Primer

Multidimensional Poverty in Lebanon

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About the Autor
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Lebanon is facing a crisis of poverty. Purchasing power has plummeted, access to basic goods and services is significantly limited, all while public institutions and infrastructure are falling apart under the pressure of a protracted crisis. Since 2019, several key studies aimed to document the state of poverty in the country. This primer focuses on three main studies. The first was conducted by the Lebanese Central Administration of Statistics (CAS) and the World Bank, the second by the United Nations Economic and Social Commission for Western Asia (ESCWA), and the third by the United Nations Children's Fund (UNICEF). It aims to contextualize these reports, shed light on the patterns regarding the state of deprivation in the country, and improve public awareness on the monitoring of poverty in Lebanon.

Understanding Multidimensional Poverty

Classically, poverty is understood to be the consequence of deprivation. Money-centric approaches to poverty largely focus on the deprivation of material income, given the logical influence income has on securing basic rights like housing, healthcare, education, public utilities…that determine one's living standards. Yet, income alone does not fully represent the ability or access an individual or household has to these basic rights. A multidimensional approach to poverty helps fill this gap by measuring the degree to which these basic rights are deprived and the resulting level of poverty and standards of living in the country.

The Multi-dimensional Poverty Index: The Benchmark Before the Crisis

In 2019, the Central Administration for Statistics (CAS), with support from the World Bank, launched the Multi-dimensional Poverty Index (MPI). The MPI drew from the 2018-2019 Labor Force and Household Living Conditions survey, which is a nationwide and representative data set. In this sense, the data collected pre-dated the 2019 crisis, and while not offering insight into the impact of the crisis on poverty, it can serve as a benchmark for later studies.

To help understand the multidimensional lens, the index used is based on 19 indicators across five core dimensions: education, health, financial security, basic infrastructure, and living standards.

The results highlight the deep systemic roots of poverty in Lebanon prior to the crisis. Notably, a slight majority of all residents in Lebanon (53.1%) were multidimensionally poor, as they were deprived in over 25% of the indicators. Extreme poverty, where residents were deprived in more than 50% of the indicators, was estimated to be around 16.2% of the population.

In addition to using indicators of deprivation to help evaluate poverty, the MPI also allowed for an examination of the main drivers of this deprivation—by tracing which dimensions (education, health, financial security, basic infrastructure, and living standards) were contributing the most to multidimensional poverty. Health ranked first (30.2%), followed by employment (25.8%), education (25.3%), living standards (13%), and basic infrastructure (6%).

The data collected was also broken down across gender, age, and regional categories.

To that end, the MPI helped highlight the gendered implications of poverty in the country. Female-led households were found to be more multidimensionally poor (56.7%) than their male counterparts (52.6%). Notably, children under 18 years were most affected by multidimensional poverty. The younger the age group, the more they are vulnerable and impacted by multidimensional poverty, with nearly 2 in 3 children under four found to be deprived.

On a regional level, three findings are worth unpacking. First, of all the governorates in the country, Akkar and Bekka were the poorest. Second, Beirut recorded the greatest intensity of poverty among the MPI-poor. To explain, while residents of Beirut are less likely to be MPI-poor, when they are, they are more likely to experience greater deprivation than any other governorate. Finally, a third of those who are MPI-poor live in Mount

Lebanon—which is where an estimated 41% of the population resided at the time.

To be clear, the data collected between 2018 and 2019 does not take into account the multiple crises—the financial crisis, the Beirut port blast, and the COVID 19 pandemic—which significantly impacted the state of poverty in the country. The data, however, draws attention to the existing high levels of multi-dimensional poverty shortly before the eruption of these crises. It also helped, as we will come to explain, serve as a baseline to monitor multidimensional poverty in the country—especially in light of the compounded crises.

ESCWA: Multidimensional Poverty in Lebanon (2019-2021)

Between 2019 and 2021, Lebanon suffered multiple interconnected shocks, the economic and financial meltdown, the COVID 19 pandemic, and the port of Beirut blast. The national currency lost more than 90% of its value and inflation skyrocketed, causing purchasing power to plummet to historic lows. Additionally, the country's public infrastructure and services, like healthcare, education, and public utilities, were extremely strained. Living standards in the country clearly dropped and deprivation rose across multiple dimensions. Adopting a slightly different method than the MPI, the ESCWA study relied on six dimensions—education, health, public utilities, housing, assets and property, employment and income—and 20 indicators.

According to ESCWA's index, a household is to be classified as multi-dimensionally poor if it was deprived of one or more of these six dimensions. In this sense, it did not assess poverty based on the material deprivation of the household. This raises some issues with its methodology and findings. For example, according to its method, a household that suffered from deprivations of electricity was considered poor, regardless if the household had the financial capacity to pay for a private generator membership. Notably, the majority of households (54%) reportedly lived without electricity, underscoring the extreme deterioration of public utility services. Similarly, limitations in access to medicines helped determine a household as multidimensionally poor, regardless of the household's ability to materially purchase these medicines. That more than half of families (52%) are reportedly unable to access medicines they need draws attention to the impact of the crisis on the healthcare sector and the significant decline in the quality of life in the country.

In turn, if a household suffered from two or more deprivations, it was classified to be in extreme multidimensional poverty.

Using these measurements, the report found that multidimensional poverty doubled from 2019 (42%) to 2021 (82%)—leaving an estimated 4 million people living in multidimensional poverty. Meanwhile, 34% of the population, around 1,650,000 people, lived in extreme multidimensional poverty.

Further demonstrating the toll of the crisis, the report notes that between 2019 and 2021, the inflation rate rose to around 281% and income poverty rose from 25% in 2018, to 55% in 2020, and 74% in 2021. Those with lifecycle vulnerabilities were also disproportionately impacted. For example, 78% of older people were living in multidimensional poverty by 2021. Both female-led and male-led households demonstrated similar levels of poverty.

What stands out from ESCWA's report is the collective rise in multidimensional poverty and the consequent decline in quality of life, exemplified by the alarming result that only a minority of the population has escaped such levels of deprivation.

UNICEF: Deprived Childhoods

In 2022, UNICEF issued a qualitative study, titled 'Deprived Childhoods,' to help illustrate the human side of multidimensional child wellbeing in Lebanon. Such qualitative data allowed for a more in-depth assessment of the impact of poverty on the lives of children and their families in light of the country's debilitating depression.

To help ground the study, it focused on the UN Convention on the Rights of the Child and the deprivations of these rights (i.e. the right to health, welfare, protection, education, and the right to play). This qualitative study was complemented by the quantitative Child-Focused Rapid Assessment (CFRA) which is carried out by UNICEF every six months.

Together, these reports paint a striking picture of child poverty in Lebanon. First, children and households are hard-hit by poverty. The CFRA found that 84% of households in Lebanon did not have enough money to cover necessities, and that one in four children had recently gone to bed hungry.

Second, the rise in multidimensional childhood poverty and vulnerability is having significant emotional and mental health impacts. The study found that children demonstrate not only a deep understanding of the country's severe depression and deteriorating conditions, but they are also experiencing a haunting and constant awareness of its influence over their lives and futures. Feeling the burden, children explained how they avoid asking for things from their caregivers. According to the CFRA, two out of three caregivers expressed that their children's mental health worsened over the past year.

Third, the extreme vulnerability of families and households, and the consequent pressures children are exposed to, are fueling a social crisis of confidence. The intimate bonds between children and parents, fundamentally rooted in trust, are being undermined by the inability of parents to meet children's basic needs. Children, on the one hand, are experiencing declining confidence and trust in caregivers who are unable to provide for them. Parents, on the other hand, are stricken by the guilt of this inability to provide such basic needs and the loss of their children's confidence and respect in their caregiver's abilities. This effect was particularly pronounced where basic household roles had been reversed and children were now the income earners, while parents were forced into unemployment.

Takeaways

- **Poverty in Lebanon is multidimensional.**
  Collectively, all three reports point to the multidimensional state of poverty—poverty in the country cannot be fully understood by only examining traditional markers like material wealth.

- **Poverty in Lebanon is systemic and deep seated**.
  Even prior to 2019, as the MPI reveals, Lebanon experienced high levels of multidimensional crisis. Three years of protracted crisis, however, added an extreme rise in the rate of multidimensional poverty.

- **Poverty in Lebanon is exacerbating inequality.**
  Those with lifecycle vulnerabilities, such as persons with disabilities (PwDs), older people, children, and youth are disproportionately affected by multidimensional poverty, largely due to the absence of inclusive social protection mechanisms needed to empower them in such a volatile and adverse context.

- **Poverty is a human rights issue.**
  Poverty in Lebanon is the consequence of the deprivation of core human rights, like children's right to play, the right to education, the right to adequate housing, the right to clean water, the right to healthcare...

- **Poverty in Lebanon is likely to have long-term impacts on the well-being and development of individuals, households, and institutions.**
  While the multidimensional, and often compounded, deprivations of core rights have clear adverse impacts on the immediate realities of individuals, households, and institutions under stress, the accumulation and prolonged state of these deprivations risks impairing development in the long run.

- **Poverty in Lebanon is undermining the social contract.**

  Qualitative studies like UNICEF's Deprived Childhoods help portray the emotional, social, and psychological impacts of poverty in the country. As the relationships between caregivers and children demonstrate, poverty is exacerbating tensions, undermining trust, and creating a larger social crisis that is tearing at the very foundations of society.

LCPS

About the Primer
A Primer is a short introductory text that provides background information on social, political, and economic issues or concepts relevant to governance and public policy.

About LCPS
Founded in 1989, the Lebanese Center for Policy Studies is a Beirut-based independent, non-partisan think-tank whose mission is to produce and advocate policies that improve good governance in fields such as oil and gas, economic development, public finance, and decentralization.

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