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FROZEN ASSETS, FRACTURED TIES: THE LEBANESE DIASPORA AND THE BANKING CRISIS.

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ABSTRACT

In October 2019, Lebanon's banking system collapsed, freezing and devaluing deposits held by millions, including a significant proportion of the Lebanese diaspora. While prior scholarship has documented the macroeconomic dimensions of the crisis, the subjective experience of diaspora members has remained largely unexplored. This study employed interpretive phenomenological analysis to explore how 25 members of the Lebanese diaspora, residing across six countries, lived through and made sense of the freezing and devaluation of their bank deposits. Four superordinate themes emerged: the destruction of institutional trust, the perception of systemic injustice and an accountability gap, forced financial and behavioural adaptation, and the deepening of involuntary diaspora alongside sustained psychological harm. The findings reveal that the crisis was not a single financial event but a compounding rupture that destroyed trust, confirmed injustice, restructured daily life, and permanently severed participants' connection to Lebanon as a place in which a future could be built.

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INTRODUCTION

In October 2019, Lebanon entered what the World Bank has described as one of the most severe economic crises globally since the mid-nineteenth century (World Bank, 2020). What began as a liquidity crisis and a surge of popular protests rapidly escalated into a total collapse of the banking system, a near-total devaluation of the national currency, and the systematic freezing of depositors' savings. For the vast majority of Lebanese citizens, the crisis arrived without warning: overnight, bank accounts that had been considered safe and accessible became inaccessible, and savings accumulated over years or even decades were rendered largely unrecoverable. Scholarly attention to the crisis has since been substantial, yet it has been directed almost exclusively at its macroeconomic and institutional dimensions. Less is known, from a narrow empirical perspective, about how the crisis was experienced by one of the populations most directly affected by it: the Lebanese diaspora. Numbering an estimated fifteen million individuals abroad (United Nations Development Programme [UNDP], 2023), many of whom had maintained substantial deposits in Lebanese banks, this population occupied a position of particular financial and emotional vulnerability when the crisis struck. This study draws on a phenomenological approach to explore how members of this diaspora lived through and made sense of the freezing and devaluation of their deposits, and what that experience has meant for their trust, their family relationships, their connection to Lebanon, and their long-term plans.

LITERATURE REVIEW

The Origins and Structure of the Lebanese Banking Crisis

The Lebanese financial crisis, which became acute in late 2019, was not a sudden or unpredictable event. Scholars and analysts have consistently identified a set of structural vulnerabilities that had been building for decades prior to the collapse (World Bank, 2020; Snaije, 2022). Lebanon operated under a fixed exchange rate peg, maintaining the Lebanese pound at 1,507.5 to the US dollar from 1997 until the crisis, which created an illusion of monetary stability that masked deep fiscal and financial imbalances (World Bank, 2020). The government sustained chronic budget deficits, largely through borrowing facilitated by the central bank, the Banque du Liban (BdL), which in turn relied on commercial banks to absorb sovereign risk by investing depositor funds in government bonds and central bank instruments (Snaije, 2022). By 2019, Lebanon's debt burden had reached approximately 170 percent of GDP, and the central bank's foreign currency reserves had been substantially depleted through years of currency stabilisation interventions (World Bank, 2020).

The Barcelona Centre for International Affairs (CIDOB) has characterised the crisis as a compound event, encompassing a debt default, a currency collapse, and a banking system failure simultaneously (Snaije, 2022). The World Bank, in its Lebanon Economic Monitor (Fall 2020), described the crisis as the product of a rentier economic model sustained by high levels of remittances, artificially elevated interest rates, and an unsustainable reliance on external capital inflows (World Bank, 2020). It was this same reliance on remittances and non-resident deposits that made the Lebanese diaspora particularly vulnerable when the system collapsed.

The Lebanese Diaspora and Its Financial Role

The Lebanese diaspora is one of the largest in the world relative to the domestic population. Estimates suggest that between fifteen and eighteen million individuals of Lebanese origin reside outside Lebanon, a figure that significantly exceeds the country's domestic population of approximately five million (UNDP, 2023). This diaspora has historically played a central economic role in Lebanon, functioning as a major source of both remittances and non-resident bank deposits. By 2022, remittances stood at 37.8 percent of GDP, the highest ratio in the Middle East and North Africa region, and Lebanon ranked as the third-largest recipient of remittances in the region (UNDP, 2023). Notably, despite the economic upheaval of the crisis, expatriate inflows remained relatively stable between 2010 and 2021 (UNDP, 2023), a pattern that speaks to the enduring strength of the financial and emotional bond between the diaspora and the homeland.

Scholarship on Lebanese diaspora-homeland relations has documented how successive waves of emigration, driven by civil war, economic stagnation, and political instability, have produced diaspora communities characterised by a strong desire to remain financially and emotionally connected to Lebanon (Ali, 2024). Diaspora networks have historically channelled funds into Lebanese banks, drawn both by the high interest rates offered and by a sense of patriotic and familial obligation. This dynamic created a deeply interdependent relationship: the Lebanese banking system depended on non-resident deposits to sustain liquidity and fund government borrowing, while diaspora members depended on those same institutions to preserve and grow their savings. The 2019 crisis disrupted this relationship in ways that are only beginning to be understood. Data compiled by Information International

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and reported in the UNDP (2023) remittances report indicate that the number of emigrants rose sharply from 18,863 in 2018 to 79,134 in 2021. Ali (2024), writing in the Journal of Refugee Studies, has further documented how the financial collapse disrupted not only the prospects of those leaving Lebanon but also the daily lives of those remaining, constituting a form of displacement experienced in place. What such accounts have not yet addressed, however, is how these disruptions were subjectively lived and understood by diaspora members themselves. It is to the broader question of how banking crises shape individual experience and trust that the next section turns.

Banking Crises and the Erosion of Depositor Trust

A substantial body of academic literature has examined the relationship between exposure to banking crises and the long-term behaviour and attitudes of depositors. Fungáčová, Kerola, and Weill (2022), in a major study published in the Journal of Financial Services Research, investigated how past experience with banking crises influences an individual's trust in banks. Drawing on data spanning banking crises across fifty-two countries from 1970 to 2014, combined with individual-level survey data on trust, the researchers found that experiencing a systemic banking crisis significantly reduces a person's confidence in banks. Crucially, this reduction in trust is long-lasting: the negative effect persists regardless of how much time has elapsed since the crisis occurred. The study also demonstrated that the duration of a banking crisis intensifies its detrimental effect on trust, and that individuals aged between 51 and 60 at the time of the crisis experienced the greatest erosion of confidence, a finding with direct relevance to the Lebanese diaspora, whose affected members include a significant proportion of older professionals.

The relationship between crisis experience and institutional trust has been further explored in more recent scholarship. Van der Cruijsen, de Haan, and Jonker (2022), examining survey data from the United States and the Netherlands, found that public trust in institutions, including financial institutions, can be significantly altered by prolonged periods of economic and social disruption. Their work underscores that trust erosion is not a one-time event but an ongoing process shaped by repeated exposure to institutional failure and perceived governmental inaction. These findings resonate strongly with the Lebanese context, where the banking crisis has persisted for over five years without legislative resolution, and where depositors have repeatedly encountered evidence of insider privilege and selective enforcement.

Taken together, this body of research establishes that banking crises do not merely reduce participation in formal financial markets but fundamentally reshape individuals' attitudes toward risk, saving, and institutional authority. Trust in financial institutions, once destroyed, is not easily rebuilt, particularly in the absence of accountability, transparent reform, or demonstrated governmental commitment to depositor protection. The Lebanese banking crisis, with its combination of prolonged duration, lack of legislative action, and widespread perception of elite capture, represents precisely the conditions under which the literature predicts the most severe and lasting erosion of depositor trust. What remains largely unexamined, however, is what the experience of that erosion actually looks like from the perspective of those who lived through it. Frechette et al. (2020) have emphasised that phenomenological inquiry is uniquely suited to this kind of investigation, as it attends not only to what happened to participants but to the meanings they attributed to their experiences. For diaspora populations, in particular, the destruction of trust in a homeland institution is likely to carry psychological and relational weight that quantitative measures of trust alone cannot capture, a dimension of the crisis that the following section turns to.

Financial Disruption, Diaspora, and Psychological Well-being

The psychological and social consequences of financial crises for migrant and diaspora populations have received growing attention in recent scholarship, though the Lebanese case remains comparatively under-explored. Salas-Wright et al. (2022), in a review published in Current Opinion in Psychology, documented how economic crisis-driven emigration from Venezuela, characterised by its sudden, overnight quality, generated elevated levels of psychological distress among migrants, including depression, anxiety, and posttraumatic stress. The authors found that discrimination and a negative context of reception in destination countries contributed significantly to mental health burden, and that the stress of maintaining transnational family obligations in a deteriorating home country functioned as a chronic social stressor, particularly when migrants were unable to provide the financial support on which their families depended. Feige and Yen (2021), in a phenomenological study of student debt published in Cultural Psychology, demonstrated that financial crisis does not register as a single, bounded event in people's lives but as a pervasive condition that reshapes how individuals understand themselves, their relationships, and their futures. Their work suggests that only an approach attentive to

subjective meaning can capture the full weight of what financial disruption means to those who experience it.

The relationship between financial insecurity and mental health among immigrant populations has been further examined in epidemiological research. Arega et al. (2022), using data from the National Health Interview Survey covering 2013 to 2018, found that immigrants experiencing financial worry reported significantly higher levels of psychological distress than their native-born counterparts, even after controlling for socioeconomic status. Taken together, this body of work underscores that financial crisis does not affect diaspora populations in purely economic terms: it operates simultaneously on the psychological, familial, and social dimensions of migrant life.

The Purpose of This Study

The Lebanese banking crisis left a significant proportion of diaspora members with deposits that were frozen, devalued, or rendered largely inaccessible, often without warning or recourse. How this was lived through, and what meaning diaspora members have made of it, remains largely unheard in the existing scholarship. Research on the crisis has relied predominantly on macroeconomic, quantitative, and policy-oriented approaches, and the subjective accounts of those most directly affected have not been the focus of sustained inquiry. Drawing on a phenomenological approach, which is designed precisely to attend to the meanings individuals construct in relation to significant life experiences (Frechette et al., 2020), the present study is guided by the following question:

How have members of the Lebanese diaspora lived through and made sense of the freezing and devaluation of their bank deposits since the 2019 crisis?

METHOD

Interpretive phenomenological analysis (IPA) was employed as the methodological framework for this study. IPA is an approach specifically designed to attend to the meanings individuals construct in relation to significant life experiences (Frechette et al., 2020), making it well suited to a research question concerned not with what happened to diaspora members during the banking crisis, but with how that experience was subjectively lived, understood, and made meaningful over time. The following sections describe participant recruitment and sampling, the procedures through which data were gathered, the analytical process by which accounts were interpreted, and the ethical and reflexive practices that guided the study throughout.

Participants

Purposive sampling was employed to identify participants, a strategy particularly well suited to phenomenological research because it targets individuals who hold direct, lived experience of the phenomenon under investigation rather than seeking statistical representativeness (Smith & Nobre, 2021). Recruitment was conducted through diaspora professional networks, social media groups organised around the Lebanese crisis, and snowball referrals from early participants. Inclusion required that individuals had held active deposits in Lebanese banks at the onset of the crisis in October 2019, had experienced the deposit freeze directly, and were resident outside Lebanon at the time of data collection in 2025. No restrictions were placed on the size or type of deposits held, and participants were not required to disclose precise frozen amounts, although reported figures ranged from approximately US$15,000 to in excess of US$500,000.

Recruitment continued until data saturation was reached, defined here as the point at which successive interviews ceased to yield substantively new insights into the experiential dimensions under investigation (Vasileiou et al., 2018). The final sample comprised 25 individuals: 15 men and 10 women, aged between 32 and 68 years (median = 51), distributed across six countries of residence. Full demographic and occupational characteristics are presented in Table 1. The concentration of participants in finance and banking (48%) reflects both the targeted nature of the sampling strategy and the fact that the crisis disproportionately affected individuals with significant capital held in Lebanese banks. The geographic distribution is broadly consistent with the known global dispersion of the Lebanese diaspora, and the high proportion of participants holding postgraduate qualifications (72%) reflects the professional and managerial profile of the population from which the sample was drawn.

Table 1.

Participant Characteristics (N = 25)

Characteristic	**N**	**%**
Gender		
Male	15	60

Female	10	40
Age (years)		
Range	32-68	
Median	51	
Country of Residence		
United States	9	36
Canada	5	20
United Kingdom	4	16
Australia	3	12
France	2	8
United Arab Emirates	2	8
Occupation		
Finance/Banking	12	48
Healthcare	4	16
Education	3	12
Engineering	2	8
Hospitality	2	8
Retired	2	8
Educational Attainment		
Bachelor's degree	7	28
Postgraduate degree	18	72

Note. Demographic data were collected via a brief questionnaire administered to participants before interviews commenced.

Data Collection

Data were collected through semi-structured interviews, a format well suited to phenomenological research insofar as it permits the introduction of broad, open-ended questions while retaining the flexibility to follow participants' own narrative directions and to probe areas of particular significance (Smith, Flowers, & Larkin, 2022). Interviews were conducted via Microsoft Teams between August and December 2025 by the first and second authors. Each interview was audio-recorded with the participant's informed consent and subsequently transcribed verbatim. Duration ranged from 45 to 95 minutes, with the majority falling between 60 and 75 minutes. All interviews were conducted in English, although two participants occasionally code-switched into Lebanese Arabic when recounting emotionally charged episodes; these segments were translated into English during transcription.

The interviews were guided by a schedule of broad phenomenological questions designed to elicit reflective accounts without imposing predetermined interpretive categories. The opening question invited participants to recall and describe, in their own terms, the moment they first became aware that their deposits had been frozen or were no longer accessible. Subsequent questions explored the crisis's effects on relationships with family members in Lebanon, participants' sense of connection to the homeland, their evolving trust in financial institutions, and their longer-term plans and sense of identity. Throughout, substantive questions were supplemented by non-directive prompts encouraging elaboration without steering participants toward particular

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interpretations, thereby ensuring a degree of consistency across interviews whilst remaining responsive to the individual trajectory of each account.

Analytical Strategy

Analysis followed the IPA procedures outlined by Kyriakou et al. (2025) and Daher et al. (2025), which centre on a detailed, iterative examination of lived experience and the meanings individuals ascribe to significant life events. Each transcript was read independently and repeatedly by the first and second authors, during which marginal annotations were made to capture descriptive observations, notable linguistic features, and emergent interpretive insights. This initial phase was characterised by a deliberate effort to remain open to what participants were expressing and to resist the premature imposition of pre-existing theoretical frameworks. Preliminary themes were subsequently identified within each transcript, understood not as discrete topics mentioned by participants but as interpretive constructs that captured the experiential and psychological substance of what was being communicated (Smith et al., 2022). The two lead authors then met to compare their independent analyses; points of convergence were noted, and areas of interpretive divergence were discussed until a shared understanding was reached, ensuring that the themes reflected the data rather than the predispositions of any single researcher.

The remaining authors were consulted at regular intervals to provide additional interpretive perspectives, particularly on the cultural and contextual dimensions of participants' accounts, with the fifth author's outsider perspective playing a particularly important role in surfacing assumptions that might otherwise have gone unexamined. Themes that recurred across multiple cases were then grouped into superordinate themes capturing broader experiential structures, whilst remaining attentive to the distinct ways in which individual participants inhabited those structures. The resulting framework was organised hierarchically, with superordinate and subordinate themes together representing the core experiential dimensions of the banking crisis. Throughout, an audit trail was maintained documenting the rationale behind interpretive decisions, ensuring that claims could be traced to specific data instances. To further enhance the credibility of the findings, member checking was conducted with six participants, who were contacted four weeks after their interviews and provided with a summary of the preliminary thematic framework. The majority confirmed that the framework captured their experience accurately; in two cases, however, feedback led to refinements in the articulation of specific themes, which were incorporated into the final version (Birt et al., 2016).

Ethical Considerations

Ethical approval was obtained from the Institutional Review Board at the International Executive School prior to the commencement of data collection. All participants provided written informed consent after being informed of the study's purpose, procedures, and their right to withdraw at any time without penalty. Confidentiality was maintained throughout: identifying information was removed from transcripts during anonymisation, participants were assigned pseudonyms for use in all reporting, and interview recordings were permanently deleted once transcription and verification were complete. Transcripts were stored separately from the linking key connecting pseudonyms to real identities, with access restricted to the principal investigator. Given that the research topic involved financial loss and its personal and familial ramifications, interviewers remained vigilant to signs of distress and were prepared to pause or terminate interviews if participants became unduly upset. In practice, several participants became emotional when recounting particularly painful moments, but none requested that the interview be stopped; on these occasions, the interviewer acknowledged the participant's feelings, offered to pause the recording, and allowed time for the participant to collect themselves before continuing. At the conclusion of each interview, participants were reminded of their right to withdraw their data within a two-week window; no participant exercised this option. These procedures are consistent with contemporary guidance on conducting sensitive qualitative research with diaspora populations (Liamputtong, 2020).

Reflexivity

Reflexivity, understood here as the critical examination of how the researchers' own backgrounds, assumptions, and positions might shape the research process, is essential in interpretive work (Dodgson, 2019). The first four authors are all members of the Lebanese diaspora and hold academic positions in business administration; their professional backgrounds span finance, hospitality, and franchising. This shared positioning both facilitated and complicated the research in ways that require acknowledgement. Insider status promoted trust and rapport during interviews: participants spoke openly, frequently drawing on shared cultural touchstones without feeling the need to explain them, and the Lebanese members of the team were able to situate individual narratives within broader patterns of diaspora-homeland life. At the same time, this closeness carried the

risk that shared assumptions might lead the team to overlook dimensions of participants' accounts that were not explicitly articulated, or to treat as self-evident meanings that had not in fact been grounded in what participants said.

Several features of the analytical process were designed to address this concern. The independent coding phase ensured that multiple interpretive perspectives were brought into dialogue before any consensus was reached, and the fifth author's outsider perspective, discussed in the Analysis section above, served as a counterbalance to assumptions that the Lebanese members of the team might otherwise have taken for granted. Additionally, the team maintained a shared reflexive journal throughout the study, in which members recorded their emotional and intellectual responses to interviews, noted moments of resonance with participants' accounts, and raised questions about how their own positionality might be shaping their interpretation; these entries were reviewed periodically during team meetings. The goal, as Holmes (2020) has articulated, was not to neutralise subjectivity but to render it visible and subject to critical scrutiny. It is within this framework of reflexive, collaborative interpretation that the findings reported in the following section should be understood.

FINDINGS

The analysis revealed a hierarchical thematic framework organised around four superordinate themes, each comprising subordinate themes that together capture the experiential and psychological dimensions of the banking crisis as lived by the participants. The superordinate themes are: (1) the collapse of institutional trust; (2) the perception of systemic injustice and the accountability gap; (3) forced financial and behavioural adaptation; and (4) the deepening of involuntary diaspora and psychological harm. An overview of the full thematic structure is presented in Table 2. Each superordinate theme is discussed in turn below, with participants' own words drawn upon to substantiate the interpretive claims.

Table 2. Hierarchical Thematic Framework: Superordinate and Subordinate Themes.

Superordinate theme	Subordinate themes	Description
Collapse of institutional trust	Betrayal and misleading incentives*; trust collapse beyond individual loss*	Total destruction of confidence in banks, the Central Bank, and the state; rooted in a perception of systemic moral failure rather than individual financial loss
Systemic injustice and the accountability gap	Insider privilege and selective asset protection*; foreseeable governance failure*; moral discomfort among unintended beneficiaries*	Anger at the unequal distribution of losses; conviction that the crisis was a foreseeable outcome of deliberate governance failures and that accountability is structurally prevented
Forced financial and behavioural adaptation	Geographic and asset-class diversification*; lifestyle contraction and disengagement from Lebanese banking*; disruption to broader life planning*	Permanent restructuring of financial behaviour and life planning, driven by the loss of access to savings and the collapse of previously trusted institutions
Deepening of involuntary diaspora and psychological harm	Sustained psychological distress**; disruption to family and care obligations**; abandonment of plans to return to Lebanon**	Sustained psychological harm, family disruption, and the permanent severing of ties to Lebanon as a place in which a future could be built

Note. *Endorsed by all 25 participants. **Endorsed by fewer than 25 but no less than 22 participants.

Superordinate theme 1: The collapse of institutional trust

A collapse of trust in Lebanese banks, the Central Bank, and the broader financial system was reported across the sample. This was not expressed as passive disappointment but through language of betrayal, deception, and moral failure. Three subordinate themes were identified within this structure: the retrospective recognition that the incentives originally offered by Lebanese banks were unsustainable and misleading, and the understanding that the destruction of trust was not contingent on individual financial outcome but was rooted in a broader perception of systemic moral failure.

Subordinate theme: Betrayal and misleading incentives.

Participants traced their original decision to deposit in Lebanon to the high interest rates advertised by commercial banks. In retrospect, these rates were understood as evidence of a system that could not have been sustained. A Lebanese professional living in the UAE articulated this reappraisal:

"Wallah (Eng; truly), no country on earth can keep offering 20% on local currency or 14% on dollars. Anyone with half a brain could see it wouldn't last. It was a lie." (a Lebanese professional living in the UAE)

For diaspora members who had invested out of loyalty and emotional connection to Lebanon, the sense of having been exploited was acute. A Lebanese businessman based in France captured the relational dimension of this experience, framing the crisis not as an impersonal economic event but as a violation of an implicit compact between the diaspora and the state:

"Franchement (Eng; honestly), what they did felt like a betrayal. We sent money back for years, we kept that country alive, and this is how they repaid us." (a Lebanese businessman based in France)

Subordinate theme: Trust collapse beyond individual loss.

The loss of trust did not stop at individual banks. It extended to the entire institutional framework of Lebanon, to the state itself, and to the idea that anything the country offered could be relied upon. This was not a reaction to a single bad decision but a cumulative reckoning: participants described a point at which the damage became too deep to come back from. A Lebanese man living in Kuwait encapsulated this totalising shift:

"La, la, la (Eng; no, no, no). They stole our money, plain and simple. I won't live there, I won't invest there, I won't even think about it." (a Lebanese man living in Kuwait)

This sentiment was not isolated. A Lebanese woman living in the United States, reflecting on the broader picture, put it in terms that went beyond money altogether:

"It's not just what they did to our savings. It's that you realise the whole system was rotten from the start. Once you see that, you can't unsee it." (a Lebanese woman living in the United States)

Subordinate theme: Moral discomfort among unintended beneficiaries.

Even participants who had inadvertently benefited from certain aspects of the crisis reported the same erosion of confidence. A Lebanese auditor based in Belgium purchased property at distressed prices during the downturn. On paper, he gained. But the gain sat uneasily with him, because he understood exactly why the price was so low and who had paid for it. He described the experience not as fortune but as something closer to guilt:

"Ya'ni (Eng; I mean), yes, I paid less than the property was worth. But how can you feel good about that? Someone else lost everything so that I could buy cheap. That's not luck, that's a broken system." (a Lebanese auditor based in Belgium)

This indicates that the collapse of trust was not a straightforward response to personal financial loss but was rooted in a deeper perception that the system itself had failed morally. Even those who emerged better off financially could not escape that feeling.

Superordinate theme 2: Systemic injustice and the accountability gap

Closely related to, but analytically distinct from, the collapse of trust was a perception of systemic injustice. Participants reported that the crisis did not affect all parties equally: while ordinary depositors bore the full weight of the losses, politically connected individuals and banking insiders were understood to have protected or transferred their assets before formal restrictions came into force. This perception generated anger and a profound sense of powerlessness. The subordinate themes within this structure concerned, first, the conviction that insider privilege had been deliberately enabled, and second, the understanding that the crisis was not an accident but a foreseeable consequence of governance failures.

Subordinate theme: Insider privilege and selective asset protection.

The grievance raised across the sample was the ability of certain individuals and companies to repay loans or move funds abroad in the period immediately before capital controls were imposed. A Lebanese businessman living in Jordan, who lost in excess of six million US dollars across three banks, described these actions as follows:

"What they did is a crime. A real crime, moral and economic. They moved their money out just before everything collapsed, and nobody is going to answer for it? They need to be investigated, they need to be taxed." (a Lebanese businessman living in Jordan)

The conviction that those who had benefited unfairly would never be held to account was shared across the sample. A Lebanese woman living in the United States articulated the structural dimension of this perception:

"The system was built to protect them, not us. The ones who got away with it are still sitting there. The rest of us lost everything." (a Lebanese woman living in the United States)

Subordinate theme: The crisis as foreseeable governance failure.

The notion that the crisis had been an unforeseeable accident was rejected outright. A retired Lebanese professional living in France, who lost the equivalent of fifty years of savings, framed the collapse as the predictable outcome of long-standing institutional dysfunction:

"Mon dieu (Eng; my God), this was not some surprise. Years of bad decisions, years of protecting the wrong people, and nobody said a word. It was always going to end like this." (a retired Lebanese professional living in France)

This framing reinforced the sense that accountability was not merely absent but was structurally prevented, and that the redistribution of wealth produced by the crisis operated on no discernible principle of fairness. A Lebanese man living in the region, who repaid a Lebanese-pound-denominated loan for a fraction of its original value due to devaluation, acknowledged his own unintended financial gain while simultaneously expressing moral discomfort with the broader injustice this outcome represented.

Superordinate theme 3: Forced financial and behavioural adaptation

All participants reported permanent changes to the way they manage money, plan for the future, and relate to financial institutions. These were not voluntary adjustments but were forced upon participants by the sudden loss of access to savings and the collapse of the financial environment they had previously relied upon. The subordinate themes within this superordinate structure addressed the shift toward geographic and asset-class diversification, the painful contraction of lifestyle and living standards, the total withdrawal from Lebanese banking, and the disruption to broader life planning that extended well beyond the financial domain.

Subordinate theme: Geographic and asset-class diversification.

The shift reported across the sample was a deliberate move away from concentration in any single banking system. A Lebanese businessman based in France described the new orientation that had replaced his former trust in Lebanese institutions:

"Now I spread everything out. Different countries, different systems. Ya'ni (Eng; I mean), I don't care about big returns anymore. I care about safety. Trust is gone." (a Lebanese businessman based in France)

Subordinate theme: Lifestyle contraction and disengagement from Lebanese banking.

The crisis imposed severe reductions in living standards. A Lebanese woman living in the United States reported that her family's standard of living dropped by more than 75 percent, including a forced relocation to smaller accommodation:

"We lost more than 75% of what we had. In 2020 we had to move into a smaller place, lower rent, smaller everything. We went from comfortable to struggling overnight." (a Lebanese woman living in the United States)

Alongside these material changes, a complete withdrawal from Lebanese financial markets was reported across the sample. A Lebanese taxi driver living in Paris, who had accumulated approximately US$210,000 in Lebanese banks, expressed the finality of this disengagement:

"Habibi (Eng; listen/friend), I will never put money in a Lebanese bank again. Never. I want a system that actually protects me. That's it." (a Lebanese taxi driver living in Paris)

Subordinate theme: Disruption to broader life planning.

The adaptations reported were not confined to financial behaviour. The postponement of marriage, the deferral of property purchases, and the abandonment of plans to return to Lebanon all featured in participants' accounts. What made these disruptions so painful was their specificity: these were not vague futures but concrete plans, already in motion, that were stopped mid-step by the sudden freezing of funds. A Lebanese doctoral student living in France described losing the chance to launch a real estate development project near Paris. The capital was there, the groundwork had been laid, and then the money simply became inaccessible at the moment it was needed most:

"I had everything ready. The project was planned, the location was chosen. And then, wallah (Eng; truly), the money is just gone. Locked. You can't touch it. And after that, I thought, what's the point of going back? There's nothing there for me." (a Lebanese doctoral student living in France)

The banking crisis therefore did not only disrupt how participants managed their finances. It severed the thread between where they were and where they had planned to be. For many, the loss of access to savings was the

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moment at which a future in or connected to Lebanon stopped feeling possible.

Superordinate theme 4: The deepening of involuntary diaspora and psychological harm

The fourth superordinate theme addresses the personal and emotional toll of the crisis, which extended beyond financial loss into the domains of mental health, family cohesion, and the relationship between diaspora members and their country of origin. This theme was present in the accounts of 22 of the 25 participants. Three subordinate themes were identified: sustained psychological distress, the disruption of family relationships and transnational care obligations, and the permanent abandonment of plans to return to or reinvest in Lebanon.

Subordinate theme: Sustained psychological distress.

The psychological impact was described in terms of anxiety, helplessness, and loss of security. A Lebanese businessman based in France articulated this dimension:

"You sit there and you watch years of work just disappear. And nobody is held responsible. Nothing. That helplessness, it stays with you." (a Lebanese businessman based in France)

A retired Lebanese professional living in France, reflecting on the erasure of what he described as fifty years of accumulated savings, situated the crisis within a longer existential frame: "Sometimes I think, all those years, all that work, and it just vanished. A whole lifetime, gone."

The psychological harm described was not a transient reaction to shock but a sustained condition shaped by the ongoing absence of resolution or accountability.

Subordinate theme: Disruption to family and care obligations.

The crisis reached into the most intimate dimensions of family life. A Lebanese woman living in the United States described her inability to financially support her elderly grandmother in Lebanon, a woman dependent on medication and daily nursing care, as one of the most painful consequences of the crisis:

"My grandmother is in Lebanon. She needs a nurse every day, she needs her medication. And I can't send her a thing because of the banking restrictions. How do you live with that?" (a Lebanese woman living in the United States)

A Lebanese man previously based in the region described how the crisis coincided with the breakdown of his marriage, with his wife returning to the United States with their children. Unable to sustain his business or access his savings, he eventually emigrated to Los Angeles, beginning his professional life from scratch. The banking crisis did not merely disrupt financial arrangements but destabilised the relational structures on which diaspora life depends.

Subordinate theme: Abandonment of plans to return to Lebanon.

The abandonment of any intention to return to or reinvest in Lebanon was reported across the accounts within this theme. A Lebanese taxi driver living in Paris, whose parents still live in Lebanon, stated that he was planning to relocate them to France:

"There's no stability, no healthcare you can trust, no institutions worth believing in. Life there is not safe anymore. It's that simple." (a Lebanese taxi driver living in Paris)

A Lebanese professional living in the UAE reflected on the full scope of what was lost:

"Wallah (Eng; truly), it wasn't just the money. They destroyed trust, dignity, hope. A whole generation." (a Lebanese professional living in the UAE)

Taken together, the four superordinate themes reveal that the Lebanese banking crisis was experienced by diaspora members not as a single financial event but as a compounding rupture: one that destroyed institutional trust, entrenched a sense of systemic injustice, forced a restructuring of economic and personal life, and permanently severed participants' connection to Lebanon as a place in which a future could be built.

DISCUSSION

This study is one of the first to explore, through a sustained phenomenological lens, how members of the Lebanese diaspora lived through and made sense of the freezing and devaluation of their bank deposits following the 2019 crisis. While prior scholarship has documented the macroeconomic severity of the collapse (World Bank, 2020; Snaije, 2022) and the scale of diaspora financial exposure (UNDP, 2023), the subjective experience of those most directly affected has remained largely unexplored. Drawing on interpretive phenomenological analysis and a sample of 25 diaspora members across six countries, the present study identified four superordinate themes: the collapse of institutional trust, the perception of systemic injustice and the accountability gap, forced financial and behavioural adaptation, and the deepening of involuntary diaspora and psychological harm. Each of these findings can be situated within, and meaningfully extends, the existing body of literature.

The most pervasive finding was the total and, in participants' accounts, irreversible destruction of trust in Lebanese financial institutions. This aligns with the cross-national evidence presented by Fungáčová, Kerola, and Weill (2022), who demonstrated that exposure to a systemic banking crisis significantly and durably reduces individuals' confidence in banks, with the effect intensifying the longer the crisis persists. The Lebanese banking crisis, now in its sixth year without legislative resolution, represents precisely the conditions under which their model would predict the most severe erosion of trust. What the present study adds is a qualitative understanding of what that erosion actually feels like from the inside. Participants did not describe a gradual cooling of confidence; they described a rupture, a moment at which the relationship between themselves and the institutions they had trusted was permanently severed. Critically, this rupture was not contingent on the size of individual losses. Even participants who had inadvertently benefited financially from the crisis reported the same moral discomfort and loss of faith, a finding that suggests the destruction of trust was rooted not in personal grievance but in a broader perception that the system itself had failed in a way that could not be forgiven. This extends the work of Van der Cruijsen, de Haan, and Jonker (2022), who identified trust erosion as an ongoing process shaped by repeated institutional failure and perceived governmental inaction: the Lebanese case suggests that, under certain conditions, the process does not merely erode trust incrementally but destroys it in a single, decisive event.

Closely related was participants' conviction that the crisis had been structured, whether by design or by neglect, to protect the powerful at the expense of everyone else. This resonates with broader scholarship on the political economy of the Lebanese crisis. Snaije (2022), drawing on analysis by the Barcelona Centre for International Affairs, characterised the collapse as a compound event in which debt default, currency devaluation, and banking failure occurred simultaneously. What the present study reveals is how this compounding was experienced by ordinary depositors: not as a series of impersonal macroeconomic shocks but as evidence of a deliberately structured system. Participants' accounts were remarkably consistent in their conviction that politically connected individuals and banking insiders had moved or protected their assets before capital controls were imposed, and that no mechanism existed to hold them accountable. This perception aligns with Ali's (2024) documentation of how the financial collapse disrupted not only the economic but the moral foundations of diaspora-homeland relations, producing what she describes as a form of displacement experienced in place. For the participants in the present study, the injustice was not simply financial; it was existential, a confirmation that the country they had continued to support through remittances and deposits had never, in return, been acting in their interests.

The findings concerning forced behavioural adaptation and psychological harm together illustrate what Feige and Yen (2021) have argued in their phenomenological study of financial crisis: that such disruptions do not register as single, bounded events but as pervasive conditions that reshape how individuals understand themselves, their relationships, and their futures. The participants in this study did not simply change where they kept their money. They changed how they lived, what they could afford, what they planned for, and ultimately whether they saw any future connected to Lebanon as possible at all. The psychological toll described by participants, including sustained anxiety, helplessness, and a sense that years of effort had been rendered meaningless, is consistent with the findings of Salas-Wright et al. (2022), who documented elevated levels of depression, anxiety, and posttraumatic stress among populations displaced by sudden economic collapse. Particularly significant in the Lebanese case was the way in which the crisis disrupted transnational care obligations. Participants described being unable to send money to elderly relatives in Lebanon who depended on medication and nursing care, a dimension of suffering that maps directly onto Salas-Wright et al.'s identification of the inability to provide financial support to family in the country of origin as a chronic social stressor. The findings also extend the work of Arega et al. (2022), who demonstrated that immigrants experiencing financial worry report significantly higher levels of psychological distress than native-born populations, by showing that the distress in this case was not simply a product of financial insecurity but was compounded by the absence of accountability, the severing of family bonds, and the loss of any coherent vision of the future.

Taken together, the findings reveal a pattern that existing quantitative and policy-oriented research on the Lebanese crisis has not yet captured: the banking crisis did not end with frozen accounts. For diaspora members, it ended with the destruction of trust, the confirmation of injustice, the forced restructuring of daily life, and, for the majority of participants, the permanent abandonment of Lebanon as a place in which a future could be built. The sharp rise in emigration documented by the UNDP (2023) is consistent with this picture, but the numbers alone cannot convey the weight of what drove it. This study provides, for the first time, a sustained account of

that weight from the perspective of those who lived through it.

Implications

The findings of this study carry several implications for policy, practice, and future research. The depth and durability of trust destruction documented here suggests that any future attempt to restore confidence in Lebanese financial institutions will need to go well beyond technical or regulatory reform. Participants' accounts indicate that what was lost was not simply faith in a particular bank or interest rate but in the moral legitimacy of the system as a whole. Accountability, in participants' view, is not an optional addition to recovery; it is a precondition for it. Without a credible process of investigation and redress, the present study suggests, the possibility of re-engaging the diaspora, financially or emotionally, with Lebanon is effectively closed.

The psychological harm described by participants also has implications for how mental health and social services are configured to support diaspora populations affected by homeland financial crises. The distress reported here was not a transient reaction to shock but a sustained condition, shaped by the ongoing absence of resolution and compounded by the disruption of transnational family obligations. This is consistent with the literature on crisis-driven emigration (Salas-Wright et al., 2022) and with Feige and Yen's (2021) characterisation of financial crisis as a pervasive condition rather than a discrete event. Services designed to support diaspora populations in this context will need to attend not only to immediate financial hardship but to the longer-term psychological and relational consequences of being unable to protect or support family members in the country of origin.

Finally, the findings have implications for how the relationship between diaspora communities and their countries of origin is understood and cultivated. The Lebanese diaspora has historically played a central role in sustaining Lebanon's economy through remittances and non-resident deposits (UNDP, 2023). The present study suggests that this relationship, already strained by successive waves of emigration driven by conflict and instability (Ali, 2024), has been fundamentally altered by the banking crisis. For the majority of participants, the crisis marked not a setback but an endpoint: the point at which any remaining intention to invest in, return to, or maintain a meaningful connection with Lebanon was abandoned. Understanding how this disengagement was arrived at, and what might, over time, make re-engagement possible, is a question of considerable significance for Lebanon's long-term economic and social recovery.

Limitations and Future Research

Several limitations of the present study should be acknowledged. The sample, whilst purposively drawn and analytically sufficient for the generation of rich phenomenological data (Smith & Nobre, 2021; Vasileiou et al., 2018), was concentrated among individuals holding professional or managerial positions and residing in Western or Gulf countries. The experiences of diaspora members in other regions, or of those in lower-income occupational groups, may differ in ways that the present study is not positioned to capture. The study also relied on retrospective self-report, with interviews conducted in 2025, several years after the onset of the crisis in 2019. Whilst participants' accounts were detailed and emotionally vivid, it is possible that the passage of time has shaped the way in which events were recalled and interpreted. Additionally, the study was conducted in English, and although two participants code-switched into Lebanese Arabic when recounting emotionally charged moments, the majority of the data was generated in a language that is not participants' first tongue. This may have constrained the expressive range available to some participants, particularly in conveying the nuances of emotional and cultural experience (Liamputtong, 2020).

Future research should seek to address these limitations whilst building on the insights generated here. Longitudinal phenomenological work, tracking participants' evolving relationship to Lebanon and to their own financial and psychological recovery over time, would provide a richer understanding of whether the destruction of trust documented in this study is as permanent as participants currently believe it to be, or whether specific conditions, such as credible accountability processes or legislative reform, might, over time, begin to shift it. This would be consistent with Van der Cruijsen, de Haan, and Jonker's (2022) understanding of trust as a process shaped by ongoing institutional conditions. Comparative phenomenological studies exploring how diaspora members in different host countries, or from different socioeconomic backgrounds, have lived through equivalent crises would also significantly advance the field. Finally, given the growing body of evidence linking financial crisis to psychological harm among migrant and diaspora populations (Arega et al., 2022; Salas-Wright et al., 2022), future work might usefully adopt a mixed-methods design, combining phenomenological depth with the epidemiological reach of quantitative instruments, to establish the prevalence as

well as the lived texture of the psychological consequences documented here.

CONCLUSION

This study has demonstrated that the Lebanese banking crisis, as experienced by members of the diaspora, was not a single financial event but a compounding rupture that destroyed institutional trust, confirmed a perception of systemic injustice, forced a fundamental restructuring of economic and personal life, and permanently severed, for the majority of participants, any meaningful connection to Lebanon as a place in which a future could be built. In doing so, it has moved beyond the macroeconomic and policy-oriented accounts that have dominated the existing literature to provide, for the first time, a sustained phenomenological account of what the crisis meant to those who lived through it, an account that reveals the depth of harm done not only to individual finances but to the psychological, familial, and existential fabric of diaspora life.

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AUTHOR CONTRIBUTION

The authors' contributions are outlined below using the CRediT (Contributor Roles Taxonomy) framework:

Conceptualization: ED, RZ, ZK, AE, JNMethodology: ED, RZ, ZK, AE, JNFormal analysis: ED, RZ, ZK, AE, JNInvestigation: J ED, RZ, ZK, AE, JN

Data curation: ED, RZ. Writing – original draft: ED, RZ, ZK, AE, JNWriting – review and editing: ED, RZ, ZK, AE, JN

Visualization: ED, RZ, ZK, AE, JNSupervision: ZK, AE, JN

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