# Multidimensional poverty in Lebanon (2019-2021)

Painful reality and uncertain prospects

Multidimensional poverty

Until recently, poverty was measured solely by individual or household income levels in relation to specific money-metric poverty lines. With the progress of research and the more frequent availability of adequate surveys, the concept of poverty expanded to take into account various aspects of living conditions. Consequently, a new concept of poverty has come to light, which includes various aspects of deprivation not limited to material dimensions. It has become known as multidimensional poverty and is measured by multidimensional poverty indices.
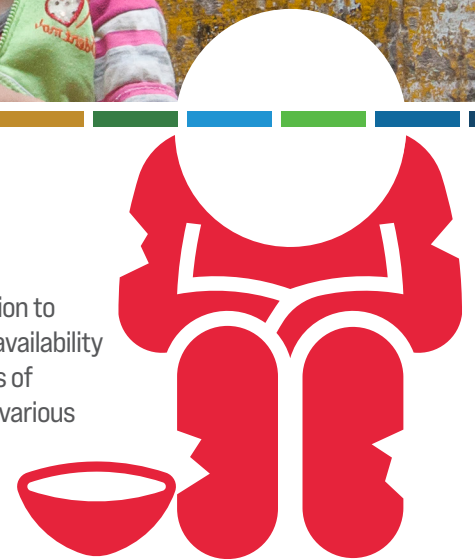
Poverty in Lebanon

In Lebanon, many people live below the income poverty line, despite the various initiatives implemented to benefit the poor. Since 2019, poverty has been increasing owing to a decline in economic activity and widespread political instability. These interlinked shocks exposed the Lebanese pound exchange rate, which has been fixed since the beginning of the century, to tremendous pressures, causing currency depreciation and severe inflation, thus limiting households' purchasing power. These combined shocks have led to a decrease in the living standards of a significant proportion of the Lebanese and non-Lebanese population, and a considerable rise in income poverty.

This ongoing crisis, however, has many other facets, notably manifested in rising deprivation in the areas of health care, medicines, services, education, employment, housing and assets. From a multidimensional poverty perspective, a household can be classified as poor if it is subjected to one or more of these aspects of deprivation, even if it is not materially poor. A household deprived of electricity, for example, is classified as deprived in this indicator, and possibly multidimensionally poor, regardless of its financial capacity to subscribe to a private generator. The same classification applies to households that are unable to obtain medicines, irrespective of their financial ability to purchase them. When measuring deprivation in Lebanon using this concept, the multidimensional poverty rate in 2021, according to the most recent household data sources, is 82 per cent.[1]

Highlights

Multidimensional poverty

Households are defined as multidimensionally poor if they are deprived in one or more dimensions under the Index. The multidimensional poverty rate in Lebanon doubled from 42 per cent in 2019 to 82 per cent of the total population in 2021, with nearly 4 million people living in multidimensional poverty. They represent about 1 million households,[2] including 77 per cent, or approximately 745,000, of Lebanese-national households.

*of the total population

82% multidimensional poverty
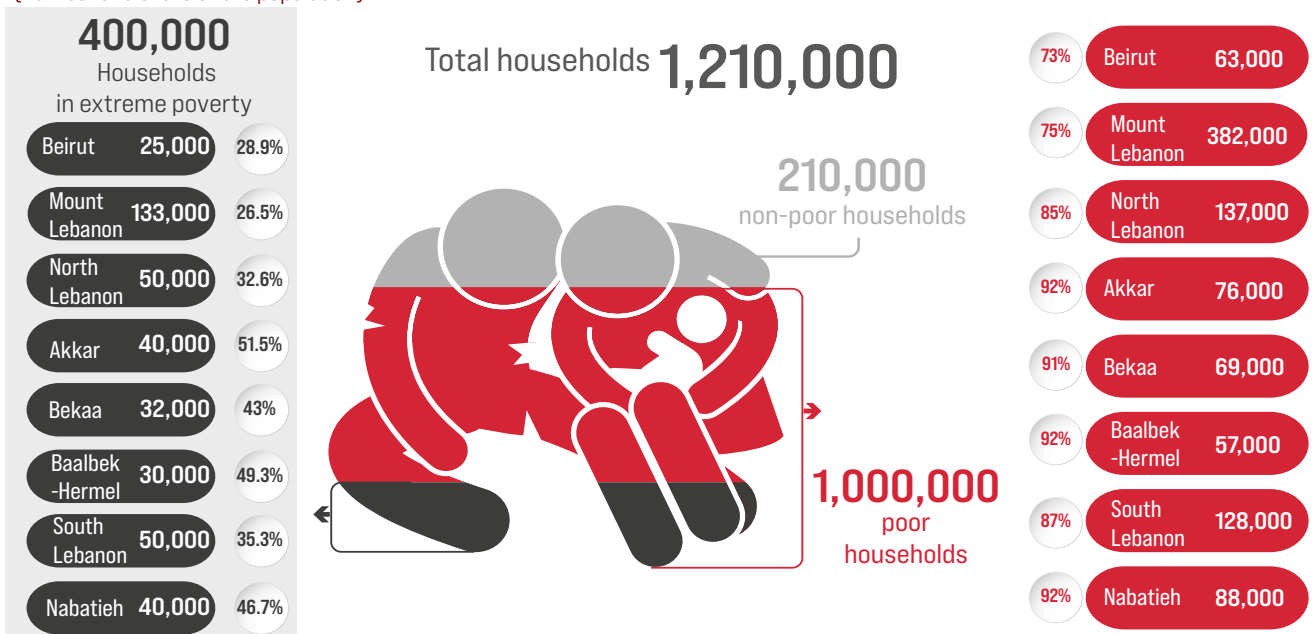
18% not poor
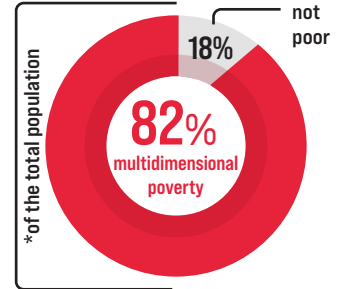
Extreme multidimensional poverty

Households are classified as suffering from extreme multidimensional poverty if they are deprived in two or more dimensions under the Index. Such extreme multidimensional poverty affected 40 per cent of the poor population in 2021, equivalent to 34 per cent of the population at large. The population suffering from extreme poverty increased to 1,650,000, equivalent to 400,000 households.

*of the poor population

40% extreme multidimensional poverty

60% non-extreme poverty
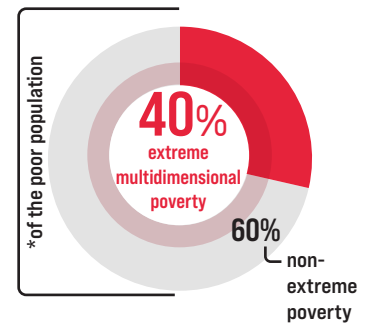
In some Lebanese regions, extreme multidimensional poverty rates are high, approaching or exceeding 50 per cent among households. Figure 1 shows the percentage and number of households suffering from multidimensional poverty and extreme multidimensional poverty by governorate.

Figure 1. Households experiencing multidimensional poverty and extreme multidimensional poverty, by governorate (number and share of the population)

400,000 Households in extreme poverty

Governorate	Extreme poverty households	%
Beirut	25,000	28.9%
Mount Lebanon	133,000	26.5%
North Lebanon	50,000	32.6%
Akkar	40,000	51.5%
Bekaa	32,000	43%
Baalbek-Hermel	30,000	49.3%
South Lebanon	50,000	35.3%
Nabatieh	40,000	46.7%

Total households **1,210,000**

210,000 non-poor households

1,000,000 poor households

%	Governorate	Poor households
73%	Beirut	63,000
75%	Mount Lebanon	382,000
85%	North Lebanon	137,000
92%	Akkar	76,000
91%	Bekaa	69,000
92%	Baalbek-Hermel	57,000
87%	South Lebanon	128,000
92%	Nabatieh	88,000

Source: ESCWA calculations.

Multidimensional Poverty Index in Lebanon

The Multidimensional Poverty Index consists of six dimensions and 20 indicators (figure 2). A household is classified as living in multidimensional poverty if it is deprived in one or more dimensions, and in extreme multidimensional poverty if it is deprived in two or more dimensions. Each dimension has several indicators.

Figure 2. Multidimensional Poverty Index: dimensions and indicators

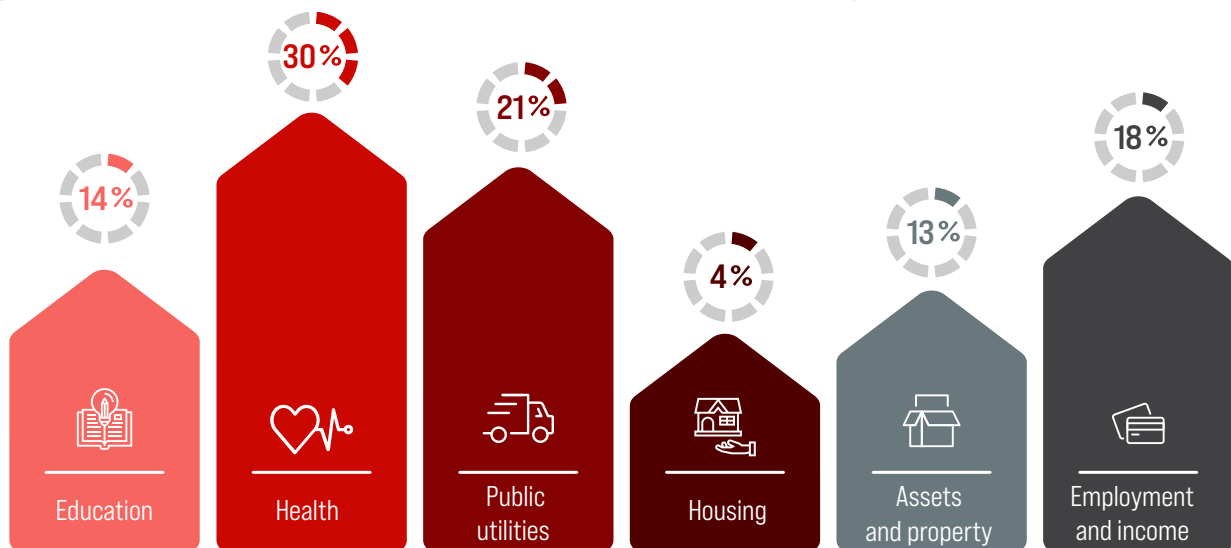| Education	Health	Public utilities	Housing	Assets and property	Employment and income
Access to education	Health insurance	Electricity	Overcrowding rate	Internet access	Unemployment
Educational attainment	Access to medicines	Drinking water	Housing type	Information, communications and technology	Employment informality
School attendance	Access to medical services	Sanitation	Having a toilet	Means of transport	Income
		Waste collection		Household electrical devices	
				Heating devices	

Note: The weights are equal between and within dimensions.

Results of the MPI dimensions and indicators

Figure 3 shows the contribution of each of the six dimensions to the overall value of the Index. In Lebanon, the contribution of the housing dimension, for example, is the lowest compared with other dimensions such as health.

Figure 3. Contribution of the six dimensions to the total value of the Multidimensional Poverty Index in Lebanon, 2021

Education	Health	Public utilities	Housing	Assets and property	Employment and income
14%	30%	21%	4%	13%	18%

Source: ESCWA calculation.

Access to healthcare and medications

Health care

The share of households deprived in health care increased from 9 per cent in 2019 to 33 per cent in 2021, equivalent to approximately 400,000 households out of 1,210,000 . It is feared that the situation will worsen if subsidies are lifted, especially since 55 per cent of the population is not covered by any form of health insurance.

Medications

The share of families who are unable to obtain medicines has increased to more than half (52 per cent), equivalent to 630,000 households.

Electricity

Before the economic and political crisis worsened in 2019, some areas in Lebanon had better access to electricity services than others. Today, all governorates are experiencing interruptions that sometimes exceed 22 hours per day. The share of households without electricity has increased to 54 per cent, or 650,000 out of 1,210,000 households. The alternatives available to these households, such as subscriptions to private generators, have become very expensive, which has led to a decline in the number of subscribers and in access to reliable electricity.

Employment

The deteriorating economic and living conditions and increased poverty have exacerbated the brain drain of professionals, including doctors, teachers and engineers. The percentage of households deprived of employment opportunities has risen to 13 per cent, equivalent to 160,000 households. It is worth noting that this further reduces society's access to the services provided by these professions.

Inflation and income levels

Between June 2019 and June 2021, the inflation rate in Lebanon amounted to 281 per cent. As a result, the poverty line increased, which led to a rise in income poverty from 25 per cent of the population in 2019, to 55 per cent in 2020, and almost 74 per cent in 2021.

Education

Education is an important dimension of multidimensional poverty. Currently, the multidimensional poverty rate is 63 per cent among university students, and 87 per cent among students with the lowest levels of educational attainment. Given that the unprecedented economic and social crisis in Lebanon has affected all segments of society, the gap in multidimensional poverty rates between groups with the highest and lowest levels of educational attainment has narrowed.

Vulnerable population groups

Older persons

The proportion of older persons living in multidimensional poverty rose sharply from 44 per cent in 2019 to 78 per cent in 2021.

Women

Women and men report nearly equal rates of multidimensional poverty. These rates are 81 per cent for female-headed households, and 80 per cent for male-headed households.

Policy responses

The failure to adopt the necessary measures and policies to reduce multidimensional poverty in Lebanon has had severe repercussions on the middle class over the past two years. Limiting these repercussions requires collaboration between all spheres of Lebanese society, the support of the international community, and an adequate political environment.

To this end, ESCWA recommends the implementation of the following policy responses, in the short and medium terms:

Access to health care and medications

- Establish a national solidarity fund as part of an immediate response to alleviate the suffering of the Lebanese people, the humanitarian crisis and poverty in the short term. This fund can be financed from both local and foreign sources. In 2020, ESCWA estimated that the richest decile in Lebanon could pay for poverty eradication, by making annual contributions that do not exceed 2 per cent of their net wealth.
- Develop effective social protection plans that are more responsive to the needs of the poor, especially the population who live in extreme poverty. A transparent mechanism should be in place to identify this category, and support it, either with cash or through ration cards, while ensuring a fair distribution of resources that is not affected by favouritism or political and sectarian considerations.
- Strengthen and extend social protection systems to the unemployed and those who have recently lost their jobs as a result of the economic crisis. Given the limited financial capacity of the Lebanese public and private sectors, the implementation of social programmes and plans to create jobs requires international and regional support.

In this context, special importance should be given to older and health-affected persons, especially since social security benefits are often the main source of income available to older people with low incomes. Policymakers need to work to support low-wage older workers and people on the cusp of old age.

Access to health care and medications

- Support domestically made medicines to enable the poor to purchase them. People living in extreme poverty should be provided with a health-care coverage that is publicly funded and that includes the cost of medicine and medical services. Other citizens can also benefit from these services, on the basis of contributions, to ensure their sustainability.

Services

Electricity

- Develop a plan to increase electricity capacity, while working on modernizing transmission and distribution networks and restructuring tariffs, so that they reflect the real cost of production, to ensure that electricity reaches all Lebanese, especially the vulnerable.

- In the longer term, support renewable energy, including solar, wind, bioenergy and hydropower; and invest in sustainable energy farms for industrial and public uses. Given the urgent need to advance the electricity sector, it is time to draw up a bold national action plan so that the share of renewable energy in total energy consumption exceeds the 30 per cent objective to be reached by 2030.[3]

Employment

- Develop a national rescue plan to advance the private sector and support micro, small and medium enterprises, so as to create new decent jobs, and reduce unemployment and job informality.

Endnotes

1. The analysis in this brief is derived from the Labour Force and Household Living Conditions Survey in Lebanon for the period 2018-2019. The survey was conducted by the Central Administration of Statistics, with support from the International Labour Organization and the European Union.

2. A household is defined as a family consisting of two adults and two children.

3. IRENA, Renewable Energy Outlook, 2020.