a car accident that rendered him unfit for the military and they had to let him go. One of the sisters used to work in agriculture but also stopped many years ago due to chronic illness, while the other is a housewife taking care of her three children. They had been using the MPCA mostly to buy medicine and basic needs for the children. They currently rely on daily jobs the husband can find that do not sum to more than 100 USD per month. They would have liked MPCA to continue for a longer period of time since no one from the household is able to work anymore.*

<sup>12</sup> Nine out of 24 unemployed heads of household attributed their unemployment to lack of jobs.



Sector	Total
Military	5
Construction	3
Agriculture	1
Driver	2
Semi-skilled professional	2
Self-employed (housekeeper)	2
Unskilled daily worker (gas stations worker, wood-cutting)	4
Never worked	4
<b>TOTAL</b>	<b>24</b>

*Table 3 Sector distribution of previous employment*

Other reasons for losing their work or not finding decent work, included extremely low wages, competition with Syrian workers, and lack of adequate skills. One respondent from Yanta, who has retired from the military since 2012, says that he has not been able to find work due to the competition with Syrian workers, who according to him, are dominating the market because they agree to work for lower wages. Before the crisis, his pension was sufficient to cover his household needs; however, since the devaluation of the Lira, the pension has lost its purchasing power, and he has been trying to find work to make ends meet.

Another respondent, a woman from Bouday, explains that her son, who is the main breadwinner in the family, has left the army back in 2020 due to the low wages and has been trying to find work, but lacks skills and education to find decent employment. She says she is also illiterate and has not even attempted to look for work due to her low education level. They are currently securing a minimal income through daily jobs that her son finds sporadically. She mentions that her son wants to find a secure job as a security guard because he is able to perform this job and it can pay a steady income.

Only 4 out of the 24 unemployed interviewees report leaving their work willingly due to extremely low salaries that did not correspond to the amount of work required, in other words, exploitative work conditions. They did not mention hazardous or dangerous working conditions, but they argued that the amount of income was not proportional to the work required. However, this number increases if we consider the larger number of military members who had resigned since the onset of the crisis and the devaluation of their salaries and the increased transportation costs to and from their posting areas.

Almost all respondents who are unemployed or out of the workforce reported that their current income (from other working household members, assistance, or other sources) is not nearly enough to sustain their families. They have debts to pay. The income is not enough to meet their children's needs, especially the young ones in need of milk and diapers or cover the healthcare needs for the members with chronic illnesses.

## Case studies

**A Story from Bouday:** Despite being the only working member of a household of 8, a gas station worker decided to leave his job because of the extremely low wages for a job that required long hours of standing and physical labor. The household is composed of a married couple and their son (under the age of 15), the household head's parents, his 2 siblings, and his grandmother. This head of household began working in 2021 for a wage of LBP 3mil per month which was equivalent to around USD 120; however, in 2023 at the current market rate, it did not exceed USD 33 USD, which he believes is not worth the physical exhaustion and long working hours. The interviewed Bouday resident mentioned that he had left his job prior to receiving MPCA, so the cash assistance had not played a role in his decision. Throughout the past two years, he has been looking for work, but not finding any.

**Father and Son Leaving work:** Another head of household in an eight-member household used to work as a daily concrete worker in the construction sector for a long time but decided to stop working around 9 months ago (in November of 2023) due to low wages and an eye injury. The household is composed of the male head of household, his wife, and their 8 children, all of whom are above 15. The family used to rely on a secondary income from one of the sons who used to be in the army; however, he also decided to quit in 2020 due to the high transportation costs to and from his military posting area in Akkar. The father says he is too old and tired to look for work, but the son has been trying to find a job. Another son has also left school to try to find employment and support the family, while the ones who are still in school have moved from private to public schools to be able to finish their high school education.

These two stories also echo an earlier finding that the age of the children's members of the family appear to play a role in employment decisions. These two cases show that large households with only adults or older children are more likely to decide to leave work or be jobless.



*Ahmed Mustafa Shams (71, blue jacket) speaks with Zain Al-Masri, Program Officer for Mercy Corps' SAFER program. Ahmed started receiving \$150 in monthly emergency cash assistance from SAFER in February 2023.*

*Ezra Millstein/Mercy Corps*

# Employment experiences

Out of the interviewed participants, 13 were employed, of which 8 had found a job after receiving SAFER assistance and had a job since before receiving SAFER assistance. The average income for those who have kept their work before the MPCA started is USD 165 per month, while those who have more recently started working have a slightly higher average income of USD 194 per month.

Although the target villages are all described mainly as agricultural areas, analysis of endline data shows that only 10% of the SAFER employed participants work in agriculture, while drivers and daily workers are the predominant occupations. This indicates that the most vulnerable Lebanese families do not work in agriculture, even though this is the sector generating the largest amount of employment opportunities in the area. Interviews with Mayors from the target villages indicated that agriculture is a sector that is witnessing high competition between Lebanese and Syrian, not only the level of agricultural workers, but also at farmer level, where more recently, Syrians are participating in land leasing with Lebanese farmers or individually. Additionally, the cost of production in the agricultural sector has increased tremendously since the onset of the crisis, so vulnerable families cannot afford to continue working in agriculture, at least not on the same scale. For instance, the mayor of Bouday estimates based on his knowledge and the experiences of farmers in Bouday that the cost of production is at best equal to the revenue with no profit margins at all.

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*“I am a diabetic and I am getting old, but I will keep on working so I can provide for my family. I have 6 children and a diabetic wife. We have not taken our medicine for a month now” – Male, Bouday*

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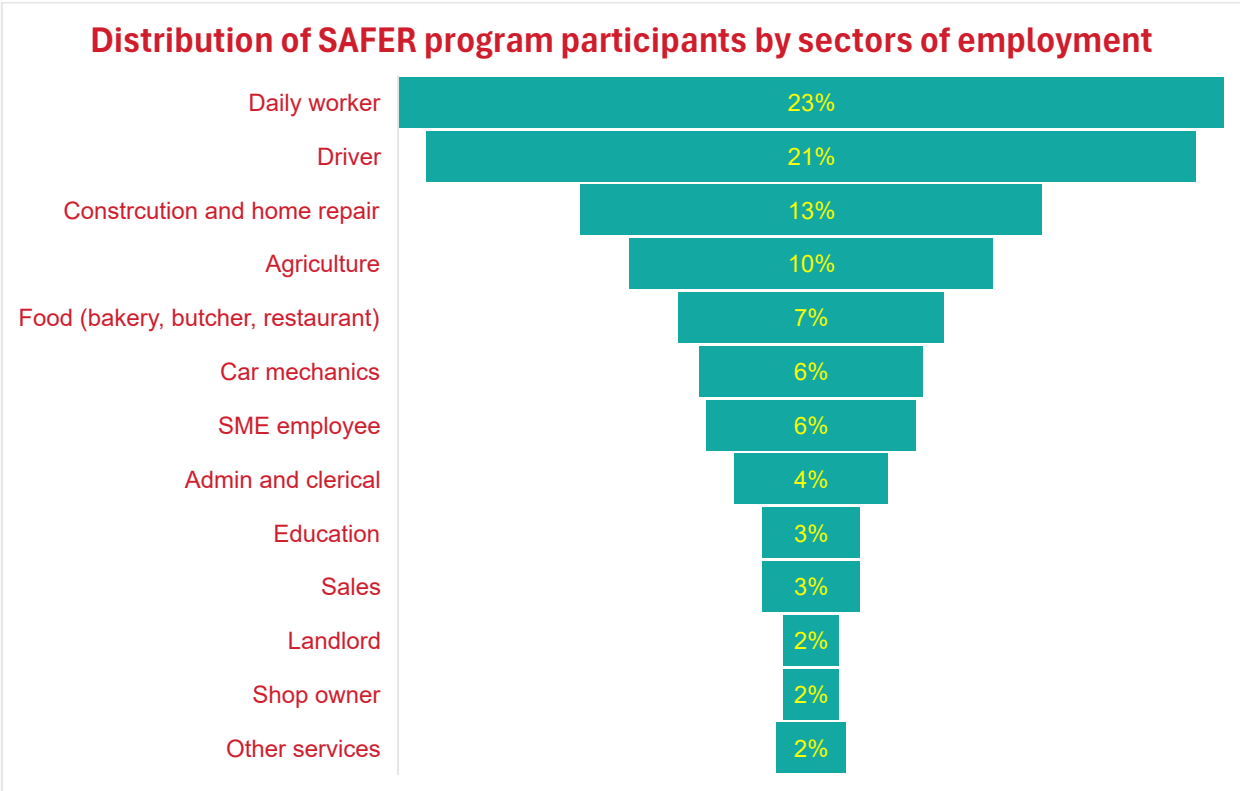


Figure 4 Sectors of employment for SAFER program participants

All the interviewed SAFER participants who are working are self-employed, whether part time or full time, with jobs they describe as unstable. As the table below depicts, the working SAFER heads of household are not engaged in stable full-time salaried employment with social protection benefits. They are predominantly working in semi-skilled or skilled self-employment that is sensitive to changes in demand and the overall economic well-being of the local community.

Sector	Total
Housekeeper	1
Shop keeper	2
Driver	3
Agriculture Part time / Full time	3
Construction	1
Employee	1
Self-employed skilled worker (plumber, woodwork, mouneh)	4
<b>TOTAL</b>	<b>15</b>

*Table 4 Sector distribution of current employment in study sample*

Only a minority of respondents had other family members who were working to support the household. In one family, the father-in-law also worked as a bus driver during the scholastic year to help out with the household expenses. Another family had a working son who had dropped out of high school to work in a restaurant and support the household expenses. Two respondents mentioned that their spouses used to work (one as a nurse and another as a teacher), but they had to quit working for health reasons, which had an adverse effect on their overall living conditions and well-being.

Working women feel torn between their work and childcare responsibilities and would ideally prefer to combine both through home-based and/or flexible work. The interviewed working women who have young children reported that they would prefer to stop working and raise their children if they had the opportunity to. Another woman who works from home mentioned that she is satisfied with her job, namely because she works from home and is able to be with her children.

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“Some days I come home late from work and the children are already asleep. If I could, I would stay at home and raise my children.” – Female, 38, Younine

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A wide social network and good referrals were a major contributor for maintaining the work of the people who have kept their jobs since the onset of the crisis. As established earlier, the majority of employed individuals are working in service-related self-employment, and most of them suggest they were able to maintain their jobs because of their personal connections and referrals, which have ensured clientele for their services. However, they also stress that their jobs are overall unstable.

# Causal pathways between MPCA and livelihood outcomes

This section explores the possible relationship between receiving MPCA and changes to the employment status of recipient households, to determine how MPCA has acted as a catalyst to improvements in livelihood conditions in the target towns. As mentioned earlier, existing literature shows that, under the right contextual circumstances, MPCA can contribute to increased investments in income generating activities, or to increased labor mobility. The results presented below provide evidence for a positive, albeit limited, positive impact of MPCA in creating more favorable conditions for livelihood improvement decisions.

There is no evidence for MPCA contributing to giving up employment or increased dependency on assistance. All interviewed participants who had lost their jobs before or during the SAFER program period believed that there was no correlation between their livelihood situation and the MPCA they were receiving. Those who were looking for work mentioned that they had continued looking for work while receiving MPCA because the cash assistance amount was not enough to cover all their family needs. Therefore, the amounts of cash assistance have been sufficient to cover basic needs, but not enough for households to give up job search efforts. Those who could not work mentioned that they could not have looked for work either way, regardless of MPCA because they were rendered unfit for work. They mentioned that after MPCA ended, they have relied on other organizations (or were looking to) and on help from friends and family relatives. Based on the household profiling exercise, this category represents 47% of the SAFER caseload who are not working, which can explain the limited impact of MPCA on livelihood outcomes.

In one case MPCA has delayed job search, and although this is a limited case, it is worth noting it as a possible phenomenon that could have a counter impact on unconditional cash transfers. A respondent used to work as a plumber and his wife used to work selling kitchen equipment and glassware prior to the crisis. During the crisis, he stopped working because it was not profitable for him anymore. The family started receiving MPCA and was living from the assistance and the spouse's income. However, the wife also stopped working as she fell ill, and the family was left only with the MPCA. When they knew the cash program was about to end, he decided to return to plumbing as this was the only way for them to earn an income. He mentioned that he would have looked for work sooner had it not been for the MPCA. This risk of aid dependency is present in cash transfer programs, and one way to try to minimize it, is to improve targeting mechanisms to prioritize those who cannot work even if they wanted to, thus reducing inclusion errors.

MPCA has not led to quitting employment for already working SAFER participants. Individuals who were already working when they started receiving MPCA report that the cash assistance did not lead them to quit working, as the amount was not sufficient to cover their needs, but it helped them repay debts and cater to their basic needs.

Half of the interviewed individuals who have recently found employment attribute a role to MPCA (or the end of it) in their employment decision and situation. Out of the 8 people who report starting work after receiving MPCA mention that the cash assistance influenced their decisions and actions; however, they all mention different ways in which MPCA has affected their decisions. Examples include the following:

- **Direct investment of MPCA into the scale-up of existing business:** A female head of household who works in home-based crafts had stopped working due to the high cost of materials that she could not afford anymore since the onset of the crisis. She has 4 children that she cannot leave. Once she

started receiving MPCA, she used part of it to purchase materials needed for her to restart her work. Ideally, she would prefer that cash assistance last for two years so she would be able to afford to buy some new tools and equipment for her work. This would enable her to scale her business up and become self-reliant.

- **MPCA provides mental well-being and income security to enable labor mobility and transition to improve work:** A male head of household used to work in a factory in Beirut with a very low salary and could not afford the transport cost to go back to his town to see his family. He wanted to change his work and move closer to his family, but he was afraid to take the step. Once he started receiving MPCA, he felt that he had sufficient income stability and predictability (at least for 12 months), to leave his job in Beirut and move back to his town to start working as a full-time barber in a barbershop. Ideally, he would like to receive a large one-off amount of cash assistance to open his own business.
- **Time-bound MPCA instigates the development of business ideas, supported by the newly acquired financial literacy skills:** A respondent reports that she used to have a shop that she closed due to the crisis and had not worked since then. When she found out that MPCA was about to end, she thought of ways she can earn income and re-launched her business through an online shop. She did not use the MPCA for setting up the online business (she used it for health-related expenses), but she knew that she had to earn a living after the end of the program. Receiving MPCA gave her the clarity to start the online shop and venture into this new business setup.



*Rafaa Saleh Kassis cooks dinner for her family. She and her husband Ahmed Mustafa Shams have seven children, who are all married, and 16 grandchildren. In February 2023 they started receiving \$150 in monthly emergency cash assistance from Mercy Corps' SAFER program.*

*Ezra Millstein/Mercy Corps*

# Conclusions and recommendations

The SAFER MPCA program in three towns in Baalbek-Hermel and Beqaa regions has been evidently quite successful in responding to the immediate needs of residents who have been severely impacted by the compounding crises that have hit Lebanon over the last years. MPCA has allowed program participants to meet their basic needs and reduce their reliance on negative coping strategies. It has mainly helped residents gain access to more diversified food, medicine, and other essential needs. The purpose of this study has been to look at the potential adaptive role of MPCA, in facilitating or hindering livelihood transitions, whether through investments in entrepreneurial activities, or providing agency for better employment opportunities. This concluding section sums up the findings and synthesizes them to answer the research questions of the study.

*What are the pathways through which MPCA, coupled with financial training, can help program participants to take up livelihood opportunities?*

The results from 37 interviews with SAFER participants in all three locations shed light on the specific pathways through which MPCA can perform this role. In one pathway, MPCA has stimulated positive livelihood opportunities through direct investment of the cash assistance into self-employment, using the cash assistance to support an existing MSME. In another pathway, MPCA enabled a career change and movement into better employment opportunities. Households that have been able to utilize MPCA to support their livelihoods through investment have the basis for such an endeavor in terms of an existing established business or experience in home-based income generation activities. They are also of working age and do not suffer from debilitating health conditions that render them more vulnerable and would spend the cash assistance on medical bills and purchase of medicine.

*What contextual factors hinder taking up livelihood opportunities?*

A large portion of SAFER participants report that they are unable to work due to health conditions or old age (or both). Typically, these program participants include female- and elderly-headed households: 60% of female-headed households and 81% of elderly-headed households who are currently not working report being unable to work due to health conditions and old age. These program participants did not consider using MPCA for livelihood enhancement, but based on evidence from existing literature, the younger / more able household members who currently support them financially could potentially benefit from the assistance indirectly through being relieved from the burden of supporting these family members who have started receiving MPCA and be more open to searching for employment with better conditions. This, however, requires repeated rounds of cash assistance over a longer period and a longitudinal analysis of post-distribution monitoring data.

*What household profile is most likely to achieve self-reliance at the end of the SAFER program through livelihood and income generating opportunities?*

SAFER program beneficiaries can be divided into 4 groups: (1) those who cannot work due to old age, (2) those who cannot work due to chronic illness or other debilitating health condition, (3) those who are able to work, but cannot find employment or self-employment opportunities, and (4) those who are working, but their income is not sufficient. The results of the study show that members of category 1 are unlikely to achieve self-reliance, as they are retired and reliant on younger family members. These people should be benefiting from government pensions, end of service indemnities, and reliant on the national social security fund for health services. In light of the crisis, the purchasing power of any pensions or end-of-services indemnities has eroded,

and public health services are scarce, if at all present, in remote areas such as the target areas of the SAFER program.

As for category 2, the severity of the household head's illness and/or its treatability plays a major role in any future improvement in the household's livelihood situation. Some chronic illnesses, like diabetes, can be managed through adequate medication that would allow for the individual to lead a normal life and work. In the case of the SAFER program targeted households, members cannot afford to treat their illnesses, and with time, even mild illnesses can become debilitating. Therefore, without proper medical support, these households are unlikely to become more self-reliant in the future, on the contrary, their situation is expected to exacerbate.

The third and fourth group are more likely to achieve self-reliance as they are able to work; however, depending on several factors including: (1) their skill level, (2) adaptability of their skillset, (3) dependency ratio (number of children under 15 in the household), and (4) access to finance for self-employed / MSME owners, and (5) the size and diversity of their social network and connections through which they find employment. Here, coupling cash with skill training programs, skill diversification or specialization, can help program participants overcome negative seasonality effects of employment, and provide opportunities for improving their employment conditions.

*What are possible graduation strategies for the next phase of SAFER intervention?*

There is sufficient evidence from Lebanon and the world to show that in the long run, the effects of unconditional cash transfers dissipate. A World Bank report from 2020 for example argues that in some cases, unconditional cash transfers, such as MPCA, end up being palliative, i.e. they improve outcomes while the income support is in place but fail to cause sufficient accumulation of human (or other forms of) capital to alter long-term outcomes. In such cases, beneficiaries end up back at square one soon after the cessation of transfers. Therefore, graduation strategies play an essential role in reducing the number of beneficiary households who will essentially return to their original state of vulnerability after the end of the program.

Graduation strategies necessitate actors to look beyond the immediate, most pressing needs of their programs' participants, and address the range of factors and circumstances that are trapping people in poverty and vulnerability, all while recognizing that a "one-size-fits-all" solution does not exist. In fact, a key characteristic of successful graduation strategies is the presence of multiple packages of support that take into account such factors as household composition, the availability of markets and participants' ability to do physically demanding work – factors that all shape the degree to which they are able to take advantage of graduation opportunities.

## **Cash Plus Programs**

Cash plus programs are becoming increasingly popular in the world and in Lebanon. One prominent example is the CASH plus programs for Syrian refugees who were provided with a range of shelter and WASH services in addition to receiving cash assistance. An evaluations study for the program showed that receiving shelter assistance over and above MPC is significantly associated with improved outcomes not only for shelter but also for WASH and health. As for SAFER program, several interviewed participants mentioned in fact that they would like to see additional services such as cash for work programs and discounted healthcare services along with the cash transfers. Therefore, a cash plus approach that focuses on providing, in parallel with



MPCA, healthcare services, educational services, and cash for work, could be a more sustainable way to graduate from cash assistance.

## Graduation Approach to Cash Transfers

The graduation approach includes a multi-faceted set of interventions designed to address the complex nature of poverty and vulnerability. It typically targets 4 areas of intervention: (1) meeting basic needs through cash transfers, food supplies, and health services, (2) income generation through provision of productive assets or support to start a micro-business, (3) social empowerment through coaching, peer to peer learning, and mentorship programs, and (4) financial support and saving through training participants on managing income and expenditure, and connecting them to formal financial services for long-term support and growth.

The SAFER program design included cash transfers to meet basic needs and training on managing income and expenditure, but it did not cover all participants with the same number of services and support tools. An interesting research study would be a comparative study on the livelihood outcomes between participants who received all of the services, financial literacy, Al-Majmoua grant, and cash assistance and those who received only cash assistance. One study that compares between different types of cash related assistance finds that, in terms of impact, graduation programs are the most consistent in making significant positive impacts across sites and in the longer term, while cash transfers generally lack evidence of sustainability of impact among the extreme poor.

It remains to be said that cash assistance programs, including but not limited to SAFER program, even if including adequate graduation strategies, cannot replace a social security system (NSSF) which, in light Lebanon's financial, economic and political crisis, has essentially lost its capacity to provide social security to its members. Lasting impact can only be achieved when much needed reforms to the NSSF are accompanied with cash assistance programs, which can then achieve better results and have a higher value added.

## Recommendations

A series of recommendations can be extracted from the present findings:

1. Mentoring / training is essential for low skilled and seasonal employees to be able to better integrate into the market. Therefore, all cash recipients who are categorized as able to work could also be part of a training program that corresponds to their skillset / economic activity sector.
2. For women heads of household, balancing childcare and employment posed a major challenge; therefore, providing adequate childcare facilities or supporting home based economic activity should be explored.
3. More generally, cash assistance should be conceptualized within a larger MSD approach that considers the “push” and “pull” factors. The push factors are the safety nets provided; in the case of SAFER, they are the MPCA and financial literacy training. The pull factors correspond to the private sector led market access support. In practice, this requires coordination between cash assistance programs (like SAFER) and the various Mercy Corps interventions in the various regions of Lebanon, which do follow an MSD approach.
4. The graduation approach is essential for participants to exit the cash assistance program in a sustainable manner; however, it is important to recognize that different categories of participants based on their varying levels of poverty and vulnerability need to be considered. Therefore, in

designing the graduation approach, participants need to be categorized into different vulnerability groups and have a different corresponding graduation approach.

5. Understanding that most SAFER participants belong to extremely poor households, implies that their graduation from MPCA needs to be systemic, where the push factors are supported by public sector social safety net programs over a long period of time, before pull factors can take effect. In this respect, SAFER can link / refer its most vulnerable participants to other MPCA programs after the end of its program to extend their access to cash transfers, until they are more market ready and pull factors can work.

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### About Mercy Corps

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