A MULTI-DIMENSIONAL POVERTY INDEX (MPI) FOR LEBANON

Central Administration of Statistics

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Background

- The Central Administration for Statistics (CAS) together with the World Bank has developed the first official multidimensional poverty index for Lebanon using the nationally representative 2018-2019 Labor Force and Housing Living Conditions Survey.

- The Lebanon Multidimensional Poverty Index (MPI) aims to complement monetary measures of poverty with non-monetary deprivations

- The LFHCLS has an extensive labor module along with information on demographics, education, usage of health and disability and household living conditions that cover dwelling, access to basic services, and asset holdings

Indicators

- The Lebanon MPI is derived from 19 indicators across 5 dimensions

- The five dimensions are education, health, financial security, basic infrastructure and living standards

- The index is equally weighted across and within each dimension

- The multidimensional poverty cutoff line (k) is set at 25 percent - a household is considered as multidimensionally poor if it is deprived in more than one dimension

Indicators: Education, Health, Financial Security

Dimension (weight)	Indicator (weight)	Deprivation cutoff
Education (1/5)	School attainment (1/10)	At least one household member 18-34 years old (y.o.) did not finish secondary level
	School attendance (1/10)	At least one child, 3-17 y.o. is not currently attending school
Health (1/5)	Health insurance (1/10)	At least one household member is not covered by health insurance
	Affordability (1/10)	At least one household member who was sick/in need of regular drugs/medical services could not afford it
Financial Security (1/5)	Employment (1/25)	No household member 25-64 y.o. is working
	Youth NEET (1/25)	No household member 15-24 y.o. is either employed or a student or in training
	Low-security work (1/25)	At least one household member 15+ is either an informal worker or underemployed†
	Dependency (1/25)	There is less than one working adult (15+) per 3 household members†
	Income insecure (1/25)	A household without adults (15-64 y.o) is relying solely on social transfers and/or internal remittances (in the past 12 months)

Note: † only applicable for households with at least one 15+ working. See section 3, for details of treatment of households with unidentified information.

Indicators: Basic infrastructure and living standards

| Dimension (weight)	Indicator (weight)	Deprivation cutoff
Basic Infrastructure (1/5)	Transportation (1/25)	The household has no personal means of transportation and is located more than 10 minutes walking distance from bus/minibus/taxi
	Electricity (1/25)	The household does not have access to a generator
	Sanitation (1/25)	The household's sanitation facility is not improved, or it is shared with other households
	Improved drinking water (1/25)	The household does not have access to safe drinking water
	Accessible healthcare (1/25)	The household is more than 15 minutes away from a hospital or private clinic
Living standards (1/5)	Overcrowding (1/25)	The household members reside in a dwelling with three or more people per room (include domestic help)
	Information access (1/25)	The household does not have access to fixed phone, mobile phone or Internet
	Heating (1/25)	The household does not have any source of heating
	Assets (1/25)	The household has no more than two of: TV, burner with oven, washing machine, vacuum
	Self-reported poverty (1/25)	The household classifies itself as poor or very poor

Overall results

- The incidence of poverty (H) or the proportion of people that are identified as MPI-poor is 53.1 percent.

Poverty cutoff(k)	Index	Value	Confidence interval (95%)	
k-value = 25%	MPI	0.235	0.229	0.241
	Headcount Ratio (H)	53.1%	51.8%	54.4%
	Intensity (A)	44.2%	43.9%	44.6%

Results by indicators

- Among the MPI-poor, the largest share of deprived individuals live in households where 1+ member is employed in low-security work (87.8%), 1+ member (18-34 y.o.) did not complete secondary schooling (85%), lacked health insurance (82.5%) or are income-insecure (73.8%).
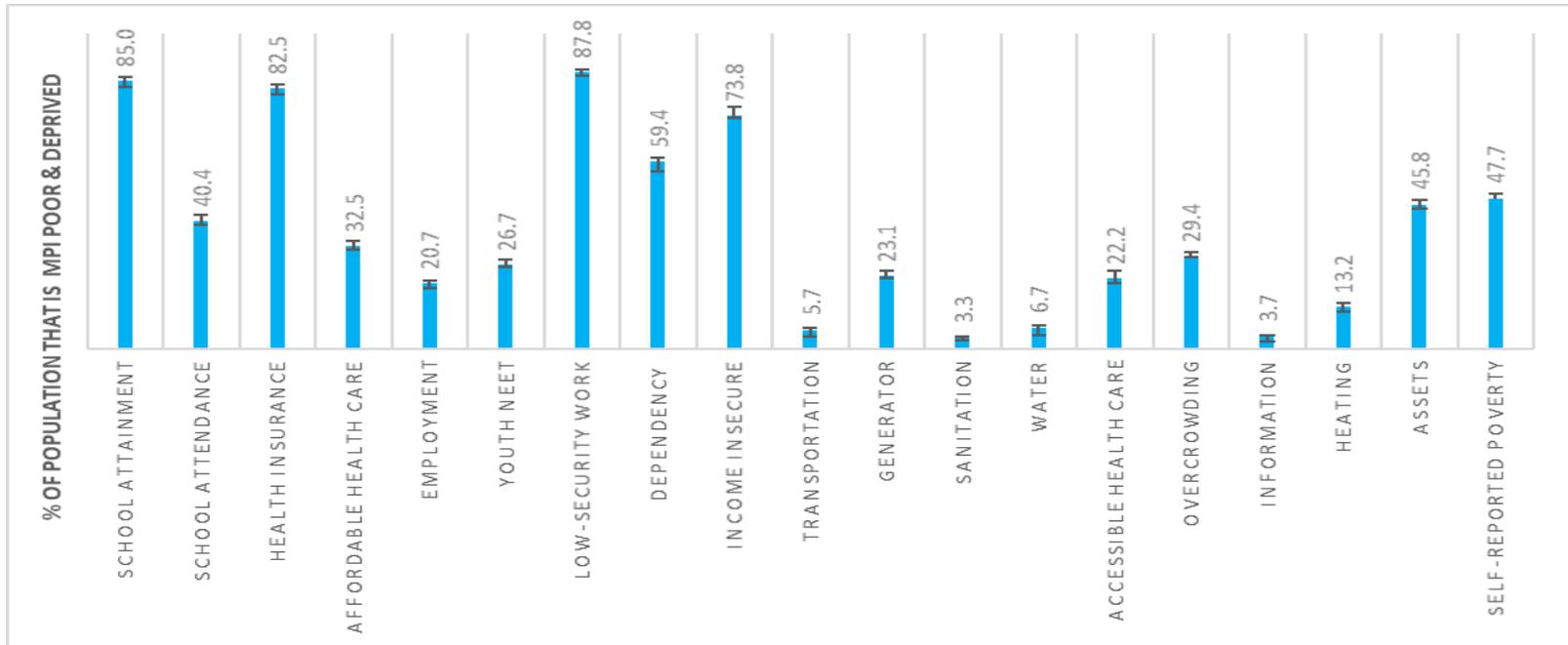
Results by dimensions

- When aggregating by the five dimensions, the largest contributor to deprivation is the health dimension (30 percent), followed by financial security (26 percent) and education (25 percent).

**CONTRIBUTION SHARE OF DIMENSIONS TO THE MPI, 2019**
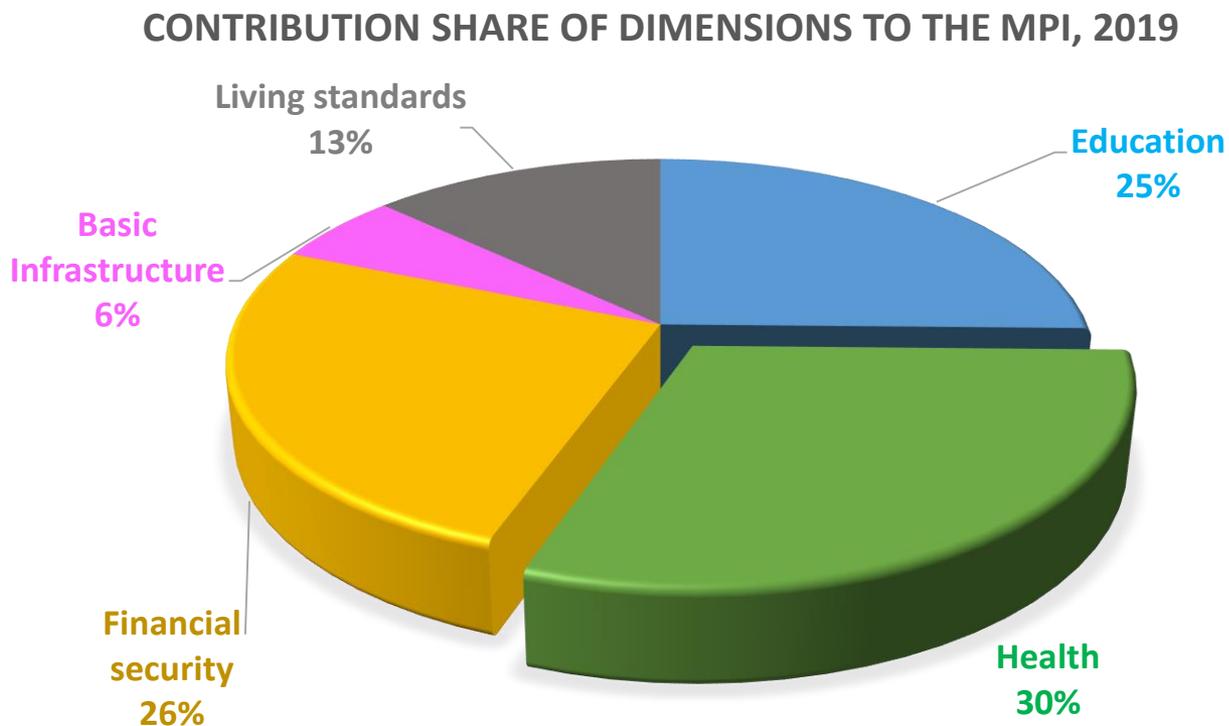
Results by Governorates

- Across the eight governorates, Akkar and Bekaa are the poorest. However, Mount Lebanon hosts the largest share of MPI-poor.

Governorates	Population share (%)	Share of MPI-poor (%)	Headcount ratio, H (%)	Intensity, A (%)	MPI Value
Beirut	6.8	6.7	**51.9**	47.1	0.245
Mount Lebanon	41.4	**33.3**	**42.7**	44.5	0.190
North Lebanon	13.4	15.1	**59.9**	44.4	0.266
Akkar	6.9	9.0	**69.6**	44.8	0.312
Bekaa	6.2	7.9	**67.0**	44.5	0.299
Baalbek-Hermel	5.1	5.9	**61.9**	43.5	0.269
South Lebanon	12.2	13.2	**57.6**	42.3	0.244
Nabatieh	7.9	8.8	**59.3**	43.3	0.257

Results by district

At the district level, **Minieh-Danniyeh** (77.0%) and **Hermel** (72.2%) have the highest incidence of MPI-poverty, whereas **Batroun** (29.3%) and **Keserwan** (24.9%) have the lowest incidence.
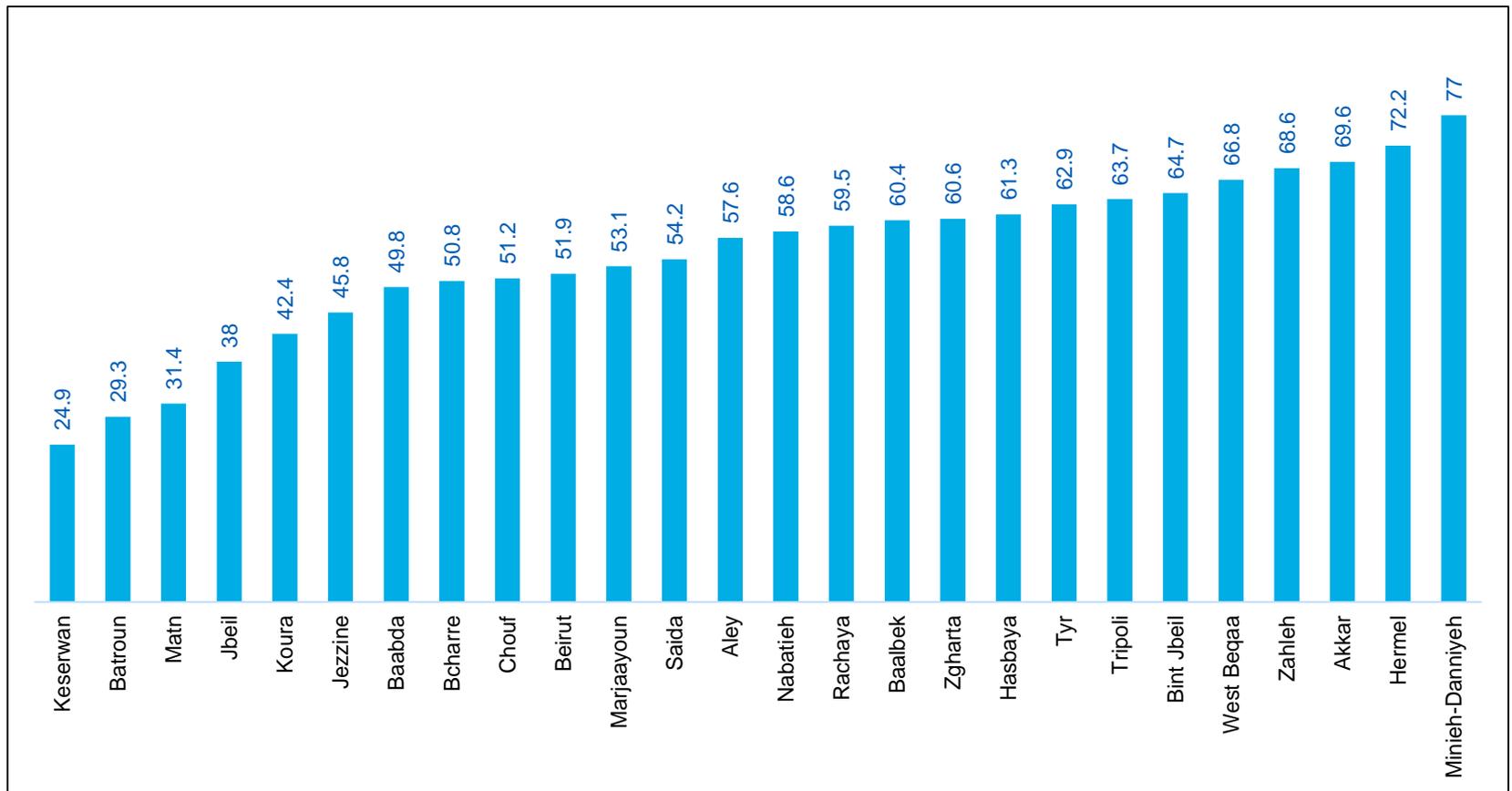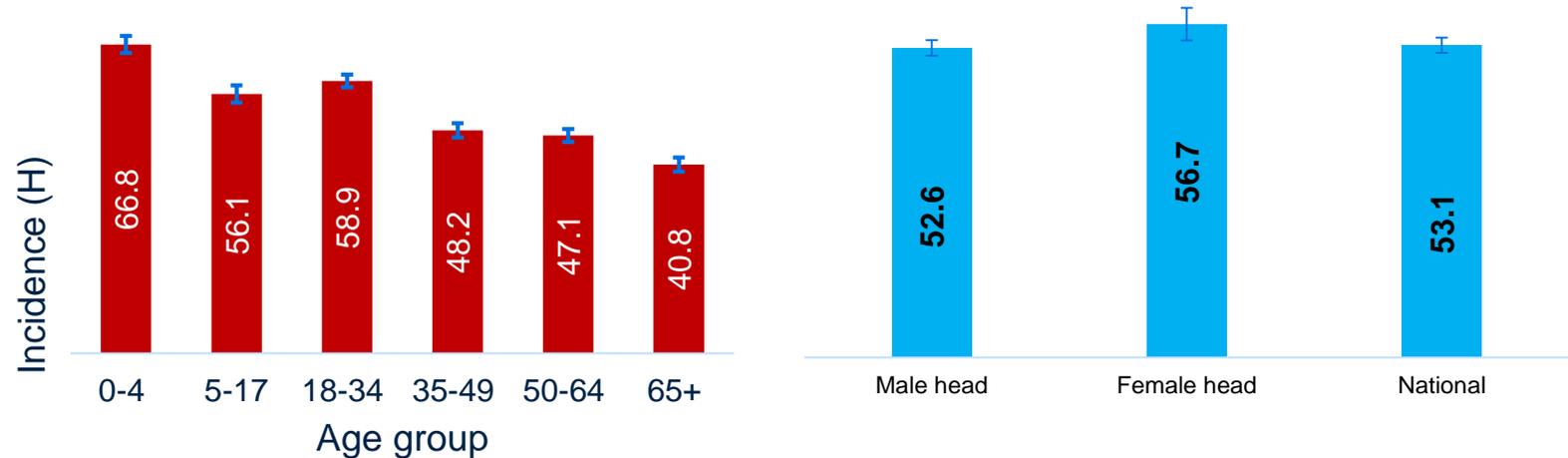
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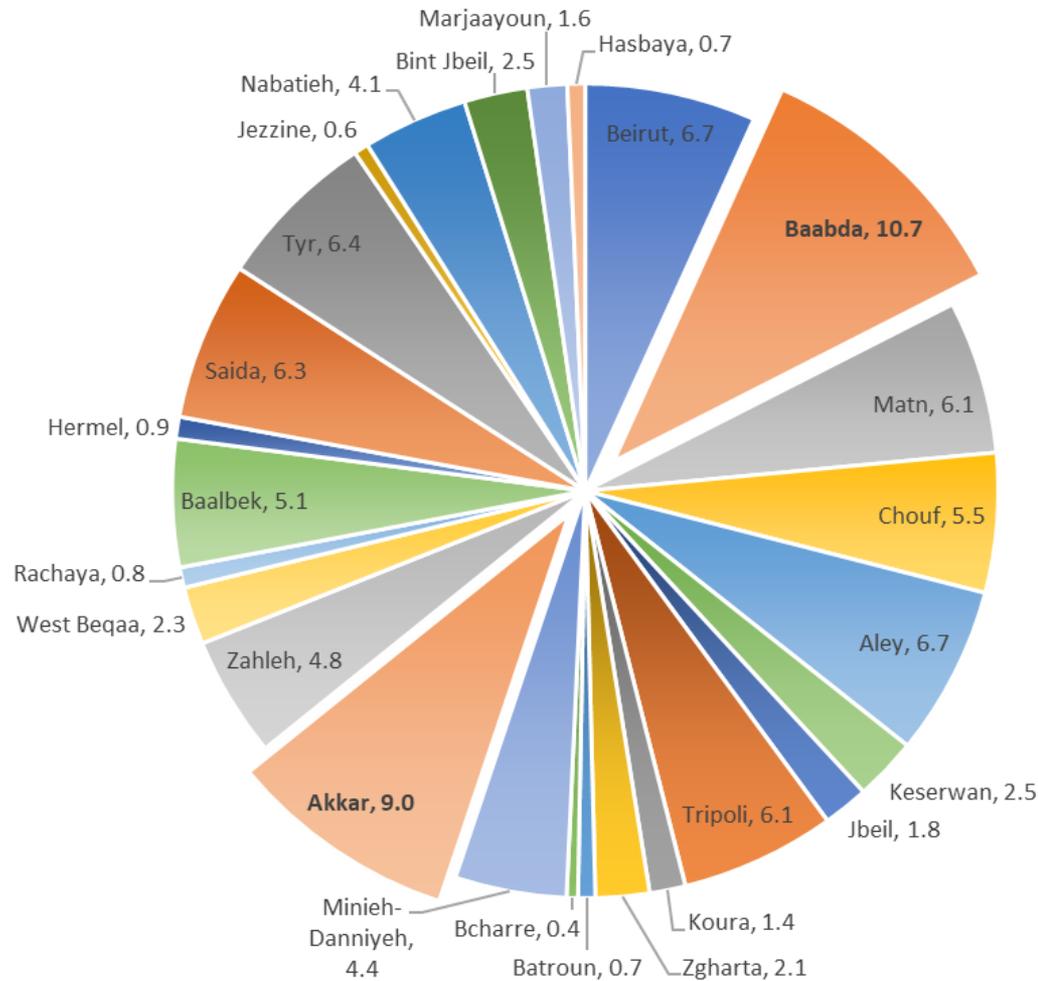
The poorest districts do not always host the largest shares of the MPI-poor - **Baabda and Akkar** have the largest share of multidimensionally poor (10.7 and 9 percent respectively) and **Bcharre** has the lowest share (0.4 percent).

# Results by household characteristics

- Looking across age-groups, the highest incidence of multidimensional poverty occurs among 66.8 percent of children, ages 0-4 years.

- Female-headed households tend to have higher incidences of multidimensional poverty (56.7 percent) relative to male-headed households (52.6 percent).

Results by household characteristics

- Lower education attainment is associated with higher incidence of multidimensional poverty

- Larger households are associated with greater incidence of multidimensional poverty

Incidence of multidimensional poverty by household head's educational attainment, 2019
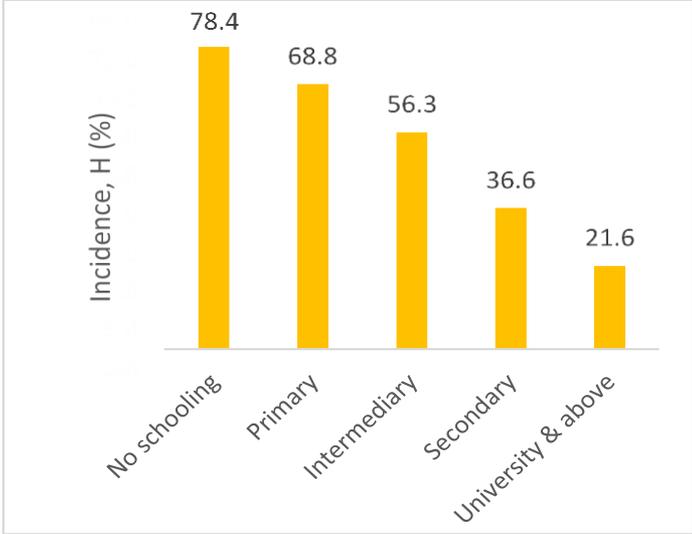
Source: Authors' calculation using data from LFHLCS 2018-2019

Incidence of multidimensional poverty by household size, 2019
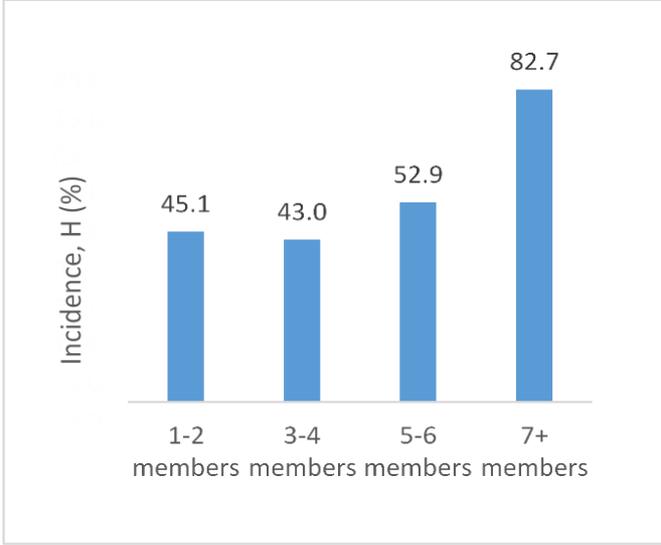
Source: Authors' calculation using data from LFHLCS 2018-2019

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