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EXECUTIVE SUMMARY

This report provides an assessment of the current state of poverty and inequality in Lebanon. It documents the impact of a protracted economic crisis on households, that is well into its fifth year, along with their responses and investigates how the crisis has potentially affected labor market dynamics in the country. The report aims to be a resource for policymakers, researchers, and organizations working to identify and address the multifaceted socioeconomic challenges in Lebanon.¹

¹ Disclaimer: Poverty statistics for 2022 cover only the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon. The absence of corresponding data for the governorates of Baalbek El-Hermel, El-Nabatieh, and South Lebanon constrains an empirical evaluation of poverty in these regions and, consequently, for the entire country.
Poverty and inequality are on the rise in Lebanon

Monetary poverty in Lebanon has more than tripled from over a decade ago. New survey data covering the population residing in five governorates of Akkar, Beirut, Bekaa, North Lebanon and most of Mount Lebanon reveal a rise in consumption-based poverty in the covered areas from 12 percent in 2012 to 44 percent in 2022. Among the Lebanese residing in these five governorates, one out of every three individuals was poverty-stricken in 2022, up from 11 percent in 2012. Not only has the share of poor Lebanese increased, but they are also falling deeper into poverty. The depth of their poverty or poverty gap—which is the minimum financial amount required to bring the spending levels of the poor up to the poverty line, expressed as a share of the latter—rose from 3 percent in 2012 to 9.4 percent in 2022.

A new, unofficial poverty line was developed for 2022 to better reflect the consumption behavior of households amidst the ongoing economic crisis. The existing national poverty line is outdated as it relies on consumption patterns from 2012 that no longer reflect the realities and conditions faced by households in Lebanon today. Overall prices have increased by nearly 15 times over the past decade, eroding the purchasing power of lira-denominated incomes. Survey data also reflects this change in consumption patterns – Lebanese households in 2022 residing in the covered governorates are consuming a third of the amount of (mostly imported) meat and seafood from a decade ago while the consumption of more affordable bread and cereals has risen by over 20 percent.

Figure ES1: Poverty has tripled in Lebanon from a decade ago

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

2 The Lebanon Household Survey (LHS), co-funded by the World Bank, WFP and UNHCR was conducted between December 2022 and May 2023 and covered Lebanese, Syrians and other nationals (except for Palestinians in camps and gatherings). Data collected includes information on demographics, education, health, employment, expenditures, assets, income and coping strategies. While the survey aimed to be nationally representative, several areas were not accessible, restricting the final sample to around 4,200 households in five governorates.

3 The lack of observational data for 2022 in the excluded governorates of Baalbek El-Hermel, El-Nabatieh and South Lebanon precludes a robust assessment of the state of poverty in those areas and by extension, for the country as a whole.

4 In the aftermath of the crisis, more Lebanese households feel poorer than what is objectively measured using the data. When asked to classify their economic status, nearly three out of every five Lebanese households considered themselves to be either poor or very poor, including nearly 30 percent of families in the top 20 percent of the (per-capita consumption) distribution.
Poverty is unevenly distributed across the country and is escalating rapidly in the North. For Lebanese, poverty rates range from 2 percent in Beirut to as high as 62 percent in Akkar. The northern governorates of North Lebanon and Akkar which have large shares of workers in agriculture, saw higher increases in poverty compared to 2012. Agriculture workers are among the poorest in the population, followed by those in construction.

Figure ES2: Lebanese households are consuming less meat, vegetables and fruits, and more bread and cereals compared to a decade ago

![Bar chart showing consumption quantities](image)

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

Income inequality also appears to be rising among the Lebanese. Lebanon was reported to have one of the most pronounced levels of income inequality in 2014, ranking 129 out of 141 countries globally with respect to high income inequality. The top one and 10 percent of adults were found to have received 25 and 55 percent of the national income, respectively. Survey data for 2022 also suggest that per-capita income inequality for Lebanese households, measured using a Gini index, rose from 0.4 in 2012 to 0.6 in the five governorates.
Households are struggling with a significant loss of purchasing power since the onset of the 2019 financial and economic crisis

Five tumultuous years into an economic crisis have adversely affected all but the richest segment of society, contributing to growing food insecurity. Annual inflation has remained in the triple digits since 2021, fueled by a plummeting currency that lost 98 percent of its pre-crisis value by December 2023. With soaring food prices, food insecurity is on the rise which has not only reduced food purchases but also forced a change in diets. About 32 percent of poor households surveyed in 2022/2023 have less than acceptable food consumption scores used to assess dietary diversity, consumption frequency and relative nutritional importance of different food groups. Nearly 83 percent of all households interviewed indicated that they relied on less preferred or cheaper food in at least one out of the seven days preceding their interview. Poor households were twice as likely as non-poor families to cut meal portions, reduce the number of meals, borrow food or rely on assistance from relatives or friends, and nearly four times as likely to have an adult member restrict their food intake to feed their children.

Figure ES3: The top 20 percent of Lebanese households receive at least half the value of their total income in dollars

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.
Most of the population are at the mercy of high inflation. Amidst the ongoing crisis, Lebanon is rapidly transitioning towards a dollarized, cash-based economy which poses risks for future economic growth but in the present circumstances, shields those paid fully or partially in a foreign currency. Lebanese households in the top 20 percent of the distribution received over 50 percent of the value of their total income in dollars, effectively hedging them against the currency-driven inflation. Earning dollars acts as a form of wage-indexation which preserves the purchasing power of its recipients, amplifying inequalities between those who have access to dollars and those who do not. The bottom 20 percent received at most 6 percent of their income in dollars, exposing them far more to the ills of escalating inflation.

The crisis has compelled households to pursue a variety of coping strategies in an attempt to attain some acceptable standard of living. These included drawing down on personal savings, seeking assistance from multiple sources, borrowing, and cutting back on expenditures, particularly on food. Approximately 87 percent of households surveyed in 2022/2023 reported the use of savings. In addition, 58 percent sought help from relatives and friends, 65 percent approached others or non-government entities for assistance, and 40 percent obtained formal loans or lines of credit while 68 percent approached informal sources. Three out of five households had to cut back on food spending, while over half spent less on essential non-food items such as petrol and utilities. Health expenditures were also adversely affected in a third of families.

Households headed by post-secondary educated individuals are more resilient to impoverishment, as are those that receive remittances from abroad. All else equal, the likelihood of being poor in 2022/2023 declines for households whose heads have a post-secondary qualification, highlighting the value of prior and even future human capital investments in creating resiliency, more so during a crisis. While Lebanon has a long history of receiving remittances from its diaspora, these inflows are playing an increasingly pivotal role today in lowering the chances of being impoverished.

Syrian households have been hard hit by the crisis. From under 5,000 registered persons with the United Nations High Commissioner for Refugees (UNHCR) at the end of 2011, the population of registered displaced Syrians surged to 1.1 million by mid-2015 and is estimated at nearly 1.5 million today, constituting nearly a quarter of the country’s (estimated) population, one of the highest shares in the world. Segmented labor markets for the most part, mitigated the impact of this demographic surge on labor market outcomes for the Lebanese. Syrian households are relatively worse off, across all comparable welfare-related measures and indicators. Almost nine out of every 10 Syrians are under the poverty line in 2022 while 45 percent of poor Syrian families have less than acceptable food consumption scores. Working-age Syrians have low education attainment and those with jobs are engaged in low paying and more precarious informal employment which contributes to their household’s state of poverty and food insecurity.
Looking ahead

Undertaking urgently needed comprehensive macro-fiscal reforms is crucial to halt the deterioration in living standards and conditions. Moreover, strengthening social safety nets, investing in human capital and improving formal job opportunities, as well as access to these opportunities through cost-effective public transportation, are critical interventions that can help alleviate poverty, address widening inequality, and further improve resiliency in the medium to long-term. Efforts to better target the poor and expand the coverage and depth of social assistance programs can help ensure that needy households have access to essential resources including adequate food, healthcare, and education. Providing poor families with access to quality education will help build a more resilient generation. Expanding access to affordable healthcare services and health insurance will also help alleviate the financial burden on poor households. There is a need to make public transportation more accessible and affordable which has been a limiting factor for children’s access to schools, and even the household’s physical access to health care. A multi-faceted approach is needed to increase the share of formal jobs available in the country, through regulatory reforms, improving access to finance, better labor market information, enforcement of labor standards and support to entrepreneurs.

More comprehensive and regular data to monitor household well-being is needed. The ongoing crisis raises the urgency to better track the evolving nature of households’ well-being which will aid in developing and assessing the impact of mitigating policies. The country’s national statistical agency, Central Administration of Statistics (CAS) has a vital role to play in the collection and analysis of regular, robust and actionable data, ensuring nation-wide survey coverage and in the subsequent updating of the national poverty line.
قد تمكّن هذا التقرير تقريباً للوضع الراهن للفقر وعدم المساواة في لبنان. ويتوافق تأثير الأزمة الاقتصادية التي طالت أدائها على الأسر. بعد أن دخلت عالمياً الخامس، فضلاً عن سبل استجابة تلك الأزمة لتداعياتها، ويبحث في تأثير الأزمة ميدانياً على ديناميات سوق العمل في البلاد. ويهدف التقرير إلى أن يكون مرجعًا مفيدًا لقضايا السياسات والباحثين والمنظمات عامة على تحديد التدابير الإجتماعية والاقتصادية المتعارضة الجوانب في لبنان، والتصدي لها.

اتساع رقعة الفقر وانعدام المساواة في لبنان

لقد ارتفعت معدلات الفقر النقدي في لبنان بمقدار ما يزيد عن ثلاثة أضعاف عامًا كانت عليه منذ أكثر من عقد. وكشفت البيانات المستمدة من دراسة استقصائية جديدة للأسر العشائبية شملت السكان المحليين في خمس محافظات، وهي عكار وبيروت والبقاع وشمال لبنان ومعظم جبل لبنان، عن ارتفاع معدلات الفقر القائم على الاستياء في المناطق الممتدة من 12 في السنة عام 2012 إلى 44 في السنة عام 2022. كما تبين أن واحداً من أصل ثلاثة أفراد من اللبنانيين القريبين في هذه المحافظات والممتدة عام الفقر، بينما يشكل ارتفاع عام 11 في السنة في العام 2012. ولم تتزايد نسبة اللبنانيين الفقراء فحسب، بل باتوا أيضًا يعانون أكثر فأكثر في الفقر. فقد ارتفع عمق فقرهم أو الفحوه الفقرية

1) نور ي: تحليل إحصائيات الفقر لعام 2022 محاطة بالدراسة الميدانية في هذا المجال. وبالنسبة على صعود البلد بكامله.
2) جمع البيانات الميدانية للفقر في هذه المنطقة، وبالتالي، على صعيد البلد بكامله.
3) تم إجراء الدراسة الراهنة للفقر في لبنان، والمقدمة للمؤسسة في الدراسة، بعد تنفيذ الأنشطة في العملية الفعلية من الناحية المتميزة لمؤسسات البلد، في الفترة المتصلة من بين.
4) إذ قام في الدراسة بيانات تتعلق بالخصائص الدموية، والتعليم والمجموعة والعمر، وال체صة، والدعاية، ثم عين بعد ذلك أن يكون تياكل بناءً على المستوى الوطني، ثم يمكن طرح من إجراء المجاني في عدة مناطق. يعكس الفائدة العينة البلدية على نحو 4,200 موردية على خمس محافظات. إن عدم تغير بيانات البلدية لعام 2022 في محافظات بلينج البلد، وال دائرة، ومن دون إجراء تقييم دقية للياقة الفقر في تلك المناطق، وبالتالي يؤدي على التقييم الإجمالي على صعود البلد بكامله.

4) في أعقاب الأزمة، بدأت شريحة أسر من الأسر البلدية تشعر بأنها أكثر فقرًا مقارنةً بما يُفسّر مواقفهم باستخدام البيانات. وعندما طلب من هذه الأسر تصفيف وضعها الاقتصادي، أعترفت نحو ثلاثة من أصل خمس أسر لبنانية نفسها اقتصادًا أو رفقة جدًا، بما في ذلك ما يقارب 30 في السنة من الأسر التي تشمل آمن 20 في السنة من الثروات (نصب الفرد من الاستياء).
- أي الحد الأدنى للمبلغ المالي المطلوب لرفع مستوى الإنفاق لدى الفقراء إلى خط الفقر، والمحاسب على شكل نسبة من هذا معاملة: تقديرات التحول على الأسر في محافظة عكار وبيروت والبقاع وجبل لبنان.


يتوزع الفقر بشكل غير متساوي في مختلف أنحاء البلاد ويتزايد بوتيرة متسارعة في الشمال، بالنسبة للبنانيين، تراوح معدلات الفقر من 2 في المئة في بيروت وصولًا إلى 62 في المئة في عكار. وقد شهدت محافظات شمال لبنان وعكار، اللتان تضمنان نسبة كبيرة من العاملين في القطاع الزراعي، زيادة عابرة في معدلات الفقر مقارنةً بعام 2012. يُعد عمالة الزراعة الأشدّ فشلاً بين شرائح السكان، لليهم العاملون في قطاع البناء.

Weathering a Protracted Crisis
الشكل 2: تستهلك الأسر اللبنانية كميات أقل من اللحوم والخضراوات والفواكه، ومكتمل أكبر من الخبز والحبوب
مقارنة بالعقد الماضي

معاً: تتفاقم مشكلة انعدام الأمن الغذائي، وهيام الأمن الغذائي، اتخذت اجراءات لتقليل حجم التفاوت في الحصول على المواد
بالدولار يحصّنهاما، والامة، الفعل. تفاعليًا تداعيات التضخم الناجم عن ضعف العملة، وذلة قيمة تدهور الوطنية. يعتبر
الشكل الES2: والخضراوات تستهلك الأسر اللبنانية كميات أقل من اللحوم، وكميات أقل من الخبز والحبوب.

من الأسر الفقيرة، المتأثرة، على ما، قبل، اندلاع، الأول كانون/ديسمبر بحلول الأزمة 2023.

على شرائح المجتمع، من المستويات أعلى سجل التفاوت في دخل الأسر، لعام 2023.

في لبنان، التوزيع على شرائح المجتمع، من، استهلًك، بالإطار، على ما، قبل، اندلاع، الأول كانون/ديسمبر 141.

ت сли التقديرات على الأسر في محافظات عكار وبيروت والبقاع وجبل لبنان وشمال لبنان.

اللبنانية، التي فقدت 98 في المئة، من، العملة التي كانت عليها ما، قبل، اندلاع الأزمة، في 2022.

تعاني الأسر من انخفاض حاد في قدرتها الشرائية منذ بدء الأزمة المالية والاقتصادية عام 2019

إن حالة التخطيط طوال خمس سنوات جراء الأزمة الاقتصادية قد أثرت سلبًا على شرائح المجتمع كافة ما عدا أغناها،
منها ساهم في تفاقم مشكلة انعدام الأمن الغذائي. فقد استمرت نسبة التضخم السنوي بتسجيل رقم ثلاثي منذ العام 2021،
بفعل تراجع العملة التي فقدت 98 في المئة من قيمتها التي كانت عليها ما قبل اندلاع الأزمة بحلول ديسمبر/كانون الأول 2023.
مع ارتفاع أسعار المواد الغذائية، أخذت مشكلة انعدام الأمن الغذائي تتفاقم، وهي لم تتسبب بتقليل حجم المشتريات الغذائية وحسب، بل فرضت أيضًا تحولاً في النظام الغذائي المتبغ. وفي هذا الإطار، سجلت نسبة 32 في المئة تقريبًا من الأسر الفقيرة المشملة في الدراسة الاستقصائية 2022/2023 معدلات دون المستوى المقبول من حيث الاستهلاك الغذائي، والمستخدم لتقييم النوع الغذائي وتوزع الاستهلاك والأهمية التغذوية النسبية لمختلف المجموعات الغذائية. وأشارت نسبة 83 في المئة تقريبًا من كافة الأسر المشملة في المقابلة إلى أنها كانت قد اعتمدت في غذائها على مأكولات أرخص أو أقلما تفضّلها، أقله في أحد الأيام السبعة التي سبقت مقابلتها. وكانت الأسر الفقيرة أكثر عرضة بمرتين من الأسر غير الفقيرة لاحتلال خفض حصص الوجبات أو تقليل عدد الوجبات أو اقتراض الطعام، أو الاعتماد على المساعدة من الأقارب أو الأصدقاء، وأربع مرات تقريبًا لاحتمال أن يقوم أحد أفرادها البالغين بالإحجام عن تناول الطعام من أجل إطعام أولاده.

الشكل ES3: تنقاضى أعلى 20% من الأسر اللبنانية ما لا يقل عن نصف قيمة دخلها الإجمالي بالدولار

<table>
<thead>
<tr>
<th></th>
<th>Bottom 20 percent &gt;20 to 40 percent</th>
<th>&gt;40 to 60 percent</th>
<th>&gt;60 to 80 percent</th>
<th>Top 20 percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>التحويلات الاجتماعية</td>
<td>9%</td>
<td>6%</td>
<td>7%</td>
<td>40%</td>
</tr>
<tr>
<td>المساهمين لحسابهم الخاص/ الإيرادات الأخرى</td>
<td>86%</td>
<td>83%</td>
<td>86%</td>
<td>61%</td>
</tr>
<tr>
<td>التحويلات المالية من الخارج</td>
<td>14%</td>
<td>14%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>الإيرادات من الأجور</td>
<td>72%</td>
<td>72%</td>
<td>72%</td>
<td>61%</td>
</tr>
<tr>
<td>حصة الإيرادات بالدولار</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

ملاحظة: تقديرات التقلبات على الأسر في محافظات عكار، وبيروت، والبقاع، وسهل لبنان.

يرفع معظم السكان تحت رحمة التضخم المرتفع. في ظل استمرار الأزمة، يتجه لبنان بوتيرة متسارعة نحو اعتماد الدولار والاقتصاد النقدي، ما يشكل خطراً على النمو الاقتصادي مستقبليًا. إنما يجري في الوقت الحاضر الأفراد الذين يقابلون رواتبهم كلية أو جزئيًا بالعملة الأجنبية. تنقاضى الأسر اللبنانية التي تشغل أعلى 20% في المئة من التوزيع أكثر من 50 في المئة من قيمة دخلها الإجمالي بالدولار الأمريكي، ما يحسنها فعليًا ضد تداعيات التضخم الناجم عن تدهور قيمة العملة الوطنية. ويعتبر

Weathering a Protracted Crisis
اللغة العربية:

كسب الدولارات شكلً من أشكال تعديل الأجور الذي يسعى في الحفاظ على القدرة الشرائية لدى أصاحبها، ما يزيد الشرح بين النفقات التي يمكنها الحصول على الدولار الأمريكي وذلك التي لا تحصل عليه. في المقابل، تعق päك نسبة 20 في المئة من الأسر في أدنى التوزيع 6 في المئة من دخلها بالدولار على أبعد تقدير، ما يعرضُها أكثر فأكثر لمشكلات التضخم المتعاطم.

وكان الأمر كما ارتفعت الأسر على انتهاج مجموعة متنوعة من استراتيجيات التكيف في محاولة منها للتأمل مستوي معيشي قابل، وشملت تلك الاستراتيجيات سحب أموال من المدخرات الشخصية، وطلب المساعدة من مصادر متعددة، والاقتراض، وخفيش النفقات، لاسيما تلك المرتبطة بالشق الغذائي. فأفادت قرابة 87 في المئة من الأسر المشمولة بدراسة العامين 2022/2023 بأنها استعانت بدمخراتها، بالإضافة إلى ذلك، التمثت 58 في المئة من الأسر المميزة من الأقارب والأصدقاء، فيما لجأت 65 في المئة إلى جهات أخرى أو هياكل غير حكومية للحصول على المنحة. وقد حصلت 40 في المئة منها على فروع أو تسبيقات التمويل من مؤسسات رسمية فيما لجأت 68 في المئة إلى مراجع غير رسمية. واضطرت ثلاث من أصل خمس أسر إلى خفض نفقاتها الغذائية، فيما عمد أكثر من نصفها إلى خفض الإنفاق على المواد الغذائية الأساسية في اثنيين، والمرافق الخدماتية. فتأثرت النتائج الصحية سلبًا في ثلاث عدد الأسر.

أدت الأسر التي يرأسها أفراد تتغطى مرحلة التعليم الثانوي قدرة أكبر على مواجهة الفقر، شأنها شأن الأسر التي تلقن تحويلات مالية من الخارج. وظف تساوي جميع العوامل الأخرى، انخفضت احتمالات المعاناة من الفقر في 2023 لدى الأسر التي يحمل أرباءها مؤهلات ما بعد التعليم الثانوي. ما يُبرز أهمية الاستثمارات في رأس المال البشري السابقة، وحتى المستقبلية. في تنمية القردة على الصعود. لا سيما في فترة الأزمات. لطالما كان لبنان ينفق تحويلات مالية من أبنائه في الاغتراب، إلا أن هذه التدفقات تأتي اليوم تؤدي دورًا محوريًا متأزماً في الحد من إفقار شعبه.

لقد تضطرّت الأسرة السورية بشدة من الأزمة. فبعد أن كان عدد المُسجلين لدى المفوضية السامية للأمم المتحدة لشؤون اللاجئين ما دون 5,000 شخص في نهاية العام 2011، ارتفع عدد النازحين السوريين المسجلين إلى 1.1 مليون بحلول منتصف عام 2015، وسط تقديرات بأن يبلغ عددهم نحو 1.5 مليون اليوم، وأن يشكل ما يقارب ربع عدد سكان البلاد (القرار)، مسيّلاً بذلك أعلى نسبة في العالم. وقد خففت أحوال العمل الجزأ بمعظمها، من وظف هذه الزيادة الاستمرارية على مخرجات سوق عمل اللبنانيين. وتتعدد الأسرة السورية أشدّ فقرًا نسبيًا، عبر جميع المقاييس والمؤشرات الممثلة المتعلقة بالرفاهية. إذ يعيش نسبة من أصل 10 سوريين تقريبًا تحت خط الفقر في عام 2022، فيما سجلت نسبة 45 في المئة من الأسر السورية الفقرة معدلات دون المستوى-II الفقير من حيث الاستيال الغذائي. ويعاني السوريون في سبيل العمل من تدني مستوى تحصيلهم العلمي، أما من كان مهم يعمل، فيتولى وظائف غير رسمية منخفضة الأجور وأقل نقاءً، ما يسهم في تعرض أسرهم لحالة من الفقر والانعدام الأمن الغذائي.
لا بد من إجراء الإصلاحات المالية الكلية والشاملة الملحة من أجل وقف التدهور الحاصل في المستويات والظروف المعيشية. هذا فضلاً عن أن تعزيز شبكات الأمان الاجتماعي والاستثمار في رأس المال البشري، وتحسين فرص العمل الرسمية، وأمكانيات الوصول إلى هذه الفرص من خلال وسائل النقل العام ذات التكلفة المنخفضة، يندرج في إطار التدخلات الحاسمة التي تساعد في تخفيف حدة الفقر، وتقليص فجوة النفايات، والاستمرار في تحسين القدرة على الصمود في المديين المتوسط والبعيد. تساعد الجهود المبذولة لاستهداف الفقراء بشكل أفضل، وتوسيع تغطية برامج المساعدة الاجتماعية وتعظيمها، في ضمان حصول الأسر المتاحة على الموارد الأساسية، بما فيها المواد الغذائية اللازمة والرعاية الصحية والتعليم. ومن شأن تزويدي الأسر الفقيرة بإمكانية الحصول على التعليم الجيد أن يساعد في بناء جيل أكثر قدرة على الصمود. كما أنّ توسّيع نطاق الوصول إلى خدمات الرعاية الصحية والتأمين الصحي بقليل من تخفيف العبء المالي على الأسر الفقيرة. من الضروري تيسير استخدام وسائل النقل العام بشكل أكبر وبكلفة ميسرة، لأن عدم توفرهاً يشكل أحد العوامل التي تحد من وصول الأولاد إلى المدارس، ومن حصول أفراد الأسرة عليهم في الرعاية الصحية. هناك حاجة إلى اعتماد نهج متعدد الأوجه لزيادة نسبة الوظائف الرسمية المتاحة في البلاد، وذلك من خلال إصلاحات تنظيمية، وتحسين الوصول إلى التمثيل، وتحسين تزويدي المعلومات عن سوق العمل، وتطبيق معايير العمل ودعم رواد الأعمال.

ثمة حاجة إلى بيانات أكثر شمولًا وانتظامًا لرصد رفاه الأسر. تأثير الأزمة المستمرة الحاجة الملحة إلى تتبع طبيعة تطور رفاه الأسر بشكل أفضل، مما يساعد في تقديمTA تأثير سياسات التخفيف من التداعيات وتطويرها. وتلعب إدارة الإحصاء المركزية (CAS) وهي الوكالة الإحصائية الوطنية، دورًا حيويًا في جمع وتحليل البيانات الدورية وال دقيقة والقابلة للتنفيذ، وضمان تغطية الدراسات الاستقصائية على نطاق البلد، وفي التحديث اللاحق لخط الفقر الوطني.
CHAPTER 1

POVERTY IN LEBANON

The economic crisis, starting in late 2019, which led to a shrinking economy along with hyperinflation and a severely devalued currency has contributed to a tripling of the poverty rate in Lebanon from a decade ago in the surveyed governorates. Its depth and severity have increased, and income inequality is also on the rise. Poor households have less diversified sources of income relying primarily on lira-denominated wage earnings and limited social transfers. Richer households have access to earnings in foreign income which helps to hedge against the erosion of the lira from a depreciating currency. There are large and persistent disparities in poverty across the country with the North of Lebanon seeing larger increases from the preceding decade.
Background

Since 2019, Lebanon’s economy has precipitously fallen to unprecedented depths. Between 2011 and 2018, annual real GDP growth averaged 1.3 percent, while per-capita GDP declined by 0.3 percent, yearly. This period coincided with an influx of Syrian refugees fleeing conflict that added well over a million persons by 2015 to an estimated population of about 5 million in 2011 (Figure 1.1). The decline in population post-2015 reflects a downward revision in the estimate from the UN.\(^5\) By October 2019, Lebanon had plunged into a financial and economic crisis induced by a halt in capital inflows, banking sector crisis, and a currency crash. The onset of the crisis was further compounded by disruptions caused by COVID-19 and the Beirut port explosion which led its nominal GDP to fall by over 40 percent from USD 55 billion in 2018 to USD 31.7 billion in 2020, resulting in one of the most severe global crises episodes in well over a century (World Bank, 2020). Lebanon’s economy has continued its downward spiral to the present day: between 2019 and 2023, real GDP dropped by 27 percent cumulatively.\(^6\)

Figure 1.1: Lebanon’s per-capita GDP has been on a steep decline since the start of the 2019 economic crisis

Source: World Bank staff estimates based on CAS GDP data and population data from the 2022 UN Population Prospect.

The sharp deterioration of the Lebanese pound, which lost 98 percent of its pre-crisis value by December 2023, propelled inflation to new heights. With imports constituting about 60 percent of the consumption basket (World Bank, 2022), the plunging currency led to triple-digit inflation which rose steeply from an annual average of 3 percent between 2011 and 2018, to 85 percent in 2019, 155 percent in 2020, and 221 percent in 2023. Inflationary pressures were exacerbated by the rise in global food prices since the war in Ukraine and Lebanon’s heavy reliance on wheat imports, along with the destruction of its strategic wheat reserves in the August 2020, Beirut port explosion. The surge in food

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\(^5\) Lebanon has not had a population census since 1932 and has since depended on estimates for its population. The downward revision to Lebanon’s population estimate was made by UNDESA for the 2022 version of the World Population Prospect (see July 11, 2022 note).

\(^6\) In July 2022, the World Bank downgraded Lebanon’s status from upper-middle income country, a position held for almost 25 years, to lower-middle income country.
inflation was consequently even more dramatic, skyrocketing from 4 percent in 2019 to 254 percent in 2020 and has remained in triple-digits through 2023. Faced with falling foreign exchange reserves, the government withdrew subsidies on medication, fuel, and wheat further fueling rising costs of healthcare and transport (Figure 1.2). Rapid inflation acted effectively as a highly regressive tax, striking hardest at the poor and those with fixed, lira-denominated incomes.

Lebanon has increasingly become a cash-based dollarized economy, which works to the benefit of those getting paid in a foreign currency. The size of the dollar-denominated cash economy is estimated to have increased from 26 percent in 2021 to around 46 percent of GDP in 2022 (World Bank, 2023a). Dollarization of the economy can be an impediment to economic growth as it raises the risk of money laundering, informality, and tax evasion (World Bank, 2024a). However, individuals who earn partially or fully in dollars are insulated from the loss of purchasing power induced by the sharply depreciating currency.

**Figure 1.2: Inflation has skyrocketed with currency depreciation and reduction of subsidies by the Central Bank (Banque du Liban)**

Source: World Bank staff estimates using CPI data from Central Administration of Statistics, Lebanon
Labor market outcomes for Lebanese were relatively stable between 2011/2012 and 2018/2019 but were subsequently disrupted by the crisis. Available data from five governorates spanning mid-2011 through mid-2023 reveal that despite the large inflow of Syrians, labor force participation was stable for Lebanese nationals (15-64 years old) at around 52 percent and 54 percent in 2011/2012 and 2018/2019 respectively, but then declined to 48 percent by 2022/2023 (Figure 1.3). Their overall unemployment rate rose modestly from 11 percent in 2011/2012 to nearly 13 percent in 2018/2019, and then fell to around 11 percent by 2022/2023 as the rise in inactivity caused the number of unemployed Lebanese to shrink more than the decline in the size of the labor force (Figure 1.4). Labor force participation rates remained twice as high for Lebanese men compared to women throughout this 10-year period (Figure 1.5).

### Figure 1.3: Labor force participation rate by Lebanese and non-Lebanese

<table>
<thead>
<tr>
<th>Year</th>
<th>All</th>
<th>Lebanese</th>
<th>Non-Lebanese</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/2012</td>
<td>55%</td>
<td>56%</td>
<td>46%</td>
</tr>
<tr>
<td>2018/2019</td>
<td>51%</td>
<td>54%</td>
<td>48%</td>
</tr>
<tr>
<td>2022/2023</td>
<td>80%</td>
<td>64%</td>
<td>41%</td>
</tr>
</tbody>
</table>

### Figure 1.4: Unemployment rate by Lebanese and non-Lebanese

<table>
<thead>
<tr>
<th>Year</th>
<th>All</th>
<th>Lebanese</th>
<th>Non-Lebanese</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/2012</td>
<td>10%</td>
<td>12%</td>
<td>2%</td>
</tr>
<tr>
<td>2018/2019</td>
<td>11%</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>2022/2023</td>
<td>2%</td>
<td>8%</td>
<td>19%</td>
</tr>
</tbody>
</table>

### Figure 1.5: Labor force participation and unemployment rate among the Lebanese

<table>
<thead>
<tr>
<th>Year</th>
<th>Participation rate</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>8%</td>
<td>17%</td>
</tr>
<tr>
<td>2018</td>
<td>10%</td>
<td>17%</td>
</tr>
<tr>
<td>2023</td>
<td>9%</td>
<td>16%</td>
</tr>
</tbody>
</table>

### Figure 1.6: Labor force participation and unemployment rate among non-Lebanese

<table>
<thead>
<tr>
<th>Year</th>
<th>Participation rate</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>2018</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>2023</td>
<td>19%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.


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7 These are the governorates of Akkar, Bekaa, Beirut, Mount Lebanon and North Lebanon.

8 Phone survey data collected in January 2022 by CAS suggests that unemployment rate for Lebanese may have risen even further during this period.
The 2019 financial and economic crisis contributed to rising informality of work among Lebanese workers. Available data indicates increasing shares of Lebanese in the private, informal sector\(^9\) from 23 percent in 2018/2019 to 34 percent in 2022/2023 and growing informality of employment\(^10\) from 40 percent to 60 percent over this period.

**Figure 1.7: The economic crisis has coincided with rising informality of work in Lebanon**

<table>
<thead>
<tr>
<th></th>
<th>2018/2019</th>
<th>2022/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>All - informal</td>
<td>32%</td>
<td>39%</td>
</tr>
<tr>
<td>Lebanese - informal</td>
<td>23%</td>
<td>34%</td>
</tr>
<tr>
<td>Non-Lebanese</td>
<td>52%</td>
<td>65%</td>
</tr>
<tr>
<td>informal employment</td>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon. The 2011/2012 HBS did not have sufficient information to identify informality of sectors or employment.


Working age non-nationals in the country were more adversely impacted by the inflow of refugees after 2012 and then again by the 2019 economic crisis. For the same five governorates, labor force participation rates for non-Lebanese nationals fell from 80 percent in 2011/2012 to 64 percent in 2018/2019 and then further down to 41 percent by 2022/2023 alongside rising unemployment rates from two percent in 2011/2012 to 19 percent by 2022/2023. Falling shares of economically active individuals among the non-Lebanese can be mainly attributed to the sharp drop in female participation rates from 69 percent in 2011/2012 to 43 percent in 2018/2019 (as Syrian women were less likely to be economically active) and then further down to 14 percent by 2022/2023 (Figure 1.6). Already high levels of informality among this sub-population in 2018/2019 persisted well into 2022/2023.

The crisis has resulted in a “brain drain” as disillusioned educated youth and professionals leave in search of better opportunities abroad (World Bank, 2024a). This exodus of human capital, particularly noticeable in the healthcare and education sectors, threatens the quality and availability of essential services, impacting the wider population. The migration of these skilled individuals not only diminishes prospects for economic recovery but also erodes the infrastructure of its public services, contributing to a downward spiral that feeds into the broader crisis.

On the flip side, emigrants and the Lebanese diaspora are also contributing to rising remittances which is forming a crucial safety net for their families and relatives back home. As a share of GDP, remittances have increased from an average of 13 percent between 2012 and 2019, to about 30 percent in 2022 (partly due to a denominator effect) and it grew by 20 percent in nominal terms between 2021 and 2022 (World Bank, 2023a). Survey data in 2022/2023 indicates that 14 percent of households in the five governorates receive external remittances (cash or in-kind) which is playing an increasingly prominent role in reducing the likelihood of falling into poverty, relative to a decade ago (see Chapter 2).

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9 Informal sector includes unregistered businesses or alternatively, firms where there are no bookkeeping records.

10 Informal employment is a situation where workers do not receive any type of social security benefit, paid annual or sick leave and may lack proper work contracts.
Box 1.1: Syrians in Lebanon – from migrant workers to refugees

Prior to the Syrian conflict in 2011, migrant workers from Syria resided in Lebanon on a temporary or circular basis, facilitated by porous borders which saw many employed informally, in labor-intensive, low-skilled agriculture, construction, and domestic services sectors. No proper estimates exist of their numbers which ranged between 200,000 and 400,000 in the late 1990s (Chalcraft, 2006).

The onset of the Syrian conflict in 2011 led to an exodus of its population seeking refuge and saw a total of nearly 1.2 million ‘displaced’ Syrians in Lebanon registered with UNHCR by May 2015. Further registration was prohibited thereafter by the Government of Lebanon (GoL), but their numbers continued to be unofficially recorded if they approached UNHCR for assistance and protection. It was recently reported that a total of 1,486,000 Syrians are in Lebanon per UNHCR data, constituting about 27 percent of the country’s estimated population. Not being a party to the 1951 Refugee Convention, the GoL does not formally recognize Syrians as refugees (hence the ‘displaced’ label) and did not institute an encampment policy. About 20 percent of Syrians are in informal settlements, while the majority are residing among the rest of the population.

Syrians are only formally permitted to work in three sectors – agriculture, construction and sanitation services which require the sponsorship of an employer under the kafala system and involves fees and paperwork. Lax enforcement of the labor laws has allowed for mostly informal employment, albeit without any protection from exploitation, illegal treatment or other workplace hazards (Janmyr, 2016).

A prolonged political stalemate, characterized by a two-year presidential void, a caretaker government with limited powers, an interim central bank governor, and minimal legislative activity, has significantly hindered the development of a comprehensive plan to resolve the ongoing economic and financial crisis. Without such a plan, the economic burden has disproportionately affected poor and vulnerable households for over five years.11 This enduring crisis threatens to have a lasting negative impact on Lebanon’s potential growth by rapidly depleting the nation’s physical, human, social, and institutional capital, potentially beyond repair.

The broader geopolitical dynamics in the Middle East, particularly the persistent threat of direct conflict or the spillover from neighboring violence, such as the conflict in the Middle East centered in Gaza, casts a long shadow over Lebanon’s prospects, making any plans for reform increasingly elusive (World Bank, 2024b). Since October 2023, the escalating conflict in Gaza has reverberated throughout the region, with Lebanon experiencing particularly intense and unstable repercussions. Continuous confrontations since October 8th have led to hundreds of causalities and injuries, mass displacement of close to 90,000 individuals and damaged agricultural lands in Lebanon, raising fears of a full-scale war. This adds to the country’s challenges, directly impacting tourism and economic growth, especially in the last quarter of 2023 and into the first half of 2024 (World Bank, 2024b). Lebanon’s ongoing exposure to regional unrest underscores the persistent threat of conflict, complicating any chance of achieving lasting growth and stability in this crisis-ridden country.

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11 Aside from households that are under a poverty line (and therefore considered ‘poor’), vulnerable households can be defined as households that are at risk of falling into poverty over a given period. Annex 2 suggests that potentially one out of every two non-poor Lebanese households could be vulnerable to falling into poverty.
Monetary poverty

The analysis presented in this report is limited to five governorates that were sampled in the 2022/2023 Lebanon Household Survey (LHS). It does not cover the entire country as data collection could not be completed in certain areas. The existing data primarily covers five out of eight governorates, namely Akkar, Bekaa, Beirut, North Lebanon, and to some extent, Mount Lebanon, constituting about 60 percent of the population. References to other datasets in this report, such as the 2011/2012 Household Budget Survey (HBS) and 2018/2019 Labor Force and Household Living Conditions Survey (LFHLCS) are also limited to the five covered governorates to conduct an appropriate comparison of outcomes over time (see Box 1.2).

Figure 1.8: Coverage of the 2022/2023 Lebanon Household Survey


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12 Based on population estimates derived from the 2018/2019 LFHLCS and from UNHCR. The nine districts with no or low coverage are located in the governorates of South Lebanon (Sour and Saida), Nabatieh (El Nabatieh, Bint Jbeil, Marjaayoun), Mount Lebanon (Baabda and Aley) and Baalbek El-Hermel (Baalbek and El-Hermel).
Box 1.2: The 2022/2023 Lebanon Household Survey and other micro-datasets used for this report

The 2022/2023 Lebanon Household Survey (LHS) was implemented between December 2022 and May 2023 as an initiative of the World Bank in partnership with the World Food Programme (WFP) and United Nations High Commissioner for Refugees (UNHCR) who both co-funded the survey. The survey was stratified between a) Lebanese and other non-Syrian headed households and b) Syrian-headed households to generate a representative sample of Lebanese and Syrian nationals. While the target sample size was over 8,000 households, the final working sample was about 4,200 households due to access issues in certain areas of the country.

Two other micro-datasets are referenced in this report, namely the 2011/2012 Household Budget Survey (HBS) and the 2018/2019 Labor Force and Household Living Conditions Survey (LFHLCS). The 2011/2012 HBS sample comprised primarily of Lebanese-headed households with a smaller share of non-nationals (under 7 percent). The HBS data collection preceded the large inflows of Syrian refugees and was used to develop the country’s national poverty line. Despite tangible differences in survey methodology, it is the only available dataset prior to the 2022/2023 LHS for which consumption-based monetary poverty can be estimated and compared against.

The 2018/2019 LFHLCS is primarily a labor force survey collected between April 2018 and March 2019, prior to the onset of the economic and financial crisis in October 2019. The absence of expenditure data does not permit monetary measures of poverty to be produced. However, the LFHLCS dataset can be used to compare non-monetary indicators of (multidimensional) poverty, facilitating a pre- and during-crisis comparison of a cross-section of households in the common governorates. The public release of the LFHLCS only categorized nationalities in the sample as Lebanese and non-Lebanese, precluding a separate analysis of Syrian nationals, who nonetheless, form an overwhelming share of non-nationals.

Monetary poverty estimates in this report are unofficial and are done in reference to a new poverty line generated using the 2022/2023 LHS dataset. The newly constructed (LHS) poverty line stands at LBP 53.4 million per-person per-year (in January 2023 currency), i.e., a person is categorized as poor if his/her yearly consumption is less than LBP 53.4 million. The rationale for producing a new (LHS) poverty line - using the consumption behavior of Lebanese households - was that double and subsequently triple-digit inflation rates ever since 2020 and the ensuing economic hardship likely altered household consumption patterns compared to a decade ago. With overall prices being almost 15 times higher in 2022 compared to a decade ago when data was last used to generate the existing national poverty line, households cannot be expected to consume an identical basket of goods and services in 2022 as they did in 2012. The data also points to this – Lebanese households in 2022 are consuming a third of the amount of (mostly imported) meat and seafood from a decade ago while the consumption of more affordable bread and cereals has risen by over 20 percent.13

13 The same approach used in creating the national poverty line (using the 2011/2012 HBS survey) was adopted to generate the LHS poverty line. Household-level consumption aggregates are first produced which includes food and non-food items, excluding health expenditures. Non-food items include expenditures on transportation (e.g., fuel, taxi/bus fares, vehicle rental, maintenance and repairs and insurance), among others. Imputed rents were added along with the user value of service flows from personal vehicles. Temporal and spatial adjustments (using a food deflator) were made with January 2023 as the base period. Using the consumption distribution of Lebanese households, a food poverty line was constructed based on the cost of attaining a daily intake of 2,400 calories. A non-food allowance was added by referencing the non-food expenditures of the 20th to 50th percentile of the Lebanese distribution. See online technical note for more details (forthcoming).
Poverty trends

Between 2012 and 2022, the share of individuals in Lebanon living under the LHS poverty line in the five covered governorates more than tripled from 12 percent to 44 percent. Among the Lebanese in 2022, one out of every three were poverty-stricken, which has since tripled from 11 percent in 2012 (Figure 1.9). Applying the poverty line to Syrians results in a higher poverty rate of 87 percent in 2022, which is expected given the displaced nature of this population and limitations on their ability to participate in the local labor market. A hypothetical exercise comparing Lebanon with its regional and economic peers can be found in Annex 1 assuming that a similar proportion of poor are in the remaining uncovered areas of the country.

Figure 1.9: Poverty has gone up in Lebanon from a decade ago

Figure 1.10: The depth and severity of poverty among Lebanese has increased over the past decade

Not only did the share of poor Lebanese rise between 2012 and 2022, but so did the depth and severity of their poverty. A measure of the depth of poverty or poverty gap in 2012 implied that a poor Lebanese would have needed an average transfer of nearly 3 percent of the poverty line to move above it (Figure 1.10). In 2022, the correspondence transfer needed to move out of poverty increased over 3 times to 9.4 percent. The severity of poverty also increased over this period, implying that the erosion of welfare was even more acute among the poorest of the poor. The corresponding poverty gap for Syrians is 38 percent along with a severity rate of 19 percent.

14 By Lebanese, we refer to individuals affiliated with Lebanese-headed households. In some minor cases, such individuals could be a non-Lebanese national (e.g. a Syrian wife of a Lebanese national). Similarly, Syrians are individuals belonging to Syrian-headed households.
15 There is insufficient data to separately assess poverty status of Syrians in Lebanon from a decade ago.
16 The depth of poverty (or poverty gap) is the average size of the shortfall from the poverty line among the poor, expressed as a percentage of the poverty line.
17 The poverty severity gap is the average of the square of the poverty gap of the poor. It gives greater weight to the individuals who are further away from the poverty line, reflecting the ‘severity’ of poverty.
Box 1.3: Lebanese households feel poorer compared to a decade ago

Households surveyed in 2011/2012 and 2022/2023 were asked to classify their self-perceived economic status, from very poor to wealthy. The results demonstrate a widespread, though subjective sentiment among households of becoming worse off over this period (Figure 1.11). In 2022/2023, 56 percent of Lebanese households reported that they felt either poor or very poor compared to 19 percent in 2011/2012. Even the richest quintile was not spared this sentiment - close to 30 percent of Lebanese families in the top 20 percent of the distribution felt similarly (Figure 1.12).

**Figure 1.11: Compared to a decade ago, Lebanese households have a more negative subjective assessment of their overall economic well-being**

<table>
<thead>
<tr>
<th>Lebanese households: Self-assessed economic status</th>
<th>Lebanese households in 2022/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well-off or wealthy</td>
<td>7%</td>
</tr>
<tr>
<td>Average</td>
<td>17%</td>
</tr>
<tr>
<td>Average to poor</td>
<td>26%</td>
</tr>
<tr>
<td>Poor</td>
<td>29%</td>
</tr>
<tr>
<td>Very poor</td>
<td>49%</td>
</tr>
</tbody>
</table>

Notes: Responses were to the question “In your opinion, would you classify your household as being wealthy, financially well-off, average, average to poor, poor or very poor?” Quintiles are defined with respect to per-capita consumption of all households. Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.


**Figure 1.12: Across the distribution, a sizeable proportion of Lebanese households are feeling either poor or very poor**

<table>
<thead>
<tr>
<th>Feel poor or very poor (%)</th>
<th>Bottom 20 percent</th>
<th>&gt;20 to 40 percent</th>
<th>&gt;40 to 60 percent</th>
<th>&gt;60 to 80 percent</th>
<th>Top 20 percent</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>95%</td>
<td>75%</td>
<td>70%</td>
<td>58%</td>
<td>30%</td>
<td>56%</td>
</tr>
<tr>
<td>2022</td>
<td>75%</td>
<td>70%</td>
<td>58%</td>
<td>30%</td>
<td>56%</td>
<td></td>
</tr>
</tbody>
</table>

The rise in monetary poverty seen in Lebanon is reflective of a lack of economic growth. The estimated growth elasticity of poverty between 2012 and 2022 is -3.78 for Lebanese, implying that every one percent rise in per-capita GDP reduces the poverty rate by 3.78 percent. Had the economy grown at a steady rate of two percent annually instead of contracting, poverty could have fallen by 6.4 percentage points over the past decade, more than halving the rate in 2012.

Over the decade spanning 2012 to 2022, the Lebanese saw their per-capita consumption falling across the entire distribution in the five governorates, with the poorest being hit harder, alluding to the regressive nature of high inflation since the onset of the economic crisis. Individuals in the bottom 20 percent reduced their real consumption by 4.2 percent

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18 The elasticity of poverty is the ratio of annual growth in Lebanese poverty to per-capita annual real GDP growth between 2012 and 2022 or \( \frac{11.88}{3.147} = 3.78 \). Assuming a counterfactual per-capita growth rate of 2 percent would imply poverty reducing by 8.6 percent annually or 6.4 percentage points over the decade.
yearly, compared to a decline of about 3.7 percent annually for the top 20 percent of the distribution (Figure 1.13).\(^{19}\) Cumulatively, the average decline in real consumption over this ten-year period was about 32 percent, ranging from 35 percent in the lowest quintile to 31 percent for the highest quintile.

**Figure 1.13: Per-capita consumption levels for Lebanese households fell between 2012 and 2022**

![Graph showing per-capita consumption levels for Lebanese households between 2012 and 2022.](image)

Note: The growth incidence curve portrays the annualized change in real per-capita consumption for all Lebanese-headed households (measured in January 2023 LBPs). The upward slope, albeit with negative growth implies that richer Lebanese households reduced their consumption less rapidly than poorer households. Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.


With overall consumption declining across the distribution almost equally, inequality among the Lebanese was similar between 2012 and 2022 in the covered areas. The Gini index for per-capita consumption was 0.322 in 2022, slightly up from 0.317 in 2012.\(^{20}\) The ratio in the value of per-person consumption between the richest 90th percentile and poorest 10th percentile, increased from 4 to 4.6 times over the said period, signaling a widening of the gap in spending behavior between the richest and poorest segments of society (Figure 1.14). The Gini index for Syrians in 2022 was lower at 0.268.

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19 As the upper tier of the consumption or even income distribution is often understated in survey data, we cannot rule out that that consumption was either maintained or grew for a portion of rich households over this period. On the other hand, the manner in which the welfare aggregate was constructed (i.e., food expenditure is based on acquisition rather than consumption) may also have contributed to higher levels of expenditures recorded in 2012 which would result in smaller differences over this decade.

20 The Gini index measures income inequality on a scale from 0 (perfect equality, i.e., everyone has the same income) to 1 (perfect inequality, i.e., one person has all the income, and everyone else has none), where higher values indicate greater inequality.
While consumption-based inequality appears to be relatively low, income inequality is rising. Lebanon reportedly has one of the most pronounced levels of income inequality, globally, ranking 129th out of 141 countries in terms of its high income inequality. A combination of survey data, national accounts and personal income tax records from 2005 to 2014 showed that the top one and 10 percent of adults received on average, 25 and 55 percent respectively of the national income. Income is often under-reported in household surveys and with this caveat, data on Lebanese household income from the 2011/2012 and 2022/2023 also point to a high, and rising level of income inequality. Per-capita income fell over the decade but less so for richer Lebanese households (Figure 1.15). In 2011/2012, the Gini coefficient measured using per-capita incomes of Lebanese households in the common governorates was 0.42 and it rose to 0.61 in 2022/2023.

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21 This was measured using personal income tax declarations in the private sector for 2014 (see Saliba et al., 2017).
22 Assouad, 2023.
23 In addition, inequality statistics based on surveys suffer from truncations and top-coding issues when household income is recorded in intervals.
Box 1.4: Lebanon’s contribution towards improving data availability and transparency in the MENA region

Microdata holds significant value for crafting effective and inclusive economic policies, offering detailed insights that can be used to address the specific needs of different population segments. The MENA region struggles with data collection and accessibility, with only 63 percent of essential datasets collected and a mere 24 percent made publicly available (World Bank, 2023). Many microdata sets are outdated, further complicating policy formulation aimed at addressing the current needs of the population (World Bank, 2021). Lebanon exemplifies the regional challenges, ranking low in data openness, standing at 168 out of 195 countries - the country scored 32 (out of a 100) as of 2022/2023 on the Open Data Inventory (ODIN), lower than the median score of 58 for Western Asia, underscoring major gaps in data availability and transparency (Open Data Watch, 2023).

Lebanon’s Central Administration of Statistics (CAS) achieved a significant milestone by its landmark decision to release the 2018/2019 Labor Force and Household Living Conditions Survey (LFHLCS) in late 2020, which is a step towards greater data openness and enables various stakeholders to participate in identifying policy-relevant areas for future interventions. The release of the 2022 LFHLCS will be another feather in its cap, if and when it happens. Given the challenging situation the country is experiencing, regular and timely data releases become more crucial for developing responsive and relevant economic strategies that can adapt to changing societal and economic conditions.
Source of income

Poorer households have less diversified sources of income compared to their richer counterparts. The 2022/2023 data reveals that the poorest quintile (with respect to per-capita consumption) relies primarily on wage earnings, followed by social transfers. Richer households are more able to complement their wage income with earnings from self-employment and remittances. Earnings from self-employment contributed 40 percent to the reported income of the richest households (Figure 1.16).

Figure 1.16: Composition of monthly household income, all households

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Wage Earnings</th>
<th>Self-Employed Earnings</th>
<th>Remittances</th>
<th>Social Transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest</td>
<td>37%</td>
<td>9%</td>
<td>52%</td>
<td>2%</td>
</tr>
<tr>
<td>2nd</td>
<td>15%</td>
<td>6%</td>
<td>68%</td>
<td>5%</td>
</tr>
<tr>
<td>3rd</td>
<td>4%</td>
<td>73%</td>
<td>60%</td>
<td>17%</td>
</tr>
<tr>
<td>4th</td>
<td>7%</td>
<td>60%</td>
<td>49%</td>
<td>31%</td>
</tr>
<tr>
<td>Richest</td>
<td>11%</td>
<td>40%</td>
<td>9%</td>
<td>52%</td>
</tr>
</tbody>
</table>

Notes: Quintiles are defined with respect to per-capita consumption with January 2023 as the base period. Foreign-currency denominated incomes reported by the household are converted into Lebanese pounds using preceding 12-month average parallel-market exchange rate. The ‘other’ category of income covers social transfers and pensions. Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.


Receiving income denominated in foreign currencies visibly distinguishes wealthier from poorer households. Post 2019, households whose incomes were paid in local currency would have suffered from a significant loss of purchasing power due to escalating inflation arising from the devaluation of the Lebanese pound (or lira). Those who received some or most of their income in foreign currency, which essentially act as a form of wage-indexation, were better able to hedge against the erosion of the lira’s purchasing power. Foreign income can be from a combination of wages or self-employment income earned in foreign currency (typically US dollars) and external remittances.
Among Lebanese households in the richest quintile, the equivalent of 51 percent of their total income (expressed in liras) was paid in dollars, effectively hedging them against currency-driven inflation. Lebanese and Syrian households in the poorest quintile received at most 6 percent of their income (in lira terms) in dollars (Figure 1.17 and Figure 1.18). About 54 percent of the income reported being received by Syrian families in the poorest quintile were in the form of social transfers while this constituted less than 3 percent for the poorest of Lebanese households. Lebanese nationals, unlike Syrians did not face the same limitation in accessing various occupations and sectors which permits the former to find work and earn wages more readily. That said, the low share of transfers may also be a result of under-reporting.24

**Figure 1.17: Composition of monthly household income for Lebanese households**

**Figure 1.18: Composition of monthly household income for Syrian households**

Notes: Quintiles are defined with respect to per-capita consumption with January 2023 as the base period. The fifth quintile for Syrians was excluded due to insufficient observations. Social transfers cover social assistance and pensions. Foreign-currency denominated incomes reported by the household are converted into Lebanese pounds using preceding 12-month average parallel-market exchange rate. Lollar amounts are converted using 8,000 liras to a lollar prior to end-February 2023 and 15,000 liras thereafter. Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.


24 It is common with in-person survey exercises for respondents to under-report or not report their incomes, particularly among wealthier households. While UN agencies are the primary provider of social assistance to needy Syrian refugees, there are multiple sources for Lebanese nationals that include non-government entities for which there may be a reluctance for respondents to fully disclose the nature of the assistance given. As such, both the reported amount and imputed share of transfers received by Lebanese in their overall income are likely to be underestimated.
Spatial variations in poverty

The incidence of poverty is unevenly distributed across Lebanon ranging from 12 percent in Beirut to 70 percent in Akkar, for the population in the covered governorates. Among the Lebanese, the share of the population that is under the poverty line is as low as 2 percent in Beirut, rising to 52 percent in North Lebanon and 62 percent in Akkar. For Syrians, the lowest rate is 79 percent in Beirut and up to 96 percent in Akkar suggesting a systemic difference in the magnitude and degree of poverty between Lebanese and Syrians (Figure 1.19).

Figure 1.19: Poverty rates vary considerably across the governorates in Lebanon

Disparities in the incidence and depth of poverty among Lebanese has increased over the past decade. Between 2012 and 2022, poverty rates for the Lebanese fell in the governorate of Beirut while it increased over three-fold, from 14 percent to 52 percent in North Lebanon and from 22 percent to 62 percent in Akkar (Figure 1.20). Declining poverty in Beirut could be due to out-migration of households from Beirut to more affordable areas of the country. Among the five governorates, Akkar followed by North Lebanon has the largest share of workers in the agriculture sector which also happens to have the highest concentration of workers belonging to poor households (see Chapter 2). A widening difference not only in the headcount rate but depth of poverty is apparent in North Lebanon and Akkar (Figure 1.21).

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon. Error bars show 95 percent confidence intervals.


25 Declining poverty in Beirut could be due to out-migration of households from Beirut to more affordable areas of the country.
26 It is unclear if this diverging pattern is unique to the north of the country as data on the governorate of Baalbek El-Hermel which had a similar poverty profile (incidence and depth) with Akkar in 2012 is not available for 2022.
Figure 1.20: Poverty rates for Lebanese by governorate, 2012 and 2022

<table>
<thead>
<tr>
<th>Governorate</th>
<th>2012</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beirut</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Mount Lebanon</td>
<td>8%</td>
<td>2%</td>
</tr>
<tr>
<td>North Lebanon</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Bekaa</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Akkar</td>
<td>22%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Figure 1.21: Poverty gap for Lebanese by governorate, 2012 and 2022

<table>
<thead>
<tr>
<th>Governorate</th>
<th>2012</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beirut</td>
<td>1.0%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Mount Lebanon</td>
<td>2.2%</td>
<td>2.4%</td>
</tr>
<tr>
<td>North Lebanon</td>
<td>3.3%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Bekaa</td>
<td>6.2%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Akkar</td>
<td>17.6%</td>
<td>17.8%</td>
</tr>
</tbody>
</table>

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

Box 1.5: Poverty in the uncovered governorates in 2012 and 2018

The 2022/2023 LHS survey was unable to interview, in-person, households residing in 3 governorates of Baalbek El-Hermel, El-Nabatieh and South Lebanon, where an estimated 40 percent of the population resides. While the rate of poverty for Lebanese in the five visited or covered governorates was 11 percent in 2012, it stood at nearly 16 percent for the three uncovered governorates. El-Nabatieh and South Lebanon had similar poverty rates of around 13 percent, with Baalbek El-Hermel having the highest rate at nearly 23 percent. El-Nabatieh and South Lebanon ranked 5th and 6th respectively with respect to the incidence of poverty when comparing across all eight governorates in 2012.

Though monetary poverty measures were not available in pre-crisis 2019, a non-monetary multidimensional poverty index created using the 2018/2019 LFHLCS also ranked El-Nabatieh and South Lebanon similarly, while Baalbek El-Hermel came in third place with respect to having a high rate of individual deprivation using the multidimensional poverty index.
The poor in Lebanon tend to belong to larger families, possess lower levels of human capital, are overwhelmingly engaged in informal and low-skilled work and face higher rates of joblessness. About 82 percent of poor households reported not having sufficient income and are struggling to meet basic needs, an indication of the disproportionate way in which the ongoing economic crisis is impacting the most susceptible. A contributing factor is the limited opportunities for the poor to be paid in dollars which safeguards against the loss of purchasing power from a dizzying rise in inflation since the onset of the economic crisis.
The poor are also disadvantaged with respect to publicly provided electricity, internet access, enrollment in better quality schools and face greater challenges in obtaining medication or medical services regularly, with costs including that of transportation being a prominent barrier. Empirically comparing characteristics of households in 2012 and 2022 reveals common traits that are associated with being poor including the growing importance of post-secondary education. A notable distinction is that while receiving external remittances was weakly correlated with alleviating poverty in 2012, it is now unambiguously associated with reducing the likelihood of being impoverished among households.

Demographics

The incidence of poverty is higher in larger households with more children. In 2022/2023, poor households were on average, larger by two members than non-poor families. Poor Lebanese households averaged five members, while it was almost six individuals for poor Syrian families (Figure 2.1). A contributing factor to household size is the number of young children under 14 years old, which averaged two members in poor households compared to 0.5 for their non-poor counterparts. The presence of more children along with the elderly results in a greater dependency ratio. For every adult between 15 and 64 years old, there are 0.5 dependents in a non-poor household compared to one in a poor household. Higher dependency ratios raise the economic costs of providing for a family and more children per household are visibly associated with rising poverty rates (Figure 2.2).

Figure 2.1: Poor households tend to be larger and have higher dependency ratios

![Figure 2.1](image)

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.


Figure 2.2: Households with more children have elevated poverty rates

![Figure 2.2](image)

27 The dependency ratio is defined as the sum of children (under 15 years old) and elderly (65 and older) over the number of working age members in a household (15- to 64-year-old).

28 The use of adult-equivalent instead of per-capita measures of consumption would likely dampen the relationship between headcount poverty and household size to some extent.
The poor possess lower education attainment compared to the non-poor. Over 84 percent of poor households have heads with less than secondary schooling in contrast to a little over half of non-poor households. By contrast, the latter were twice as likely to have completed secondary schooling and more than four times as likely to possess post-secondary or tertiary education. Among the poor, schooling attainment was lower for Syrian-headed households relative to the Lebanese, with proportionally less than half as many completing secondary schooling or higher (Figure 2.3).

**Figure 2.3: Post-secondary schooling among heads of household is a telling indicator of averting poverty**

![Bar chart showing post-secondary schooling among heads of household](image)

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

Female-led households constitute a little over 15 percent of the households in the covered governorates in 2022/2023. There is a lower proportion of female-headed families among poor households (12.6 percent) than non-poor (16.4 percent) households implying that women-headed households are less likely to be represented among the poor.29 There was a higher proportion of poor Lebanese households headed by women (15.9 percent) compared to poor, women-led Syrian households (7.2 percent).

Female-headed households with young children (14 years old and under) faced greater socio-economic challenges relative to other groups. They face higher poverty rates (almost 80 percent) in part due to larger household sizes (averaging 6 members), possess low education attainment with about half of these household heads having completed at most primary schooling, and most (75 percent) are not participating in the labor market. Such households are also struggling to meet basic needs (78 percent) and rely heavily on informal loans or lines of credit (see Annex Table 2 for additional disaggregated gender statistics).

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29 The difference is statistically significant at the 1 percent level.
Labor markets

Individuals from poor households face higher joblessness, resulting from inactivity and unemployment, compared to their counterparts from non-poor households. Around 52 percent of working age (15-64 years old) individuals residing in non-poor households are participating in the labor force, compared to 38 percent of similarly aged members in poor households (Figure 2.4). While the rates of labor force participation of working-age males are higher all around, participation rates of females in poor households are less than half of non-poor families, which reduces the overall participation rates of the poor. The unemployment rate among members of poor households at 19 percent is on average twice that of non-poor households, with rates for females in poor households being over 2.5 times higher than their non-poor counterparts.

Figure 2.4: Low female participation rates are a drag on the overall labor force participation of poor households who also experience higher unemployment rates compared to non-poor families

<table>
<thead>
<tr>
<th>Labor Force Participation Rate (LFPR)</th>
<th>Male LFPR</th>
<th>Female LFPR</th>
<th>Unemployment Rate (UER)</th>
<th>Male UER</th>
<th>Female UER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-poor household</td>
<td>38% 38% 38%</td>
<td>63% 62% 65%</td>
<td>14% 15% 11% 9% 19% 18% 22%</td>
<td>8% 13% 16%</td>
<td>12% 13% 22%</td>
</tr>
<tr>
<td>Poor household</td>
<td>52% 72% 72%</td>
<td>65% 62% 63%</td>
<td>11% 15% 14% 8% 8%</td>
<td>20% 37% 32%</td>
<td></td>
</tr>
<tr>
<td>Poor Lebanese household</td>
<td>38% 38% 38%</td>
<td>63% 62% 65%</td>
<td>14% 15% 11% 9% 19% 18% 22%</td>
<td>8% 13% 16%</td>
<td>12% 13% 22%</td>
</tr>
<tr>
<td>Poor Syrian household</td>
<td>52% 72% 72%</td>
<td>65% 62% 63%</td>
<td>11% 15% 14% 8% 8%</td>
<td>20% 37% 32%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

The majority of poor households are primarily engaged in informal work, making them far more vulnerable to economic shocks given the absence of proper legal protection and social security benefits. Impoverished households are twice as likely to have members working in the informal sector\(^{30}\) relative to better-off households and an even higher proportion are in informal employment.\(^{31}\) Informal employment is greater among working members of poor Syrian households relative to their Lebanese counterparts.

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30 Informal sector is defined as unregistered businesses or alternatively, firms where there are no proper bookkeeping records kept, as a proxy.
31 Informal employment is where workers do not receive any type of social security benefit, paid annual or sick leave and may lack proper written, work contracts.
Working members of poor households are disproportionately in informal, casual jobs that pay daily or weekly. At 42 percent, casual work forms the bulk of jobs done by the poor followed by salaried jobs that pay monthly (40 percent) and low-skilled self-employment (13 percent). By contrast, a higher share of non-poor hold salaried positions (61 percent) with only 14 percent doing casual labor (Figure 2.6). Self-employment typically involves low-skilled individuals for the poor (83 percent) whereas nearly half of the self-employed among the non-poor have post-secondary education. Among the poor, workers from Lebanese households were more than twice as likely to be monthly wage earners (49 percent) compared to Syrians (21 percent) while the latter have a higher propensity to be in casual work (56 percent) and in low-skilled self-employment (20 percent).
The majority of workers from poor households are employed in agriculture, construction and other services sectors, in predominantly low-skilled jobs. Close to 60 percent of workers in agriculture and construction are from poor households while they constitute 44 percent of workers in the ‘other services’ sector (Figure 2.7). Among the poor, Lebanese can be found working mainly in transportation and hospitality (20 percent), public service and education (19 percent), trade and other services (both 16 percent, respectively). Syrians are concentrated in the other services sector (31 percent), followed by agriculture (25 percent) and construction (17 percent).

Figure 2.7: The poor are primarily employed in agriculture, construction and other services sectors

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

‘Other services’ is a miscellaneous category for services that are not classified under construction, wholesale and retail, transportation and storage, accommodation and food, information and communication, finance and insurance, real estate, professional/scientific/technical activities, administrative support, public administration, education, human health and social work, or arts/entertainment/recreation.
GETTING PAID IN DOLLARS MATTERS

While 44 percent of non-poor households in 2022/2023 receive some type of foreign-currency denominated income in the form of wages, self-employment earnings or external remittances, this share was more than halved for poor households. The share of families receiving foreign remittances (cash or in-kind), stood at 18 percent and 7 percent respectively for non-poor and poor households, suggesting that by itself, remittances were an important but not a sufficient source of foreign income for the poor (Figure 2.8). Poor Lebanese families were twice as likely to receive foreign income (22 percent) relative to their Syrian counterparts. While similar shares of male and female-headed households received foreign income (around 35 percent), the composition differed with female heads being more likely to receive remittances from abroad (22 percent) than their male counterparts (13 percent).

Figure 2.8: A higher share of non-poor households benefit from income received in foreign currency

Limited income has adversely impacted the poor’s ability to pay for basic needs. Almost mirroring the absence of income in foreign currency, 82 percent of poor households reported having insufficient income and faced ‘significant difficulty’ in meeting basic needs, in contrast to 44 percent of better-off families (Figure 2.9). At best, only two percent of households in the covered areas reported having excess income that enables them to set aside some savings while 17 percent reported having just enough income to meet expenses. Poor female-headed households were particularly disadvantaged, with 86 percent stating significant difficulty in meeting basic needs, almost 6 percentage points higher than poor male-led families. These disparities point to a significant gap in financial resilience which disproportionately affects the poor, making it harder for them to secure basic needs necessary for a decent standard of living.
Private assets

Ownership of key assets such as a home or vehicle, indicators of financial stability and socio-economic status, portrays inequality across population segments, reflecting broader economic conditions. While nearly three out of every five households in the five governorates own their homes - the share of home ownership for poor households at 35 percent is half that of their non-poor counterparts. The figure is higher among poor Lebanese household at 55 percent, while home ownership is practically absent for impoverished Syrian families. Given the underdeveloped state of public transportation in the country, the possession of a motor vehicle (car or pickup) is also critical in accessing services and employment opportunities.33 With 72 percent of non-poor households owning a vehicle, only 28 percent do so among poor Lebanese households and just 3 percent for poor Syrian families (Figure 2.10).

Figure 2.10: Ownership of key assets are low among the poor

Source: World Bank staff estimates using LHS 2022/2023, for governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon only.

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33 The lack of a reliable public transportation system has been a persistent challenge in Lebanon along with the high cost of vehicle ownership (World Bank, 2015).
Box 2.1: Deteriorating state of public services in Lebanon

In Lebanon, the decline in public services quality which predates the onset of the Syrian conflict is not just due to governance and economic issues but worsened by systemic corruption and sectarian elite dominance. Loyalty rather than efficiency drives public sector functioning, revealing deeper structural problems in the political economy (SIPRI, 2021). Lebanon’s sectarian power-sharing and clientelist networks weaken state efficiency, causing resource misallocation and sectoral inefficiencies, notably impacting healthcare, education, water, and electricity services (Assouad, 2021; Mouawad & Baumann, 2017). Public dissatisfaction is evident, with only 12 percent and 16 percent satisfaction rates for healthcare and education, respectively, according to the 2022 Arab Barometer report. There is widespread pessimism about the country’s trajectory, fueled by endemic corruption and institutional unaccountability, further hampering service quality and accessibility (Arab Barometer, 2022).

In the healthcare sector, the state’s role has traditionally been regulatory, while communal groups manage their own institutions. However, post-war privatization and sectarian dominance have led to corruption, with private contractors overcharging for services, burdening the state financially and compromising healthcare access and quality (SIPRI, 2021).

The education sector faces similar challenges, with institutions often affiliated with communal groups, perpetuating sectarian identities, and hindering equitable access to quality education due to low government investment, amounting to approximately 2.5 percent of the GDP and 6.4 percent of total public expenditure (World Bank, 2017). As a result, families often resort to private education, worsening disparities across different socioeconomic groups (Abdul-Hamid & Yassine, 2020).

Public transport services are fragmented, unorganized and highly informal. Public transport infrastructure and facilities are limited and in dire condition, and the fleet is largely old, polluting, and poorly maintained.

Additionally, the country’s electricity infrastructure struggles with production shortfall, with corruption exacerbating inefficiencies. The reliance on expensive private generators due to unreliable national grid supply underscores the sector’s shortcomings (El Deeb, 2020; Durgham & Sly, 2021; Kulluna Irada, 2020). Similarly, the water sector struggles due to insufficient fuel supplies affecting pumping stations, with donor support being a crucial yet insufficient stopgap measure (Alsharif, 2021; USAID, 2021).
Access to services

ELECTRICITY

The economic crisis’s impact on energy access was starkly illustrated by a significant disruption in daily life, with all socioeconomic groups experiencing a 7-hour reduction, on average, in daily electricity availability since October 2019. At the core of Lebanon’s persistent electricity crisis is the loss-making state-owned public utility, Électricité du Liban (EdL)’s inability to generate sufficient electricity, with supply averaging 2-3 hours daily, compounded by the local currency’s devaluation that has severely restricted EdL’s ability to afford essential fuel for power generation. As a result, residents of Lebanon have increasingly turned to alternative electricity sources to compensate for the shortfall from EdL’s inadequate supply.

Electricity consumption patterns across socioeconomic groups highlight disparities in energy access, with non-poor households better able to utilize subsidized public grid services, unlike poorer populations who face restrictions due to economic, geographical, and infrastructural challenges. The widespread use of private electricity sources across all groups shows the adaptability of communities in seeking alternative solutions amidst insufficient public supply. However, the systemic reliance on private diesel generators not only leads to a dependence on less regulated, expensive, and environmentally detrimental options, but also exacerbates vulnerabilities by imposing significant financial burdens on already struggling families. Additionally, the emissions from these generators significantly contribute to air pollution and an increase in airborne carcinogens, exacerbating health issues such as asthma and allergies among the population (Human Rights Watch, 2023). Minimal uptake of solar systems across all households indicates the prohibitive expense of these relatively, more sustainable options. Five percent of poor households also completely lack access to any form of electricity.

Figure 2.11: A lower share of poor households have access to more affordable public electricity

Source: World Bank staff estimates using LHS 2022/2023 for governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon only.
EDUCATION

Slightly higher proportions of children (6-17 years old) were enrolled in school in the 2022/2023 academic year relative to the prior school year, though poor households were at least 25 percentage points less likely to have their children in school. The primary factor is low enrollment rates for children from poor Syrian households (Figure 2.12). Further disaggregating by gross enrollment rates in the 2022/2023 school year between Lebanese and Syrian households reveals a sizeable enrollment gap in intermediate and secondary schooling between these two groups (Figure 2.13).

**Figure 2.12:** School enrollment rates are lower for poor Syrian households

<table>
<thead>
<tr>
<th></th>
<th>School year 2021/22</th>
<th>School year 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-poor households</td>
<td>92%</td>
<td>94%</td>
</tr>
<tr>
<td>Poor households</td>
<td>66%</td>
<td>69%</td>
</tr>
<tr>
<td>Poor Lebanese households</td>
<td>53%</td>
<td>57%</td>
</tr>
<tr>
<td>Poor Syrian households</td>
<td>88%</td>
<td>91%</td>
</tr>
</tbody>
</table>

**Figure 2.13:** The difference is mainly due to enrollment gaps at the intermediate and secondary school levels

<table>
<thead>
<tr>
<th></th>
<th>School year 2022/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross enrollment rate (%)</td>
<td></td>
</tr>
<tr>
<td>elementary school</td>
<td>105% 83%</td>
</tr>
<tr>
<td>intermediate school</td>
<td>97% 36%</td>
</tr>
<tr>
<td>secondary school</td>
<td>82% 17%</td>
</tr>
</tbody>
</table>

Lebanese households  Syrian households

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.


During the 2021/2022 academic year, the choice of school type markedly diverged between poor and non-poor households with more affordable public schooling opted by the former. Almost three out of four students from poor households were enrolled in public institutions, compared to a third of their non-poor peers. On the flip side, 61 percent of non-poor students opted for private schools with only 18 percent of poor students doing the same. Poor Lebanese students behaved similarly as poor Syrian students in mostly seeking education at public institutions (75 percent for the former, 72 percent for the latter).

The transition from the 2021/2022 to the 2022/2023 school year saw minimal changes in the overall enrollment patterns across economic groups. Some movement was observed between private and public schools – 6 percent of students initially in private schools (secondary and below), during the 2021/2022 academic year moved to public schools, largely due to the lower cost of education at the new institutions, and 4.5 percent of students in public schools transitioned to private institutions in the 2022/2023 school year, motivated by better education. Dropout rates were low from the 2021/2022 to 2022/2023 school year, averaging 3.4 percent and slightly higher for poor households. About a third of dropouts were at the tertiary level, followed by children in elementary school (29 percent). The primary reason for doing so was financial (close to 38 percent stated this reason), followed by distance to the school which was predominantly an issue for poor families.
HEALTH

Access to healthcare, including drugs or medicines and medical services needed on a regular basis, poses significant challenges for households across economic groups, with affordability standing out as a primary concern. About 58 percent of non-poor households with at least one member needing medicine regularly could not access them consistently, while this figure was 80 percent for poor families (Figure 2.14). Similarly, 52 percent of non-poor households with at least one member requiring regular medical services did not have consistent access, with 86 percent of poor households facing the same challenge. Poor female-headed families were at least 8 percentage points more likely than their male peers to encounter similar challenges in accessing medicine and medical services.

Figure 2.14: Households are facing challenges in getting regular access to medicine and medical services, but more so the poor

![Bar chart showing the percentage of households unable to access drugs and medical services regularly.](chart)

Source: World Bank staff estimates using LHS 2022/2023 for governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon only.

Among households that could not regularly access medicine, the inability to afford drugs is the major barrier, affecting 95 percent of poor and even 85 percent of non-poor households. Furthermore, medicine shortages or unavailability (as reported by 56 percent of non-poor and poor families) and the costs associated with transportation to access these medications - notably more burdensome for poor households at 28 percent compared to 9 percent among non-poor counterparts - exacerbate these challenges (Figure 2.15). The unaffordability of medical services was also overwhelming (at 96 percent), the primary reason for both poor and non-poor not receiving regular medical services was transportation costs again, a bigger barrier for the poor. Poor Lebanese households appeared to face greater difficulties in affording transportation than Syrian households. Poor, female-led households also experienced these issues more acutely, with significantly higher reports of medication shortages (83 percent vs. 49 percent) and transportation cost issues (60 percent vs. 20 percent for medicine, and 80 percent vs. 53 percent for medical services) compared to poor, male-led households.
Figure 2.15: While affordability of medication and medical services is the primary barrier to regular access for households, high transportation costs are a more pronounced obstacle for the poor.

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

WATER AND SANITATION

A high share of the poor had access to improved sanitation facilities (91 percent) and improved sources of drinking water (94 percent). While most of the population enjoys the benefits of sewer-connected sanitation, indicating a certain standard of living and public health infrastructure, this is less so among economically disadvantaged groups. Notably, in poor Syrian households, just over half (51 percent) have access to this level of sanitation, barely representing a majority. The rest make do with simpler options: 19 percent use covered pit latrines, 11 percent have toilets that flush into a pit, and nine percent use open pit latrines, which are the least clean and safe. The use of pit latrines, especially those uncovered, poses a grave public health risk by increasing the potential for disease transmission in dense communities. This risk is compounded by inadequate waste management, which can lead to environmental damage and a cascade of health issues.

34 Following the WHO definition, improved sanitation facilities are defined as those that hygienically separate human waste from human contact. Improved sanitation includes flush or pour-flush to piped sewer system, septic tank pit latrines, ventilated-improved pit latrines, or pit latrines with slab or composting toilets.

35 According to the World Health Organization (WHO), improved drinking-water sources are defined as those that are likely to be protected from outside contamination, and from fecal matter in particular. Improved water sources include household connections, public standpipes, boreholes, protected dug wells, protected springs and rainwater collection.
INFORMATION AND COMMUNICATION TECHNOLOGY

A digital divide exists with poor households being half as likely to have home internet compared to better-off households. Access to home Wi-Fi varies by socio-economic status, with 68 percent of non-poor households connected, while only 33 of poor households have Wi-Fi access. Despite economic disparities, mobile internet access shows a less pronounced divide (57 percent for non-poor versus 40 percent for poor households), and high mobile phone line ownership by head of households across all groups indicates a common baseline of cellular connectivity. Overall, the data points to a digital divide where access to stable and high-speed internet is still a privilege of economic status, potentially limiting opportunities for the poor in an increasingly connected world.

Correlates of poverty (2012 and 2022)

Most of the household characteristics associated with being poor in 2012 remain so in 2022 but some have become more salient. Figure 2.16 shows if a given household characteristic is associated with a greater or lower likelihood of being poor, all else equal. A negative value to the left of the dotted line for a given characteristic, implies a lower likelihood that a household is poor, while positive values to the right of the dotted line indicate characteristics that are associated with a higher chance of being impoverished.

In both periods, each additional child in the household was associated with an ever-increasing likelihood of being poor. All else equal, more children (14 years and under) result in a higher dependency ratio as each working-age member supports a rising number of dependents. In 2012, a household with three children was about 11 percentage points more likely to be poor, compared to a family without children, which further increased to 32 percentage points for households with five or more children. For 2022, the marginal probabilities were even higher for each additional child reinforcing the relationship between household size and poverty status. Being a female-headed household was not associated with a lower chance of being poor in 2012 but it is the case for 2022 by almost nine percentage points.36

A higher level of education attainment by the household head is associated with a lower likelihood of being poor, with tertiary education playing an increasingly important role. Heads with post-primary schooling see a reduced likelihood of being poor in both periods. Households whose heads possessed a post-secondary qualification were nearly 9 percentage points less likely to be poor in 2012 and almost 22 percentage points less likely to be impoverished in 2022. Households whose heads were employed were 4 percentage points less likely to be poor in 2022, while this association was weak in 2012.

External remittances are becoming more important as a means of alleviating poverty. In 2012, households who received remittances (in-kind or cash) from abroad faced a reduced likelihood of being poor by 4 percentage points, but the association was statistically weak. By contrast for 2022, remittance recipient households were nearly 5 percentage points less likely to be poor and the results are statistically robust. While it is not possible to test the contribution of being paid in foreign currency in 2012, a separate estimation with its inclusion for 2022 shows that the combined effect of receiving foreign income (i.e., paid in dollars and receiving remittances) contributed to a nearly 8 percentage points reduction in the probability of being poor.

36 Lower likelihood of poverty for female-headed households was the case in Jordan (see World Bank, 2023) which is attributed to a greater likelihood of receiving (higher) remittances from family members abroad (e.g., a husband who temporarily migrated) than male-headed households.
The ownership of a vehicle and internet access is associated with households having a lower chance of being poor. Internet equipped households (via Wi-Fi or mobile) had a lower probability of being poor in 2022 unlike in 2012 where this association was (statistically) weak. Vehicle and home ownership is also associated with lower likelihood of poverty in 2022 relative to 2012. In the absence of adequate public transportation services, people need to rely on private transportation modes to access jobs and basic services. This further suggests that disparities in access to key assets and services, including the internet, are weighing increasingly against the poor.

All else equal, a non-Lebanese household was more likely to be poor than their Lebanese counterpart. Without controlling for differences in household composition, education attainment, asset holdings, income sources and location, a non-Lebanese household in 2022 had an additional 37-percentage points probability of being poor over a Lebanese household. Once observable differences were accounted for, this likelihood was reduced significantly to six percentage points. Whether this difference is due to unobserved characteristics of the household or external conditions cannot be readily determined without further investigation.

Figure 2.16: Higher education attainment by the head and receiving remittances reduce the likelihood of being poor, more so in 2022/2023

Note: A logit regression was estimated for each survey year where the dependent variable is an indicator if the household is below the LHS poverty line with respect to its per-capita consumption (in real terms). Additional controls include governorate-level indicators. Negative values indicate a lower marginal probability of being poor, positive values imply a higher probability of falling into poverty. Horizontal lines are the 95% confidence interval bands. Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

Source: World Bank staff estimates using HBS 2012/2012 and LHS 2022/2023

The unconditional and conditional probabilities were lower in 2012 at 11.5 percentage points and seven percentage points, respectively, which is intuitive given the limited presence of refugees during this period (other than Palestinians who have been in the country for an extended period).
Weathering a Protracted Crisis
Since 2019, the ongoing financial and economic crisis in Lebanon has been unprecedented in its impact on households throughout the country, severely testing the resilience of its residents. The rapid devaluation of the Lebanese lira, soaring inflation along with a distressed banking system have eroded the purchasing power of individuals and families, leading to widespread hardship. As savings evaporated and access to basic services became increasingly constrained, households were compelled to find novel ways to cope with dire economic conditions that have persisted for nearly five years. Many resorted to reducing their consumption, particularly of food - which is giving rise to concerns about growing food insecurity -, seeking support from various sources, taking out loans, buying on credit or participating in the informal economy and working in sectors previously avoided.
Box 3.1: Comparing pre-crisis and (in) crisis outcomes for households

Survey data from 2022/2023 LHS along with 2018/2019 Lebanon Labor Force and Household Living Standards Survey (LFHLCS) micro-data collected six months before the onset of the economic crisis in October 2019, provides a glimpse into how a cross-section of households were impacted and sought to cope with a prolonged period of uncertainty and turbulence.

While monetary measures of poverty could not be constructed for 2018/2019, it was feasible to develop a set of non-monetary, multi-dimensional poverty indicators and compare outcomes with a similar set of indicators using the 2022/2023 dataset. The nationalities of foreigners were not explicitly identified in the public release of the 2018/2019 LFHLCS, hence references are made to the non-Lebanese, which include Syrians when comparing multidimensional poverty outcomes for both periods.

Survey respondents were also queried in 2022/2023 about major events that affected the welfare of their households since the start of the 2019 crisis and the ways in which they sought to regain or maintain a certain standard of living. The recall period which spans a little over three years may result in some inadvertent omission or a focus on key incidents which introduces some subjectivity to the responses. Nonetheless, it provides a revealing, albeit non-exhaustive perspective on how the residents of Lebanon were impacted by the multi-faceted crisis and their myriad coping strategies. Comparing labor market outcomes in 2022/2023 with 2018/2019 further permits an examination of shifts in occupation and economic activities among the Lebanese and non-Lebanese populations in response to the crisis.

Multidimensional poverty in 2018/2019 and 2022/2023

The 2019 economic crisis has contributed to increased deprivation of households along non-monetary dimensions.

From pre-crisis 2018/2019 to 2022/2023, the percentage of multidimensionally (MPI) poor individuals rose from 51.1 percent to 78.8 percent in the covered governorates. There was more expansion in the share of MPI-poor than in its intensity, as they remain deprived in almost half of the indicators. Among the Lebanese, the share of MPI poor rose from 42 percent in 2018/2019 to 73.1 percent by 2022/2023. Non-Lebanese already experienced elevated levels of deprivation in 2018/2019 which persisted into 2022/2023.
Figure 3.1: Share of multidimensionally poor individuals

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

Box 3.2: Multidimensional poverty in Lebanon

Poverty is not just restricted to the notion of persons or households having low income or expenditures but encompasses a broader set of factors such as limited access to clean water or electricity, low quality of work or inadequate schooling. Measures of multidimensional poverty help complement monetary poverty figures by providing a more encompassing portrayal of the poor in a country.

Multidimensional poverty indicators for Lebanon were officially released in March 2022 by the Central Administration for Statistics (CAS). The 2019 Lebanon Multidimensional Poverty Index (MPI) report, co-produced by CAS and the World Bank based on the 2018-2019 LFHLCS found 53.1 percent of the overall country’s population to be multidimensionally (or MPI) poor. The index uses 19 indicators to capture deprivation facing individuals and households in five dimensions: education, health, financial security/well-being, basic infrastructure and living standards (see Annex 4). A household would be defined as multidimensionally poor if deprived in more than 25 percent of the indicators.
The distribution of the intensity of poverty among the MPI-poor has shifted over this period with a rising share of MPI-poor facing more intense deprivation. Pre-crisis, about 40 percent of the MPI-poor experienced deprivations in less than 40 percent of the weighted indicators, while only 5 percent of the MPI-poor experienced deprivations in more than two-thirds of the indicators. In 2022/2023, less than 28 percent of the poor experience deprivations in under 40 percent of the indicators, but 21 percent – or more than 4 times the 2018/2019 percentage – experience the highest intensity of MPI-poverty (Figure 3.2).

**Figure 3.2: A rising share of MPI-poor with deprivation in over two-thirds of the multidimensional indicators alludes to a deepening of multidimensional poverty**

The highest increase in the incidence of multidimensional poverty between 2018/2019 and 2022/2023 occurred in North Lebanon, Mount Lebanon and Akkar, while the largest rise in its intensity took place in the Bekaa and Akkar. Across the five governorates under study, Akkar and North Lebanon have the highest incidence of multidimensional poverty (92 and 89 percent respectively) in 2022, with Bekaa coming in third (82 percent). The share of MPI-poor in the governorate of Beirut remained about the same at 51 percent (Figure 3.3). The intensity of multidimensional poverty across these governorates ranges from 48 to 57 percent, with Akkar and Bekaa facing the largest intensity (at 57 percent).

The composition of multidimensional poverty indicators is fairly similar across the governorates. The absence of health insurance contributes most to deprivation (18.7 to 25.5 percent), followed by school attainment (9.1 to 13.3 percent). Akkar and the Bekaa have higher contributions and therefore are more deprived than the other three governorates in school attendance, employment, access to transportation, asset ownership but fare better with a lower contribution in low-security jobs.
Limited means of transportation, poor health insurance coverage, unaffordability of health care along with costly heating and privately supplied electricity are deprivation factors that are contributing to rising multidimensional poverty in Lebanon. Compared to 2018/2019, the indicators with the largest decline (a sign of improvement) are in school attainment, reflecting a rise in the share of households where all members completed secondary schooling, (reduction in) overcrowding and (a fall in) income insecurity wherein households without working age members (15-64 years old) rely solely on social transfers or internal remittances (ranging from 13 to 19 percentage point declines). The largest increases implying further deprivation are access to private or public transportation, heating, generators, and accessible health care (distance-wise), health insurance coverage, the affordability of health care, and self-reported poverty (increases range from 19 to 48 percentage points). The removal of fuel subsidies since October 2022 has made transportation, heating services and privately sourced electricity much less affordable. The loss of subsidies on mostly imported medications except for certain drugs since November 2021 likely contributed to further deprivation, as measured by the affordable health care indicator. Limited health insurance coverage which was already low in 2018/2019, further worsened in 2022/2023 (see Box 3.3). A higher proportion of households in 2022/2023 also considered themselves poor compared to the pre-crisis period of 2018/2019.

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.
When aggregating by the five dimensions of education, health, financial security/well-being, basic infrastructure and living standards, the largest contributors to deprivation in 2022/2023 were health (30.5 percent), followed by financial security (23 percent). Further along was education (16.8 percent), basic infrastructure (15.4 percent) and living standards (14.4 percent). While the contributions of the health, financial security, and living standards dimensions remain roughly similar over this 4-year period, the contribution of the education dimension decreases by about 8.5 percentage points (a sign of improvement) while that of the basic infrastructure increases by more than 9 percentage points (Figure 3.5). The latter shows that the lack of affordable transportation has become more problematic for the multidimensionally poor in recent years. High incidences of multidimensional poverty were also seen in larger households, families with young children, household headed by heads with low education attainment and female-headed households.
Box 3.3: Health Insurance coverage in Lebanon is declining

A reduced, two out of five households reported having at least one member with health insurance in the five covered governorates surveyed in the LHS 2022/2023 compared to over 68 percent in pre-crisis 2018/2019. The National Social Security Fund (NSSF) is the primary public health insurance provider in Lebanon, covering employees in the formal sector, their dependents, and retirees. A similar share of insured households was with the NSSF, followed by military schemes for uniformed staff members and their dependents (31 percent) and then private insurance (23 percent).

There are significantly lower rates of health insurance coverage among (monetary) poor, Syrians, and women-led households. Only 18 percent of monetary poor households (i.e., those under the LHS poverty line) had coverage in contrast to 51 percent of non-poor families. Disparities in health insurance coverage are evident between Lebanese and Syrian households, with 46 percent of Lebanese households having at least one member insured, compared to 12 percent of Syrian households. The difference in health insurance coverage extends to the gender of household heads, with a larger share of men-led households (42 percent) reporting at least one insured member, compared to women-led households (32 percent).

Figure 3.5: Between 2018/2019 and 2022/2023, health and financial security remained the most prominent dimensions of deprivation for the MPI-poor in terms of their shares, while basic infrastructure has risen in prominence as an added source of pain

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.
Perception of households on the impact of 2019 economic crisis and their responses

Households attributed the impact of the 2019 economic crisis to a fall in employment earnings and job losses. Three out of every four households surveyed in 2022/2023 reported a reduction in earnings from employment which is attributed to the fallout from the 2019 crisis. This proportion stood at 77 percent for non-poor households and 72 percent for poor families (Figure 3.6). A similar share of poor (22 percent) and non-poor households (24 percent) indicated having members who lost jobs and were unable to find equally paying or better work. Poor Syrian households were more likely to report cuts to employment income (84 percent) than poor Lebanese households (66 percent). A higher proportion of poor Syrian households also experienced job losses (29 percent) compared to their Lebanese counterparts (18 percent).

Figure 3.6: A high proportion of households attribute the 2019 economic crises to a fall in earnings

![Figure 3.6: A high proportion of households attribute the 2019 economic crises to a fall in earnings](image)

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

COPING MECHANISMS

A variety of coping strategies reported by households highlights the interwoven relationship between economic resources, social networks, and institutional support in charting a way through a turbulent period. Households across Lebanon leaned heavily on various strategies in an attempt to reclaim their pre-crisis levels of well-being. Central to these efforts has been a reliance on personal savings as a buffer against financial shocks with 92 percent of poor households doing so compared to 85 percent of better-off families (Figure 3.7). Limited savings also meant close to 60 percent of households sought help from relatives and friends, while 65 percent approached other persons and non-government entities for assistance. Notably, only a meagre three percent approached the government for help.

39 This was in response to a question on whether “reduction in the take-home earnings from employment of household members not due to illness or accident” affected the household since 2019, due to the economic crisis. Respondents may have thought about both nominal and real decline in earning (due to a loss in purchasing power from rising inflation) and the two effects cannot be readily differentiated.
Beyond tapping into limited savings, households sought out loans or established lines of credit which offer short-term liquidity but also raise potential concerns about long-term financial vulnerability and growing indebtedness. Around 68 percent of households obtained informal loans or credit in contrast to 39 percent who solicited similarly from formal sources. Almost three-quarters of poor households sought informal loans relative to 66 percent of non-poor families. A smaller fraction took up formal loans (45 percent for the poor vs. 37 percent among the non-poor).

Figure 3.7: Households coped with the fallout of the 2019 economic crises by dipping into savings, seeking help from multiple avenues except from the government, and taking out loans or buying on credit

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

Cutting back on various expenditures was another way households responded to the hardship induced by the 2019 crisis, the most prominent being spending on food. Around 63 percent of households reported reducing food expenditures and there was hardly any difference between the poor and non-poor in this respect (Figure 3.8). Beyond food, 51 percent of households reported cuts to essential non-food expenses such as petrol and utilities. This share varied with 50 percent of non-poor households reporting reductions, compared to a higher 58 percent of poor families. A third of households also reduced health expenditures, while a smaller proportion (under seven percent) resorted to pulling back on education expenses.
Figure 3.8: Household also cope with the fallout of the 2019 crisis by cutting back on expenditures, particularly on food, followed by essential non-food spending, and on health

Varying strategies were adopted by poor Lebanese and Syrians households in coping with the economic crisis.

Among the poor, a relatively higher share of Lebanese households coped by turning to their relatives and friends for support, using debt and reducing expenditures on health and non-food essentials. Close to 71 percent of impoverished Lebanese households sought unconditional help from relatives and friends, an avenue that was less pursued by their Syrian counterparts (Figure 3.9). The former were also more likely to obtain formal loans (51 percent) compared to Syrians (31 percent) for which the latter may have lacked the necessary documentations. Similarly, a higher proportion of informal loans or credit were obtained by poor Lebanese families (77 percent) relative to their Syrian peers (65 percent).
Conversely, a little over four out of every five poor Syrian households relied on receiving unconditional assistance from external sources, such as NGOs, international organizations, or other non-familial entities. Impoverished Lebanese did so as well, but to a lesser extent (59 percent). Already low spending on health and non-food items by Syrians also implied that cuts to expenses focused on food, which 77 percent of poor Syrian households resorted to compared to 56 percent of poor Lebanese households (Figure 3.10). This pattern may reflect limited financial and social resources available to Syrians, making them more dependent on institutional support for survival and recovery.

Exploring the crisis through a gender lens reveals clear disparities in how economic shocks affected poor male and female headed households. A smaller share of poor women-led households had members who suffered a reduction in employment earnings (53 percent) and lost jobs (15 percent), compared to 75 percent and 23 percent respectively, of male-headed poor families. In terms of coping strategies, reliance on own savings was nearly universal among poor male and female heads of households (91 percent and 93 percent, respectively). However, poor female heads were more likely than their male peers to seek formal and informal loans or credit (62 percent vs. 41 percent for formal loans, and 77 percent vs. 72 percent for informal loans) and relied more on unconditional help from relatives and friends (77 percent vs. 60 percent), highlighting the value of social support networks for women during times of economic distress. Poor female headed households were also less likely to cut on food and education expenses, but nearly twice as likely to reduce health expenditures and, to a lesser extent, essential non-food spending compared to male-headed families.
The economic crisis and rising food insecurity

**Lebanon is grappling with an emerging food security crisis.** The country was added to a list of 20 hunger hotspot countries in September 2022 which includes Yemen and Syria in the Middle East and North Africa region (WFP and FAO, 2023).\(^{40}\) The deteriorating food security situation can be attributed to the economic decline and multifaceted crisis post 2019, compounded by supply shortages from a global economic slowdown and the war in Ukraine which have severely impacted the affordability and accessibility of food. Lebanon is highly dependent on imports for its food and energy needs making it highly vulnerable to global shocks. Ongoing depreciation of its currency since late 2019 led to dramatic increases in food inflation exceeding 200 percent annually from 2020 to 2023. The subsequent erosion of purchasing power has significantly amplified the population’s vulnerability to food insecurity.

There are indications that households are coping not only by cutting back on food expenditures but by altering their diets (perhaps for the worse). Over three out of five households in 2022/2023 reported having to reduce food spending in response to the crisis. A constructed Food Consumption Score (FCS)\(^{41}\) provides some evidence of disparities between non-poor and poor households. For instance, 11 percent of (monetary) poor households are classified as having a “Poor” FCS implying a severe deficiency in dietary diversity and meal frequency, while this share was two percent for non-poor households (Figure 3.11). This gap widens further with 21 percent of poorer households experiencing “Borderline” food insecurity compared to five percent of better-off households, indicating that at least a third of poor families are on a diet that is likely insufficient to meet their nutritional needs.

**Figure 3.11: Poor households in 2022/2023 are showing signs of inadequate diets according to the food consumption score (FCS)**

\[
\begin{array}{|c|c|c|c|}
\hline
\text{Food Consumption Score (FCS) Classification} & \text{Non-poor} & \text{Poor} & \text{Poor Lebanese Households} & \text{Poor Syrian Households} \\
\hline
\text{Poor FCS} & 2 & 11 & 8 & 14 \\
\text{Borderline FCS} & 93 & 68 & 76 & 55 \\
\text{Acceptable FCS} & 0 & 21 & 0 & 0 \\
\hline
\end{array}
\]

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.


\(^{40}\) The report further estimates that 42 percent of the population are in a crisis or worse condition between January and April 2023, up from 37 percent between September and December 2022.

\(^{41}\) The Food Consumption Score (FCS) developed by the World Food Programme (WFP) and widely implemented as an assessment tool, is a composite score used to assess the dietary diversity, food frequency, and relative nutritional importance of different food groups consumed by a household over the previous 7 days. It’s a widely used indicator in food security analysis. The FCS categorizes households into three levels of food security based on their scores: “Poor”, “Borderline”, and “Acceptable”.
Poor Syrian households are facing more pronounced food security challenges in Lebanon. While 14 percent are classified as “Poor” on the FCS, the rate is almost halved for poor Lebanese households in this category. Moreover, the “Borderline” food insecurity rate for Syrian households is 31 percent, nearly double the share seen in poor Lebanese households. Overall, poor Lebanese households exhibit more resilience, with 76 percent achieving an “Acceptable” FCS level, in contrast to the 55 percent among impoverished Syrian households.

Disaggregated food consumption data from 2011/2012 and 2022/2023 also shows that the pattern of food consumption has visibly changed among Lebanese households, likely in response to unprecedented levels of food inflation. Relative to a decade ago, Lebanese households are resorting to cheaper means of meeting their caloric needs, cutting back on relatively more expensive imported meat (and seafood) consumption while raising their dietary share of more affordable bread and cereals in their food basket. Among the richest households in 2022, their share of meat and seafood in overall food consumption is a little over half what was allocated in 2012 and is even lower than the share allocated by the poorest households in 2012 (Figure 3.12).

Figure 3.12: Lebanese households have visibly cut back on meat consumption over the past decade

![Figure 3.12: Lebanese households have visibly cut back on meat consumption over the past decade](image)

Note: Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.


42 Households may have also reduced their consumption of meat due to concerns about food poisoning from spoilage resulting from frequent power outages that affected refrigeration and also cases of contaminated meat being sold (Khzam, 2022).
Households also provided a glimpse into how they sought to cope with the lack of food or means to purchase it. In referencing the week prior to being interviewed for the LHS 2022/2023 survey, nearly 83 percent of households indicated that they relied on less preferred or cheaper food in at least one out of the seven days. This share was already high for non-poor households at 79 percent, but it stood at 91 percent for poor households, which practically implied that such behavior was almost universal for impoverished families (Figure 3.13).

Compared to non-poor households, the poor were twice as likely to reduce meal portions, cut the number of meals, or borrow food or rely on help from relatives or friends, and nearly four times as likely to have an adult member limit their consumption in order to feed the household’s children. Poor Syrian families were more likely to have adults reducing their consumption while their Lebanese counterparts showed a greater propensity to either borrow food or seek the aid of friends and relatives, suggesting a better ability to rely on social networks compared to foreigners. Poor female-headed households were more likely than their male counterparts to reduce portion sizes rather than cut the number of meals, and nearly twice as likely to borrow food or seek assistance.

Figure 3.13: The poor were more likely to pursue a variety of approaches to cope with a lack or food or means of purchasing it

Note: Responses are strategies households relied on in the prior 7 days to the interview for when they didn’t have enough food or money to buy the former. Estimates are limited to households in the governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.

Evolving labor markets dynamics in Lebanon

The labor market analysis in this section relies on micro-data from the 2011/2012 HBS, 2018/2019 LFHLCS and 2022/2023 LHS. Across these surveys, the majority of households surveyed were Lebanese. Non-nationals households constituted about seven percent of the sample in the 2011/2012 HBS 15 percent in 2018/2019 LFHLCS and 17 percent in the 2022/2023 LHS. While nationalities were recorded in 2011/2022 and 2022/2023, the public release of the 2018/2019 LFHLCS only identified Individuals as (Lebanese) nationals and non-nationals, hence the analysis is limited to this categorization for comparisons across time, in addition to the five governorates.

THE CRISIS IS ALTERING THE PREVIOUSLY SEGMENTED NATURE OF LABOR MARKETS IN THE COUNTRY.

The economic crisis of 2019 and its aftermath had a more adverse impact on the Lebanese labor market than the earlier influx of Syrian refugees. Available data from 2012 precedes the rapid influx of Syrian refugees wherein their numbers swelled to nearly 1.2 million by the middle of 2015. Remarkably, there was no visible impact of this large demographic presence on labor market outcomes for the Lebanese between 2012 and 2019, suggesting that the labor market was for the most part, segmented between Lebanese and non-Lebanese with both having complementary skills and employed in different sectors (Figure 3.14). Syrians were also present in Lebanon prior to the Syrian conflict as temporary or circular migrant workers engaged in low-skilled jobs.

Figure 3.14: Key labor market outcomes for the Lebanese were relatively similar between 2012 and 2019, but weakened thereafter

Figure 3.15: By contrast, the labor market has not been favorable to non-Lebanese since 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Employed</th>
<th>Unemployed</th>
<th>Outside labor force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lebanese 2012</td>
<td>48%</td>
<td>6%</td>
<td>46%</td>
</tr>
<tr>
<td>Lebanese 2019</td>
<td>46%</td>
<td>7%</td>
<td>48%</td>
</tr>
<tr>
<td>Lebanese 2023</td>
<td>52%</td>
<td>8%</td>
<td>42%</td>
</tr>
<tr>
<td>Non-Lebanese 2012</td>
<td>32%</td>
<td>3%</td>
<td>66%</td>
</tr>
<tr>
<td>Non-Lebanese 2019</td>
<td>43%</td>
<td>7%</td>
<td>50%</td>
</tr>
<tr>
<td>Non-Lebanese 2023</td>
<td>59%</td>
<td>8%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Note: The analysis is limited to five governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon. Working age population is 15 to 64 years old.
The arrival of Syrian refugees coincided with worsening labor market outcomes among the non-Lebanese since 2012. The refugees who sought work were more likely to compete with other non-Lebanese nationals for low-skilled jobs. While nearly two-thirds of working-age non-Lebanese were employed in 2012, this share was halved by 2023 along with a rapid rise in the proportion of similarly aged individuals moving out of the labor force (Figure 3.15). In 2023, Syrians had already constituted the largest group of non-Lebanese in the country. In the covered areas, only 32 percent of Syrians of working-age were employed while 59 percent were out of the labor force. Their unemployment rate was over 21 percent, significantly higher than that of the Lebanese.

Both in pre-crisis 2018/2019 and 2022/2023, the top three sectors that employed Lebanese were wholesale and retail trade, public administration and defense and education but the overall composition is changing. Even though wholesale and retail retain the top spot share-wise in 2023, it saw a five-percentage point decline over 2019 (Figure 3.16). Other sectors that witnessed a tangible decline were manufacturing, professional, scientific, and technical activities and construction. The sectors that saw a rise in the share of locals employed were other service activities, administrative and support services, agriculture, and accommodation and food services (or hospitality). A Herfindahl-Hirschman Index (HHI) of sectoral concentration declined slightly from 0.10 to 0.09 indicating a similar level of diversity in the sectors that the Lebanese are employed in over this interval.

43 While the public LFHLCS dataset for 2018/2019 does not provide the specific nationalities of foreigners it is commonly acknowledged that Syrians were already in the majority among non-Lebanese by this period given that the registered population of Syrians alone was close to a million at the time.

44 The HHI is often used as a measure of market concentration but can be applied similarly to sectors (and occupations). It is the sum of the squared shares of employment in each sector. The index ranges from 0 to 1 with higher values showing a greater degree of sectoral concentration in this case.
**Figure 3.16**: Across 2018/2019 and 2022/2023, Lebanese were mainly working in wholesale and retail, government and armed forces and education but there are rising shares seeking jobs in other services, hospitality, administrative support and agriculture.

![Graph showing job distribution by sector for Lebanese across 2011/2012, 2018/2019, and 2022/2023.](image)

Note: The analysis is limited to five governorates of Akkar, Beirut, Bekaa, Mount Lebanon and North Lebanon.


Non-Lebanese are concentrated in fewer sectors, particularly in other services, construction and increasingly in agriculture. Overall, there is less diversity in the jobs done by non-Lebanese – the equivalent measure of sectoral concentration was almost double that of Lebanese in 2019 and 2023. There was a significant rise in the share of their employment in agriculture from under 3 percent in 2019 to nearly 19 percent in 2023, which corresponded with declining employment shares in nearly all other sectors (Figure 3.17).

45 Unskilled jobs such as cleaners, janitors, porters and daily workers constitute over half the jobs in the ‘other services’ category for non-Lebanese.
There is a noticeable occupational segregation between Lebanese and Syrian workers with Lebanese mostly in high to middle-level skilled jobs and Syrians in lower-skilled jobs. Lebanese workers are more likely to be employed in high-skilled white-collar jobs, such as managers, professionals, and technicians or associates. In 2022/2023, approximately 25 percent of Lebanese workers hold these high-skilled positions, while only 3 percent of Syrian refugees are employed in similar occupations. A substantial proportion of Lebanese workers, around 35 percent, are employed in middle-skilled white-collar jobs, such as clerical support and sales. In contrast, only 13 percent of Syrian refugees work in these types of occupations. For low-skilled blue-collar jobs, such as crafts, agriculture, and related trade work, there is a relative smaller percentage of Lebanese workers (23 percent) compared to Syrian refugees (38 percent). Strikingly, almost half of the Syrian refugees (45 percent) tend to work in elementary occupation that require little or no skill which only 9 percent of Lebanese were pursuing in 2022/2023.
In the aftermath of the 2019 crisis, a small but growing share of Lebanese workers are increasingly taking on low-skilled jobs. Between 2019 and 2023, the occupations which had rising shares were mostly low-skilled occupations (Figure 3.19). Agriculture in particular saw little participation between 2012 and 2019 with less than 2 percent of Lebanese employed as agriculture workers. This share doubles to nearly 4 percent in 2023. Similarly, the proportion of Lebanese in elementary occupation has almost doubled from 5 percent in 2019 to about 9 percent in 2023. At the same time, Lebanese workers are finding fewer opportunities in middle- to high-skilled jobs with shares falling in managerial, professional, technician/associate and plant and crafts/trades work. One potential reason for the declining share of Lebanese in such jobs is the emigration of skilled workers in search of better compensation abroad. At the same time, there is a rising mismatch of skills as more educated Lebanese workers enter low skilled occupations which may suggest fewer openings in medium to high skilled jobs (see Annex 5).
Lebanese workers earn more than Syrians and existing socio-economic differences between Lebanese and Syrians do not fully explain the wage premium. Even in occupations that have a high concentration of Syrians and require low skills, such as agriculture, plant and machinery operators and elementary occupations, Lebanese workers earned more than Syrians. On average, Lebanese earnings are 60 percent higher than Syrians. If working Syrians had similar characteristics as Lebanese in terms of hours worked, age group, education levels, location, occupation and sector of work, their wages would hypothetically be 21 percent higher, leaving an additional gap of 32 percent that remains unexplained or unaccounted for.46

46 These results from running a Blinder-Oaxaca decomposition which divides wage differential between two group into a part that is ‘explained’ by differences in productivity (e.g. education or work experience) or location characteristics and a residual that cannot be accounted for by observed differences. Further investigation is needed to assess if there is any discriminatory aspect to wage setting, particularly given the high degree of informal jobs among Syrians.
This report emerges as Lebanon is way into the fifth year of a compounding crisis that has led to an unparalleled reduction in income levels and consumption across its population. Poverty rates have tripled from a decade ago. The poor have fallen even further below the poverty line with respect to their consumption and there are indications that income inequality is rising. The demographic composition of the country was also dramatically changed with the influx of refugees from Syria starting in early 2011.

Triple-digit inflation is acting as a regressive tax, hurting low-income families. Households with access to earnings in dollars or who benefit from foreign remittances are better able to weather the economic storm. While the dollarization of the economy protects those who get paid in dollars, it further contributes to greater inequality if such opportunities are concentrated among the rich. Indeed, the data shows that better-off households with respect to their per-capita consumption and asset holdings are those that have greater access to earnings denominated in a foreign currency.

Households are deploying a range of coping strategies in response to the crisis if only to maintain some acceptable standard or semblance of living - but this comes at a high price. As the purchasing power of household incomes fell with soaring inflation, many dipped into their savings, sought help from family, friends, unrelated parties and non-government entities and took out loans or bought on credit. At the same time, households tightened their belts by cutting back on ‘wants’ and focusing on ‘needs’ – but it has not been sufficient. There are indications that families are not eating enough, nor well enough, as nutritional needs are being compromised. A third of households have also cut back on health spending - arguably a necessity which has broader and enduring implications for personal wellbeing if neglected.
Comprehensive macroeconomic and governance reforms, consistent with a new and sustainable development model, are needed to halt the deterioration in living standards among the population in Lebanon. The longer the delay without a comprehensive, adequate, and equitable recovery plan⁴⁷, the bleaker the available policy options become, as resources vital to that recovery are eroded. Among other reforms, a new exchange rate and monetary framework is needed to sustainably stabilize the lira and prevent further currency depreciation. Comprehensive tax reform and an overhaul of the taxation system in Lebanon, starting with more targeted, direct, and progressive tax increases is crucial for addressing widening inequality and creating the fiscal space for social spending to support the most vulnerable (World Bank 2024a).

Social safety nets will continue to play a prominent role in helping households meet their basic needs. Households in the lower tail of the distribution are receiving support, but it appears to be a small fraction of their overall earnings, particularly among the Lebanese, though this could be an artifact of underreporting. Efforts to better target the poor and expand the coverage and depth of social assistance programs can help ensure that all households in need have access to essential resources including adequate food, healthcare, and education.

Investing in human capital will be essential for building household resiliency. An analysis of the correlates of poverty demonstrates that households whose heads have higher education attainment, particularly post-secondary schooling, are much less likely to be poor. Providing poor families with access to a quality education will help build a more resilient generation. The analysis of multidimensional poverty also reveals that shortfalls in health is a major contributor to deprivation. Expanding access to affordable healthcare services and health insurance will help alleviate the financial burden on poor and vulnerable households. There is also the need to make transportation more accessible and affordable – the cost of transportation has become highly prohibitive with the ending of fuel subsidies and is a factor in limiting children’s access to school and to health care.

A multi-faceted approach is needed to increase the share of formal jobs available in the country through regulatory reforms, improving access to finance, better labor market information, enforcement of labor standards and support for entrepreneurs. Regulatory reforms include simplifying business registration processes such as introducing a simplified legal status for businesses, reducing the cost and complexity to comply with labor laws and tax codes along with incentives for businesses to enter the formal sector. Improving access to financial services for micro, small and medium-sized enterprises (MSMEs) can help them grow and transition into the formal sector. Better information sharing on appropriate job opportunities, potentially through an active, nation-wide jobs portal can help reduce underemployment and match applicants with formal jobs that commensurate with their skills. Initiatives that promote entrepreneurship and small business development can also create new opportunities to engage in formal employment and contribute to economic recovery.

Last but not least, more comprehensive and regular data to monitor household well-being is needed. The ongoing crisis raises the urgency to monitor households’ well-being more closely and regularly, especially related to labor market participation, food consumption and access to services - where the poor face particular challenges. Such monitoring will aid in developing and assessing the impact of mitigating policies. Subsequent surveys should aim to be representative of the country as a whole. The inability to collect data in parts of the country prevents a comprehensive assessment of the welfare of the population and may complicate if not compromise the delivery of targeted support and services in these areas. The country’s national statistical agency, CAS has a vital role to play in the collection and analysis of regular, robust and actionable data, ensuring nation-wide survey coverage and in the subsequent updating of the national poverty line.

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⁴⁷ The comprehensive reform program consists of five key reform pillars: (i) restructuring the financial sector to restore banks’ viability and financial intermediation functions; (ii) creating fiscal space by restructuring public debt and placing it on a sustainable footing; (iii) reforming state-owned enterprises, particularly Électricité du Liban; (iv) modernizing the central bank (Banque du Liban), governance and accountability arrangements and strengthening governance, anti-corruption, and anti-money laundering /combating the financing of terrorism frameworks; and (v) establishing a credible and transparent monetary and exchange rate system (for details, see World Bank, 2024a).
ANNEX 1:
Hypothetically comparing Lebanon’s poverty with country peers

Using the World Bank’s upper-middle income country (UMIC) international poverty line of $6.85/day in 2017 PPP (purchasing power parity) and assuming that the poverty rate for the covered governorates extends to the entire country, would suggest that Lebanon has a relatively lower UMIC poverty rate in contrast to other MENA countries with recent data (Annex Figure 1). In fact, Lebanon’s poverty incidence is relatively lower among countries with comparable levels of income (Annex Figure 2). However, when using the distribution of per-capita private consumption (in 2017 PPP), Lebanon’s rate appears to be within the range for countries whose per-capita expenditures are comparable with Lebanon (Annex Figure 3). Given that a significant portion of the country’s GDP is due to private consumption, this alternative approach of identifying country peers may be justified.

Annex Figure 1: Poverty in Lebanon is comparatively low relative to other MENA countries

![Annex Figure 1](image)

Note: International poverty data are from the World Bank’s PIP.
Annex Figure 2: Lebanon’s poverty rate is low in comparison with countries having similar per-capita income...

Source: World Bank staff estimates using World Bank’s World Development Indicators (WDI) and Poverty and Inequality Platform (PIP) database.

Annex Figure 3: …but is in line with countries that have comparable levels of per-capita private consumption expenditure

Source: World Bank staff estimates using World Bank’s World Development Indicators (WDI) and Poverty and Inequality Platform (PIP) database.
Vulnerability to poverty appears to be high in Lebanon in 2022/2023, with almost a third of the population in the covered areas at risk of falling into poverty. Nearly one out of two individuals in Lebanon who are not poor are vulnerable to falling under the LHS poverty line. Vulnerability is defined as having more than a 10 percent probability of being poor in the coming year (Annex Table 1). For Lebanese, this group forms about 32 percent of the population, which was similar to the proportion estimated for 2012 (Annex Figure 4). Vulnerability was relatively lower for non-Lebanese at 15 percent but only because 81 percent of this population was already poor, due to the large presence of Syrian nationals in this sub-group.

Annex Figure 4: Lebanon's middle class is shrinking as the size of its vulnerable population grows


Among the non-poor Lebanese, vulnerability is driven more by the volatility of their consumption than what would be explained by their own human capital. Vulnerability can be attributed to low expected consumption (poverty-induced) due to muted levels of human capital endowments or shocks, such as income fluctuations, that contribute to higher consumption volatility (risk-induced). For Lebanese residing in the covered areas, risk-induced vulnerability prevails over poverty-induced vulnerability and more so in Beirut and Mount Lebanon (Annex Figure 5). Higher-level of human capital endowments can help reduce both poverty- and risk-induced vulnerability. In particular, the overall level of vulnerability decreases as the education attainment of the household head rises, with a distinct fall in poverty-induced vulnerability (Annex Figure 6).

In other words, vulnerability often stems from two main sources: poverty, due to inadequate resources or skills, and the impact of unexpected changes affecting the broader community, leading to unpredictable spending patterns.
In over a decade, Lebanon’s middle class appears to have shrunk from 35 percent to 18 percent of the population. The middle-class is defined as households having less than a 10 percent chance of being poor but face a 10 percent probability of being vulnerable to poverty. About 23 percent of Lebanese in the five governorates can be considered as middle class in 2022/2023 based on this definition, down from 36 percent in 2011/2012 (Annex Figure 4).\(^4^9\) The size of the affluent or upper-middle-class among the Lebanese was halved over this period.

Annex Table 1: Economic class definitions

<table>
<thead>
<tr>
<th>Class</th>
<th>Poor</th>
<th>Vulnerable</th>
<th>Middle class</th>
<th>Affluent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household status</td>
<td>Below poverty line (PL)</td>
<td>&gt;10 percent chance of being poor next year</td>
<td>&lt;10 percent chance of being poor but &gt;10 percent</td>
<td>&gt;10 percent chance of being Affluent (&gt;3.0xPL)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1.0-1.7xPL)</td>
<td>chance of being vulnerable (1.7-3.0xPL)</td>
<td></td>
</tr>
<tr>
<td>Per-capita annual</td>
<td>&lt;53.4</td>
<td>53.4-91.6</td>
<td>91.6-157.7</td>
<td>&gt;157.7</td>
</tr>
<tr>
<td>consumption (1,000 LBN)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^4^9\) By contrast, the middle class among non-Lebanese constitutes at best three percent of the population in 2023 given the overwhelming of presence of mostly Syrian nationals, falling from a share of 21 percent in 2012, though the composition of non-Lebanese was quite different back then.
### ANNEX 3: Gender Statistics

#### Annex Table 2: Lebanon - disaggregated gender statistics, 2022/2023

<table>
<thead>
<tr>
<th>Variable</th>
<th>Female Head Employed</th>
<th>Male Head Employed</th>
<th>Female Head - Not Employed</th>
<th>Male Head - Not Employed</th>
<th>Female Head with children 14 and under</th>
<th>Male Head with children 14 and under</th>
<th>Female Head without children 14 and under</th>
<th>Male Head without children 14 and under</th>
<th>Female Head with children 14 and under</th>
<th>Male Head with children 14 and under</th>
<th>Female Head without children 14 and under</th>
<th>Male Head without children 14 and under</th>
<th>Female Head - Not Employed</th>
<th>Male Head - Not Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Size</td>
<td>2.9</td>
<td>4.1</td>
<td>6.3</td>
<td>5.1</td>
<td>2.1</td>
<td>3.1</td>
<td>2.5</td>
<td>4.1</td>
<td>3.0</td>
<td>4.0</td>
<td></td>
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<tr>
<td>Avg. number of children 14 and under</td>
<td>0.4</td>
<td>1.2</td>
<td>2.3</td>
<td>2.3</td>
<td>0.0</td>
<td>0.0</td>
<td>0.4</td>
<td>1.3</td>
<td>0.4</td>
<td>0.9</td>
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<tr>
<td>Dependency Ratio</td>
<td>0.5</td>
<td>0.7</td>
<td>1.2</td>
<td>1.0</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
<td>0.7</td>
<td>0.5</td>
<td>0.8</td>
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<td>Poverty rate</td>
<td>26%</td>
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<td>64%</td>
<td>52%</td>
<td>18%</td>
<td>14%</td>
<td>15%</td>
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<td>29%</td>
<td>34%</td>
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<tr>
<td>Beirut</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>1%</td>
<td>3%</td>
<td>3%</td>
<td>5%</td>
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<td>2%</td>
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<td>Mount Lebanon</td>
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<td>19%</td>
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<td>North</td>
<td>35%</td>
<td>21%</td>
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<tr>
<td>Education: Not enrolled/Not literate</td>
<td>18%</td>
<td>6%</td>
<td>17%</td>
<td>5%</td>
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<td>7%</td>
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<td>Education: Pre-school</td>
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<td>48%</td>
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<td>Sufficient income, cannot save</td>
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<tr>
<td>Income shortfall, some difficulty meeting basic needs</td>
<td>15%</td>
<td>26%</td>
<td>16%</td>
<td>23%</td>
<td>15%</td>
<td>29%</td>
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<td>Income shortfall, significant difficulty meeting basic needs</td>
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<td>55%</td>
<td>78%</td>
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<td>Unable to obtain medical services regularly</td>
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<td>Household member lost job</td>
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<tr>
<td>Reduction in employment earnings of household member</td>
<td>58%</td>
<td>78%</td>
<td>68%</td>
<td>79%</td>
<td>55%</td>
<td>77%</td>
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<td>81%</td>
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<td>Reduced expenditures on food</td>
<td>54%</td>
<td>65%</td>
<td>53%</td>
<td>70%</td>
<td>54%</td>
<td>59%</td>
<td>59%</td>
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<td>52%</td>
<td>64%</td>
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<td>Reduced expenditures on education (including withdrawing children from school)</td>
<td>2%</td>
<td>8%</td>
<td>5%</td>
<td>12%</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
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<td>2%</td>
<td>5%</td>
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<td>Reduced expenditures on health (including drugs)</td>
<td>44%</td>
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<td>50%</td>
<td>30%</td>
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<td>32%</td>
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<td>28%</td>
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<tr>
<td>Reduced expenditures on non-food essentials (generator, gas, utilities)</td>
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<td>50%</td>
<td>65%</td>
<td>52%</td>
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<td>45%</td>
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<td>58%</td>
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<tr>
<td>Received unconditional help from relatives / friends</td>
<td>71%</td>
<td>56%</td>
<td>69%</td>
<td>51%</td>
<td>72%</td>
<td>61%</td>
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<td>55%</td>
<td>73%</td>
<td>59%</td>
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<td>Received unconditional help from other people and/or institutions</td>
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<td>73%</td>
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<td>53%</td>
<td>67%</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obtained formal loan / credit</td>
<td>49%</td>
<td>38%</td>
<td>53%</td>
<td>37%</td>
<td>48%</td>
<td>39%</td>
<td>46%</td>
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<td>49%</td>
<td>34%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obtained informal loan / credit</td>
<td>71%</td>
<td>68%</td>
<td>88%</td>
<td>70%</td>
<td>69%</td>
<td>66%</td>
<td>71%</td>
<td>70%</td>
<td>72%</td>
<td>64%</td>
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</tbody>
</table>
# ANNEX 4: Multidimensional Poverty Indicators for Lebanon

## Annex Table 3: Multidimensional Poverty Indicators for Lebanon

<table>
<thead>
<tr>
<th>Dimension (weight)</th>
<th>Indicator (weight)</th>
<th>Deprivation cutoff</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education (1/5)</strong></td>
<td>School attainment (1/10)</td>
<td>At least one household member 18-34 years old (y.o.) did not finish secondary level</td>
</tr>
<tr>
<td></td>
<td>School attendance (1/10)</td>
<td>At least one child, 3-17 y.o. is not currently attending school</td>
</tr>
<tr>
<td><strong>Health (1/5)</strong></td>
<td>Health insurance (1/10)</td>
<td>At least one household member is not covered by health insurance</td>
</tr>
<tr>
<td></td>
<td>Affordability (1/10)</td>
<td>At least one household member who was sick/in need of regular drugs/medical services could not afford it</td>
</tr>
<tr>
<td><strong>Financial Security (1/5)</strong></td>
<td>Employment (1/25)</td>
<td>No household member 25-64 y.o. is working</td>
</tr>
<tr>
<td></td>
<td>Youth NEET (1/25)</td>
<td>No household member 15-24 y.o. is either employed or a student or in training</td>
</tr>
<tr>
<td></td>
<td>Low-security work (1/25)</td>
<td>At least one household member 15+ is either an informal worker or underemployed</td>
</tr>
<tr>
<td></td>
<td>Dependency (1/25)</td>
<td>There is less than one working adult (15+) per 3 household members</td>
</tr>
<tr>
<td></td>
<td>Income insecure (1/25)</td>
<td>A household without adults (15-64 y.o) is relying solely on social transfers and/or internal remittances (in the past 12 months)</td>
</tr>
<tr>
<td><strong>Basic Infrastructure (1/5)</strong></td>
<td>Transportation (1/25)</td>
<td>The household has no personal means of transportation and is located more than 10 minutes walking distance from bus/minibus/taxi</td>
</tr>
<tr>
<td></td>
<td>Electricity (1/25)</td>
<td>The household does not have access to a generator</td>
</tr>
<tr>
<td></td>
<td>Sanitation (1/25)</td>
<td>The household does not have access to an improved sanitation facility, or the facility is shared with other households</td>
</tr>
<tr>
<td></td>
<td>Improved drinking water (1/25)</td>
<td>The household does not have access to safe drinking water</td>
</tr>
<tr>
<td></td>
<td>Accessible healthcare (1/25)</td>
<td>The household is more than 15 minutes away from a hospital or private clinic</td>
</tr>
<tr>
<td><strong>Living standards (1/5)</strong></td>
<td>Overcrowding (1/25)</td>
<td>The household members reside in a dwelling with three or more people per room (include domestic help)</td>
</tr>
<tr>
<td></td>
<td>Information access (1/25)</td>
<td>The household does not have access to fixed phone, mobile phone or Internet</td>
</tr>
<tr>
<td></td>
<td>Heating (1/25)</td>
<td>The household does not have any source of heating</td>
</tr>
<tr>
<td></td>
<td>Assets (1/25)</td>
<td>The household has no more than two of: TV, burner with oven, washing machine, vacuum</td>
</tr>
<tr>
<td></td>
<td>Self-reported poverty (1/25)</td>
<td>The household classifies itself as poor or very poor</td>
</tr>
</tbody>
</table>
ANNEX 5: Skill Mismatches are Rising for Lebanese Workers

There appears to be an increase in the number of skills mismatches among Lebanese workers, as more educated workers have entered lower skilled occupations post 2019. Skill mismatch refers to a situation where people are employed in jobs that do not correspond to their level of education or skill qualifications. In this case, the degree of skill mismatch is measured by comparing the education level required for different occupations with the actual educational attainment of workers. The results show that there is a higher percentage of highly educated Lebanese workers entering lower skilled jobs. For example, in 2019, only 13 percent of Lebanese workers employed in agriculture were overqualified for their positions (Annex Figure 7). However, by 2023, this percentage had more than doubled to 29 percent. In 2019, only five percent of Lebanese workers in elementary occupations were overqualified. However, by 2023, this percentage had tripled to 18 percent.

Annex Figure 7: Skills mismatch by types of occupation and year, Lebanese

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