

## 2.3. Socio-economic situation

### 2.3. Socio-economic situation

#### 2.3.1. Overview of the economic crisis since October 2019

Lebanon's economic and financial crisis, which had been developing before October 2019, coincided with the protests that began in that month,<sup>149</sup> and has since been compounded by political divisions and the depreciation of the national currency.<sup>150</sup> The country's financial system has faced significant upheaval, marked by debt defaults, inflation, and a collapsing exchange-rate framework that continue to fuel unstable macroeconomic dynamics.<sup>151</sup> In addition, due to years of financial mismanagement and corruption, the economy was further exacerbated by the 2020 Beirut port explosion, the Covid-19 pandemic, and regional instability following the war in Gaza.<sup>152</sup>

<sup>149</sup>

CFR, Conflict with Hezbollah in Lebanon, 30 January 2025, [url](#); Al Jazeera, What's happening with Lebanon's economy and will it recover?, 10 March 2025, [url](#)

<sup>150</sup>

CIDOB, Lebanon: Financial crisis or national collapse?, June 2022, [url](#)

<sup>151</sup>

Cherqaoui, S.,, Navigating Lebanon's Financial Collapse, Dollarization, Banking Dysfunction, and the Road to Recovery, ACRPS, 4 November 2024, [url](#), p. 1

<sup>152</sup>

Financial Times, Lebanon's economy had been in crisis. Then Israel invaded, 26 November 2024, [url](#); Cherqaoui, S.,, Navigating Lebanon's Financial Collapse, Dollarization, Banking Dysfunction, and the Road to Recovery, ACRPS, 4 November 2024, [url](#), p. 1