



1- Desk research

Gathered data about indicators selected in the Global Social mobility Report by World Economic Forum



Desk research

The what, why and how

Socioeconomic overview



- ✓ According to World Bank Economic Update – April 2021, Lebanon is facing a major economic crisis due to years of a nonstop growing public debt, a high fiscal deficit and inadequate policies. The economic and financial crises have had the largest and most persistent negative impact at the national level, followed by COVID-19 and, lastly, the explosion at the Port of Beirut on August 4, 2020.

Lebanon's economy has sunk into a deep depression and experienced its worst hyperinflation as the main political parties still debate over the formation of the new Cabinet: **a real GDP growth contracted by 20.3% in 2020 and project to contract by a further 9.5 percent in 2021**, while **Inflation reached triple digit while the exchange rate keeps losing value; poverty is rising sharply**, business closures, limited access to foreign exchange and imports, and decreased foreign remittances. Moreover, the entire country has felt the economic hardship, the already poor and vulnerable Lebanese and refugee populations have been particularly affected.



- ✓ **According to ESCWA more than 55% of Lebanon's population is now trapped in poverty and struggling for bare necessities.** The economic crisis has increased the poverty rate. **In the second half of 2020, roughly 35% of all Lebanese households faced challenges accessing food and meeting other basic needs, with 49% of households experiencing food shortages and 22% consuming inadequate diets. The unemployment rate reached 49% in 2020, a drastic increase from 11% in 2019**

Socioeconomic overview



✓ **Poverty is rising sharply; inflationary effects are highly regressive factors, disproportionately affecting the poor and middle class.** The social impact, already terrible, could become catastrophic; **more than half the country's population is likely below the poverty line**; a higher share of households is facing challenges in accessing food, healthcare and basic services; like poverty, unemployment is on the rise. **the total number of poor among the Lebanese population is currently about 2.7 million, taking the upper poverty line as reference (i.e., the number of people living on less than \$14 a day).** There is thus a significant erosion of the middle class, with **middle-income earners now forming less than 40% of the population.** The affluent group has also shrunk to a third of its size, from 15% to 5% of the population over the past year and the decline is continuing. Beyond the human tragedy, these add to Lebanon's long-term structural vulnerabilities, which include low-grade infrastructure, a dysfunctional electricity sector, water supply shortages, and inadequate solid waste and wastewater management, as well as weak public financial mismanagement, large macroeconomic imbalances, and deteriorating social indicators.



✓ In addition to the above brief, societal solidarity is indeed a necessity, as **Lebanon has one of the most unequal wealth distributions in the Arab region and the world.** In 2019, the richest 10% owned about 70% of all personal wealth in the country estimated at \$232.2 billion. While this percentage is expected to decrease due to the multiple shocks at play, high inequality in the distribution of wealth will persist. For the time being, Lebanon is becoming land of the most surreal paradoxes.

Socioeconomic overview



✓ **The social and economic crisis in Lebanon is turning into an education catastrophe, with vulnerable children facing a real risk of never returning to school. Since the pandemic, more than 1.2 million children in Lebanon have been out of school.** Poverty is a barrier to children's access to an education, as many families cannot afford learning equipment or have to rely on children to provide an income. the ongoing economic crisis is pushing remote learning out of reach for more and more children. **According to ESWA Children in Lebanon already had lower rates of literacy and numeracy than the average in countries across the Middle East.** The longer children are out of school, the more they will fall behind. Aside from missing out on learning, children out of school are at a higher risk to fall victim to child labor, child marriage and other forms of abuse and exploitation. Children with disabilities are also gravely impacted as they miss out on the developmental benefits of going to school and interacting with other children.

In the following slides, data is gathered from multiple sources to cover all indicators selected in the Global Social mobility Report. The 10 pillars selected are: Health, Education, Education access, Education quality and equity, Lifelong learning, Technology access, Work opportunities, Fair wage distribution, Working conditions, Social protection, Inclusive institutions. **Note** that Lebanon lacks official and updated data, so all figures presented in the coming section are based on most recent available reports done by organizations such as World Bank, UNDP, UNESCO, International Labor Organization, UN and many more specified subsequently.

Economic Pillars

Pillar 1: Health

Lebanon is a small middle-income country on the Eastern Mediterranean shore with a population of around 4 million Lebanese citizens, 1.2 million Syrian refugees, and half a million Palestinian refugees. It is at the third stage of its demographic transition characterized by a decline in both fertility and mortality rates. Moreover, Lebanon, like many countries in the Middle East is experiencing an epidemiological transition with an increasingly ageing population suffering from chronic and non-communicable diseases. Source: Institute for Health Metrics and Evaluation (healthdata.org)

➤ Adolescent birth rate:

The value for Adolescent fertility rate (births per 1,000 women ages 15-19) in Lebanon was 14.50 as of 2017. Source: UNDP, World Population Prospects.

➤ Malnutrition prevalence

Prevalence of underweight children is 4.2 Source: child growth standards released in 2006.

➤ Fertility rate

The fertility rate in 2019 according to Lebanon Institute for Health Metrics and Evaluation is 2.2.

➤ Life expectancy at birth (Global Burden of Disease 2017)

	2017	2100 (forecasted)
Females	80	84.7
Males	75.8	82.8

➤ Child mortality (DOI)

	1990	2019
Under-5	31.7	9.2
Under-1	27.5	7.8



Economic Pillars

Pillar 2: Education

In crisis-hit Lebanon, the pandemic coupled with an economic downturn means that children left for months without schooling due to coronavirus restrictions may never return to the classroom, a UK-based charity warned. "The social and economic crisis in Lebanon is turning into an education catastrophe, with vulnerable children facing a real risk of never returning to school," More than 1.2 million children in Lebanon have been out of school since the country's coronavirus outbreak began last year, Save the Children said.

➤ Education Access

Gross Enrollment Rate by Level of Education

	2007	2008	2009	2010	2011	2012
Pre-Primary Education	74.1%	75.3%	78.5%	82.5%	84.9%	91.1%
Primary Education	101.5%	101.4%	102.4%	103.4%	103.7%	106.6%
Intermediate Education	83.9%	83.0%	84.9%	85.2%	85.9%	86.3%
Secondary Education	68.1%	67.5%	67.6%	64.0%	66.8%	62.6%

Source: UNESCO Institute of Statistics

➤ Out of school

Table 1. Youth population by educational status, 2014 (%)

Educational status	Total	Male	Female
Never attended school	0.3	0.3	0.3
Dropped out before graduation or completion of school	27.2	33.1	21.0
Currently attending school	54.0	49.8	58.4
Education completed	18.5	16.8	20.4
Total	100	100	100

➤ Youth Labor Market

Table 2. Key youth labour market indicators – traditional distribution, 2014 (%)

	Total	Male	Female
Employed	39.3	52.3	25.6
Unemployed (strict definition)	6.1	6.1	6.0
Inactive	54.6	41.6	68.4
Total	100	100	100
Youth labour force participation rate	45.4	58.4	31.6
Youth unemployment rate (strict definition)	13.3	10.5	19.0

Note: The "strict" definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The "broad" definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

Table 3. Key youth labour market indicators – alternative distribution, 2014 (%)

	Total	Male	Female
In regular employment	30.4	41.2	19.1
In irregular employment	8.6	10.6	6.4
Unemployed (broad definition)	7.8	7.6	8.0
Inactive students	43.6	39.4	48.1
Inactive non-students	9.5	1.1	18.4
Total	100	100	100
Youth labour force participation rate (broad definition)	46.8	59.5	33.5
Youth unemployment rate (broad definition)	7.8	7.6	8.0
Youth labour underutilization rate	26.0	19.4	32.8

Economic Pillars

Pillar 3: Education Quality and Equity

Lebanon needs to urgently embark on a comprehensive reform agenda that puts students at the center of the education sector and prioritizes quality of education for all, according to a new World Bank report. According to the report, low levels of learning and skills mismatch in the job market have put the future of generations of Lebanese children at risk and imply a critical need for more and better targeted investments in the sector. The report, titled “Foundations for Building Forward Better: An Education Reform Path for Lebanon”.

➤ Pupil to teacher ratio in primary education

Pupil-teacher ratio, primary in Lebanon was 12.48 as of 2017. Its highest value over the past 36 years was 17.90 in 1981, while its lowest value was 12.05 in 2013. Source: UNESCO Institute for Statistics

➤ Pupil to teacher ratio in secondary education

7.7 (students per teacher) in 2014

➤ Lack of education materials among disadvantaged students

In 2000, Lebanon passed Law 220 that, among other things, guaranteed disabled individuals the right for an education free from discrimination, as well as equal opportunities within private and public educational institutions. Yet, an implementation decree has not been developed or agreed on by relevant ministries. Human Rights Watch (HRW) carried out research between January and June 2017. Based on interviews with disabled children and their families, HRW concluded that, “children with disabilities were excluded from public schools due to discriminatory admission policies, lack of reasonable accommodations, a shortage of sufficiently trained staff, lack of inclusive curricula (including no individualized education programs), and discriminatory fees and expenses that further marginalize children with disabilities from poor families.”



Economic Pillars

Pillar 4: Lifelong learning

Country Profiles

Lebanon

105th / 137

WORLD
ECONOMIC
FORUM

The Global Competitiveness Index 2017-2018 edition

Key indicators, 2016

Source: International Monetary Fund; World Economic Outlook Database (April 2017)

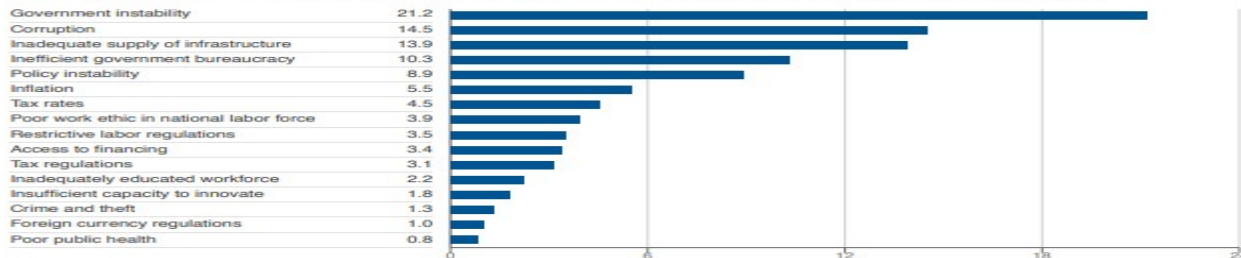
Population millions	4.6	GDP per capita US\$	11,308.9
GDP US\$ billions	52.0	GDP (PPP) % world GDP	0.07

Performance overview



Most problematic factors for doing business

Source: World Economic Forum, Executive Opinion Survey 2017



Economic Pillars

Pillar 5: Technology access

Lebanon's population

- Lebanon had a population of 6.80 million in January 2021.
- Lebanon's population decreased by 43 thousand (-0.6%) between January 2020 and January 2021.
- 49.6% of Lebanon's population is female, while 50.4% of its population is male [note: the United Nations does not publish data for genders].
- 89.0% of Lebanon's population lives in urban centers, while 11.0% lives in rural areas.

Internet users in Lebanon

- There were 5.31 million internet users in Lebanon in January 2021.
- The number of internet users in Lebanon decreased by 34 thousand (-0.6%) between 2020 and 2021.
- Internet penetration in Lebanon stood at 78.2% in January 2021.

Social media statistics for Lebanon

- There were 4.37 million social media users in Lebanon in January 2021.
- The number of social media users in Lebanon remained unchanged between 2020 and 2021.
- The number of social media users in Lebanon was equivalent to 64.3% of the total population in January 2021.

Note: Figures for social media users shown here and in our complete Digital 2021 reports may not equate to unique individuals. We have also included new sources in this year's social media figures, so numbers shown here and in our Digital 2021 reports will not be comparable with numbers published in our previous reports.

Mobile connections in Lebanon

- There were 4.57 million mobile connections in Lebanon in January 2021.
- The number of mobile connections in Lebanon increased by 35 thousand (+0.8%) between January 2020 and January 2021.
- The number of mobile connections in Lebanon in January 2021 was equivalent to 67.3% of the total population.

Fixed broadband

- Fixed broadband subscriptions (per 100 people) in Lebanon was reported at 6.1263 per 100 people in 2019

Rural electricity access

- Access to electricity, rural (% of rural population) in Lebanon was 100.00 as of 2017. Its highest value over the past 13 years was 100.00 in 2017, while its lowest value was 98.76 in 2006. Source: World Bank, Sustainable Energy for All (SE4ALL)



Economic Pillars

Pillar 6: Work opportunities



According to the International Labor Organization database **December 2019**:

Unemployment rates vs education	
Unemployment with basic education (% of total labor force with basic education)	9.61%.
Unemployment with basic education, male (% of male labor force with basic education)	8.61%
Unemployment with basic education, female (% of female labor force with basic education)	14.27%
Unemployment with advanced education (% of total labor force with advanced education)	14.49%
Unemployment with advanced education, male (% of male labor force with advanced education)	12.8%
Unemployment with advanced education, female (% of female labor force with advanced education)	16.53%
Unemployment with intermediate education (% of total labor force with intermediate education)	12.36%
Unemployment with intermediate education, male (% of male labor force with intermediate education)	

Economic Pillars

Pillar 7: Fair wage distribution



The minimum monthly wage in Lebanon currently ranks among the lowest worldwide amid a continued collapse of the Lebanese pound to the US dollar, which sank to a record low of 23,000 on the black market, **“Lebanon ranks among the 10 countries in the world with the lowest minimum wages,” the minimum monthly wage stands at LL675,000 or around \$29 when calculated at a market rate of LL23,000 per US dollar.** Prior to the current economic crisis, **Lebanon's minimum monthly wage stood at \$450 when the US dollar was priced at the old official rate of LL1507.5**

Lebanon is followed by Afghanistan, Sri Lanka, Angola, Gambia, Yemen, Malawi, Ethiopia, Eritrea and Sudan in the ranking of countries with the lowest minimum wages,”

Note: figures are extremely unstable and this volatility is making things even harder on anyone having a business in Lebanon since pricing is becoming an extremely tricky matter.

Some wages are being adjusted but those who are still getting paid in Lebanese pound are suffering from a nearly vanished purchasing power.

Economic Pillars

Pillar 8: Working conditions



- Lebanon is struggling with security risks besides increasing political tensions and an economic downturn. It exhausted the public finances and burden of high debt. Lebanon is further affected hard by a standstill of economic activities under coronavirus impact in 2020. Although central labor tripartite structures are established, they are often ineffective or blocked for political reasons. The government has initiated to reactivating these functions in 2019. However, the fragile social stability and unwieldy cooperation in labor-employment relations have stymied the social dialogue environment. Labor Law reforms stalled during the 2010s with only a few legislation approvals. A tripartite committee was established in 2019 to revise the labor bill. Among others, this legislation has several flaws concerning international standards regarding the right to organize, the right to collective bargaining, and the right to strike. In practice, workers experience systematic violations of rights, including widespread anti-union discrimination.
- The minimum wage system has been criticized for being out of date. Formal wages and general labor regulations are shadowed by the fact that close to one out of two (44%) worker is in informality – often in microenterprises. This situation keeps many workers in loopholes of labor and business regulations due to lack of awareness or incentives. Lebanon has not yet ratified the fundamental Freedom of Association and Protection of the Right to Organize Convention. In the aftermath of the Lebanese civil war (1975-1990) more than half (54%) of 50, trade union federations are confessional, belonging to one political party and constituting members from solely one religious' orientation. Political disputes have resulted in a fragmentation of the trade union movement. Public sector employees are legally prohibited from unionism. Instead, these latter employees join leagues that act like unions. Reliable updated data of trade union membership and trade union density are not available. An employee is entitled to 15 days' annual leave on full pay after completing one year of employment. The employer may determine the timing of such annual leave based on work requirements.
- **Unfortunately, Lebanon, so rich in great brains and potent minds, cannot be a model for meritocracy but rather has a “patronage system” that favors political power, wealth and celebrity over merit, achievement and intelligence.**



Pillar 9: Social Protection

Economic Pillars

Lebanon lacks a coherent and comprehensive system for social protection. Over half the population is not covered by any form of health insurance, and retirement schemes exclude the most vulnerable and poor. Moreover, the absence of health insurance is highly correlated with unemployment. **NGOs play a major role in providing social assistance to those cut off from formal protection systems.** In a country like Lebanon, faced with continuing political instability and its adverse impact on the country's economic performance and the people's living conditions, **social protection becomes even more essential.** However, is social protection given the priority it deserves? A major characteristic of social security mechanisms is that those most in need are the least covered.

Regional disparity is a characteristic of poverty and inequality in the country, and disparity in health insurance follows the same pattern as disparity in other socioeconomic indicators. The peripheral regions like the Bekaa, South Lebanon, North Lebanon and Nabatieh have lower numbers of beneficiaries of insurance schemes compared to central regions like the capital city Beirut and Mount Lebanon.

Social protection mechanisms take two major forms. The first is that of institutional and formal mechanisms funded by contributions from the beneficiaries or their employers. Coverage by these institutions and mechanisms is based on the fulfilment of certain criteria, usually employment, as mentioned above. The second form is basically comprised by ad hoc interventions and programmes such as social assistance, relief efforts and credits that are financed by external or local funds and are usually managed by the government, civil society institutions, international organizations or the private sector.

Pillar 10: Inclusive institutions

MIDDLE EAST AND NORTH AFRICA

LEBANON

201
9

Score	Rank	Score change
28/100	137/180	↓ -2 since 2012

MIDDLE EAST AND NORTH AFRICA

LEBANON

202
0

Score	Rank	Score change
25/100	149/180	↓ -5 since 2012