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WB: Poverty, Inequality, and Lebanon's Economic Breakdown

The World Bank's Poverty and Equity Brief published on April 2025, reveals how Lebanon continues to grapple with a profound socioeconomic crisis that has significantly impacted poverty levels and income inequality within the country. Despite the challenges, recent data provide a clear picture of the extent of poverty, its distribution across different demographic groups, and the evolving economic landscape amid ongoing turmoil.

The official poverty rate in Lebanon remains based on data from the 2012 Household Budget Survey (HBS), which has not been updated for over a decade. To address this gap, an unofficial poverty line was developed using the 2022/2023 Lebanon Household Survey (LHS). This survey however, covered only five out of Lebanon's eight governorates due to access constraints, limiting the comprehensiveness of national estimates. Despite these limitations, according to World Bank estimates, the data reveal a drastic increase in poverty levels, with the consumption based poverty rate surging from 12% in 2012 to approximately 44% in 2022 within the surveyed governorates.

The broader economic context underscores the severity of the crisis. Lebanon's economy has been in free fall since late 2019, with inflation reaching triple digits between 2021 and 2023,

only beginning to moderate recently. The country's economic decline has been exacerbated by the October 2023 conflict, which displaced over 1.2 million people internally and caused 562,000 to seek refuge abroad. Key sectors such as agriculture, commerce, and tourism, which are vital for low wage and informal workers, bore nearly 60% of the estimated economic losses by December 2024, deepening poverty and vulnerability.

Lebanon's income inequality remains stark, with a Gini Index of 35.3 in 2025, indicating a high level of income disparity. Wealth and income are increasingly concentrated among the upper class of society, as evidenced by the country's shifting toward a dollarized and cash based economy. In 2022, households in the top 20% of the income distribution received over half of their earnings in U.S. dollars, shielding them from inflationary pressures. Conversely, the bottom 20% received less than 6% of their income in dollars, rendering them highly vulnerable to soaring inflation and economic shocks.

Poverty by Group	Poverty Rate (%)
Males	30.7
Females	32.3
0 to 14 years old	50
15 to 64 years old	27.4
65 and older	9.1
Without education (16+)	44.8
Primary education (16+)	38.8
Secondary education (16+)	20.3
Tertiary/post-secondary education (16+)	12.7

Source: World Bank, Poverty & Equity Brief, 2025

The disparity extends across demographic groups as well. The poverty rate among males is 30.7%, while for females; it is slightly higher at 32.34%. Poverty is particularly severe among children aged 0-14, where 50% are classified poor, highlighting the intergenerational impacts of the crisis. Educational attainment also correlates with poverty levels; 44.8% of those

without education (16+) live in poverty, compared to 12.7% among those with tertiary post-secondary education. This underscores the persistence of educational disparities as a factor in economic hardship.

Poverty Line (year 2022)	Number of Poor (Thousands)	Rate (%)
International Poverty Line (\$2.15/day)	15.8	0.3
Lower Middle Income Class Poverty Line (\$3.65/day)	334.4	5.8
Upper Middle Income Class Poverty Line (\$6.85/day)	1,808.0	31.5
Multidimensional Poverty Measure		78.8

Source: World Bank, Poverty & Equity Brief, 2025

The multidimensional aspects of poverty in Lebanon reveal even more alarming trends. The Multidimensional Poverty Index (MPI) increased from 51.1% pre-crisis (2018/2019) to 78.8% in 2022/2023. Many components illustrate the deterioration of basic services, especially in vulnerable communities. While, only a small portion of the population (0.3%) falls below the International Poverty Line of \$2.15 per day, equating to approximately 15,800 individuals, the situation becomes significantly more alarming at a higher poverty thresholds. At the Lower Middle-Income Class Poverty Line (\$3.65/day), the number of poor rises to 334,400 people, or 5.8% of the population. Most strikingly, over 1.8 million people, representing 31.5% of the population, live under the Upper Middle-Income Class Poverty Line of \$6.85/day.

The recent conflict and economic disruptions are expected to exacerbate poverty further. The displacement of large populations, coupled with the destruction of critical sectors, threatens to reverse any gains made in poverty alleviation. The economic losses in agriculture, tourism, and commerce, key employment sectors, have disproportionately affected the poor and informal workers, likely leading higher poverty rates in the near future.

Lebanon's economy is increasingly dollarized, with the top 20% shielded from inflation, while the lower income groups bear the brunt of currency depreciation and inflation. This

economic polarization poses significant challenges for policymakers aiming to foster inclusive growth and social stability.

In summary, Lebanon's poverty landscape as of 2025 reflects a nation in crisis, with sharply rising poverty rates, growing inequality, and deteriorating access to essential services. The data underscores the urgent need for comprehensive reforms, targeted social programs, and economic recovery strategies to mitigate the long-term impacts of this multifaceted crisis. Without significant intervention, Lebanon risks entrenching poverty and inequality for generations to come.

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