

LEBANON CRISIS

THE FREE FALL INTO NEW FORMS OF POVERTY

Sept 12, 2022 - V1.3



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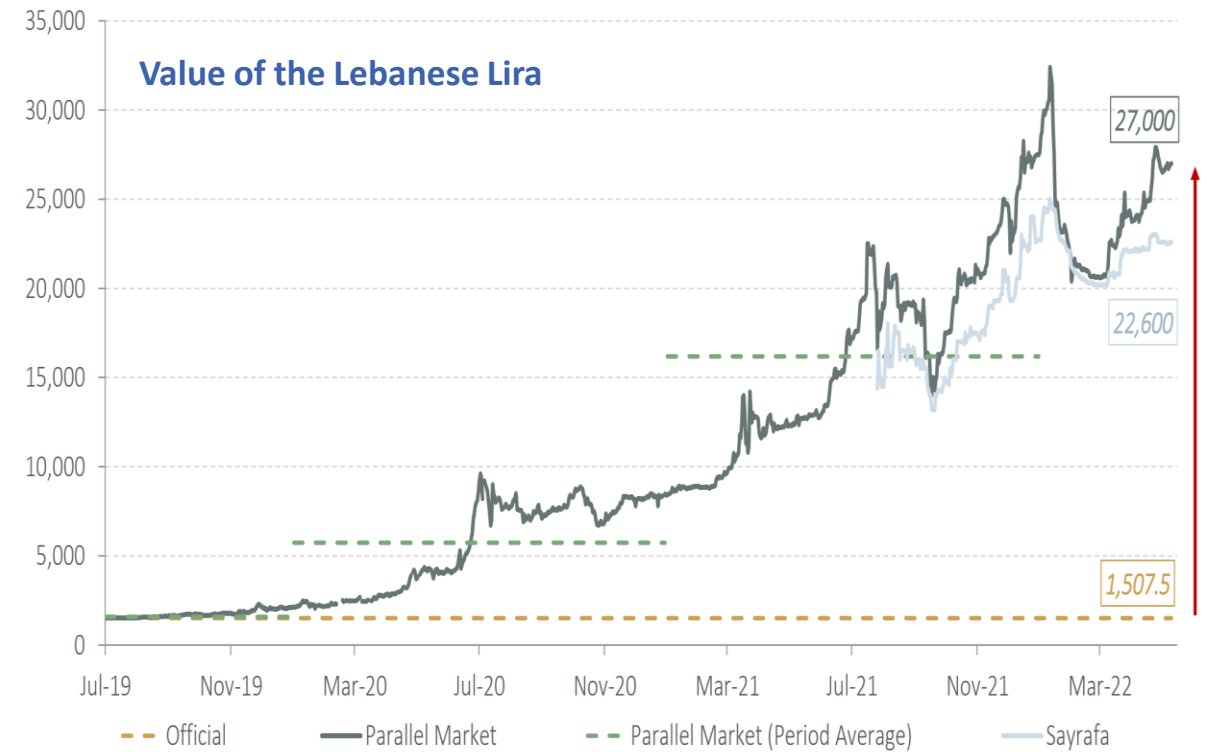
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BACKGROUND



LEBANESE CRISIS HITS !

Since 2019, Lebanon has endured a severe and prolonged economic and financial crisis. This volatile environment is drastically affecting all sectors in the country, with an urgent need to assess the resultant deprivation of individuals and households and develop effective social safety nets.



THE LEBANESE STATE RESPONSE: ESSN and NPTP

The National Poverty Targeting Program (NPTP) is the first poverty-targeted social assistance program in Lebanon. Presided over by the Presidency of Council of Ministers (PCM) and Ministry of Social Affairs (MoSA) since 2011, the NPTP targets extreme poor Lebanese households.

In light of the economic crisis in Lebanon, which has pushed many more Lebanese into extreme poverty, the Lebanon Emergency Crisis and Covid 19 Response Social Safety Net Project (ESSN), also under MoSA and the PCM, was created as an add-on to the NPTP to further extend social assistance programming.

The main difference between the two programs, which both rely on proxy means testing (PMT) methodology, is mainly the mode of registration. For NPTP, registration is done in person through SDCs. Meanwhile for ESSN, registration was done online through the DAEM platform. By digitizing registration, DAEM was designed to increase the reach and efficiency of registration and distribution and ensure proper governance.



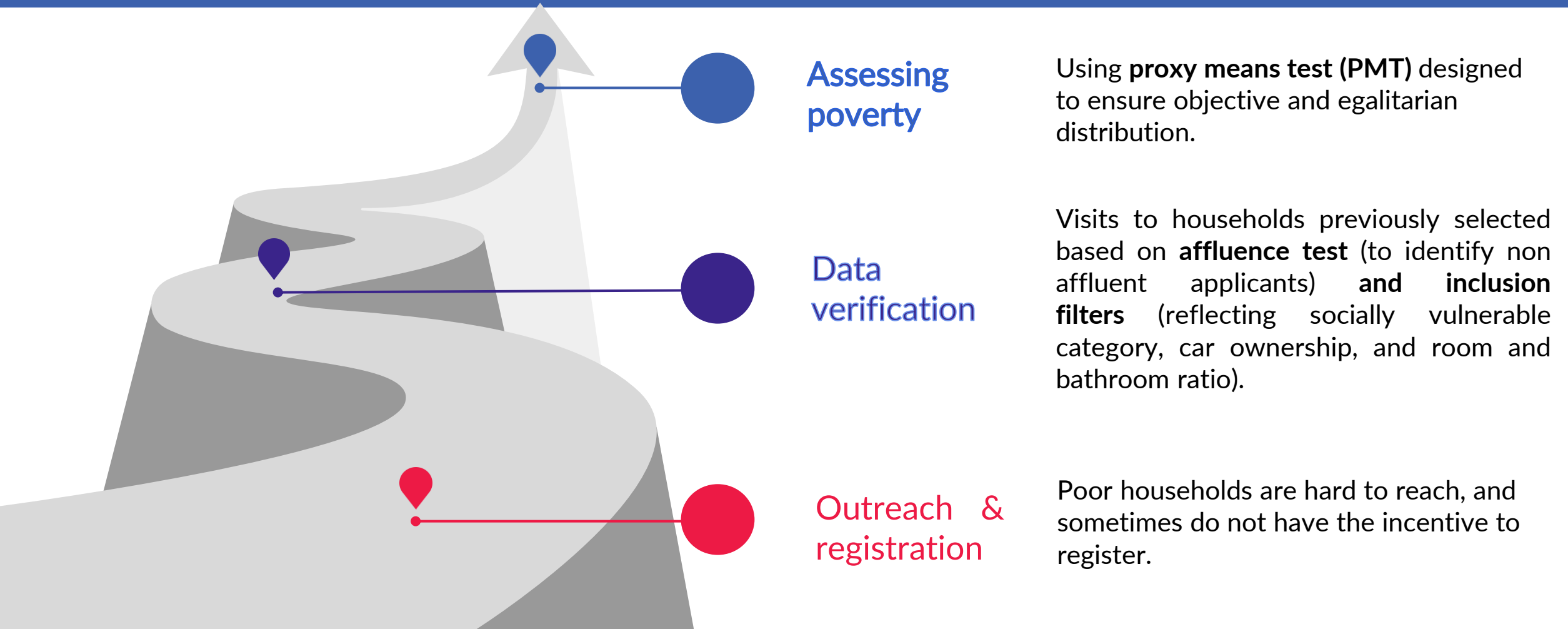
COMPARING NPTP AND ESSN

NPTP and ESSN have comparable targets and approaches, but were initiated at different times, using different registration channels.

	NPTP	ESSN
Date Started	2011 with WB Funds	2021 with WB Funds
Objective	Support extreme poor	Support extreme poor
Target beneficiaries	75,000	150,000
Enrolled so far	70,000	70,000
Outreach	Paper applications through MoSA Social Development Centers	Registration online on DAEM platform
Data validation	WFP via Mosa SDCs	WFP via private survey firms integrated on DAEM platform
Operated by	MoSA, PCM	MoSA, PCM
Payment process	PMT scoring	PMT scoring
Oversight	Inter-ministerial Committee	Central Inspection, TPMA, Inter- ministerial Committee

NPTP AND ESSN METHODOLOGY

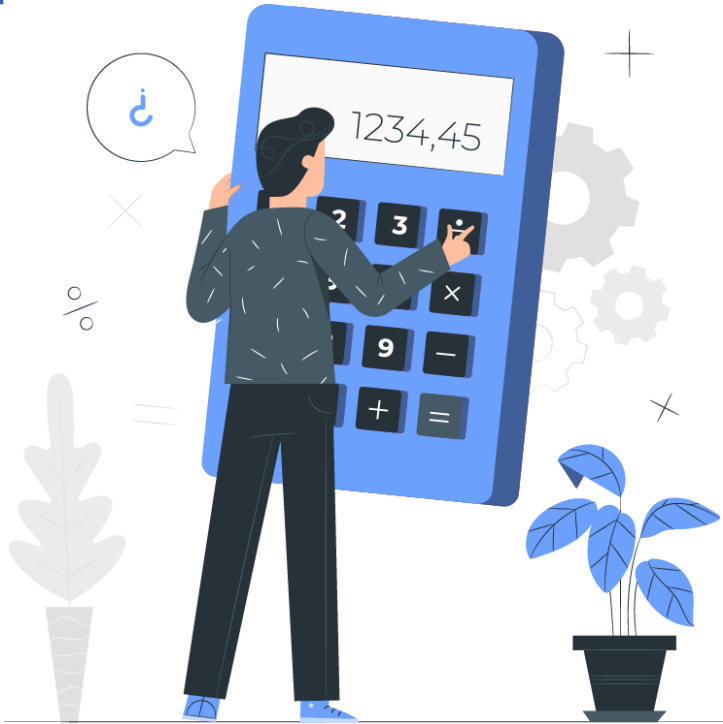
NPTP and ESSN operate in 3 stages: outreach, data verification and poverty assessment.



PROXY MEANS TEST

The ESSN and NPTP use the same methodology for selection of beneficiaries, known as the proxy means test (PMT). The PMT uses proxy variables for income, such as number of children, home ownership, etc. to estimate poverty. Households with scores below a constant PMT threshold are eligible for ESSN.

Based on a statistical analysis of the population, different weights are assigned to the variables depending on their influence on household consumption.



<i>variable</i>	<i>coefficient</i>
<i>Household owns the house</i>	100
<i>One child in the household</i>	40
<i>Two children in the household</i>	30
<i>Three or more children in the household</i>	20
<i>Household owns cattle</i>	200
<i>Household owns a bicycle</i>	300
<i>Household owns a car</i>	800
<i>Dwelling walls made of brick</i>	100
<i>Dwelling walls made of tin</i>	0
<i>Dwelling walls made of clay</i>	-100
Constant	1000

N.B: The data shown in the graph is dummy data and does not reflect the real variables and coefficients used due to their confidentiality.

CHALLENGES OF THE LEBANESE CRISIS

The PMT was designed based on an evaluation of the socioeconomic situation in Lebanon. How effectively these variables and weights correspond to the dynamic nature of poverty volatility under the current crisis in Lebanon, that threw many households below the extreme poverty line, remains to be seen.

Education

Do we need to revise weights of indicators to target the most affected by the crisis falling below extreme poverty?



Living Standards

Crisis may hit owners of big homes harder and threw them into extreme poverty. Do we need to adjust relevance of home size and home appliances?

Health

Do we need to distinguish between total and partial insurance coverage? To take into consideration difficulties to access NSSF and subsidized medication?

Financial Security

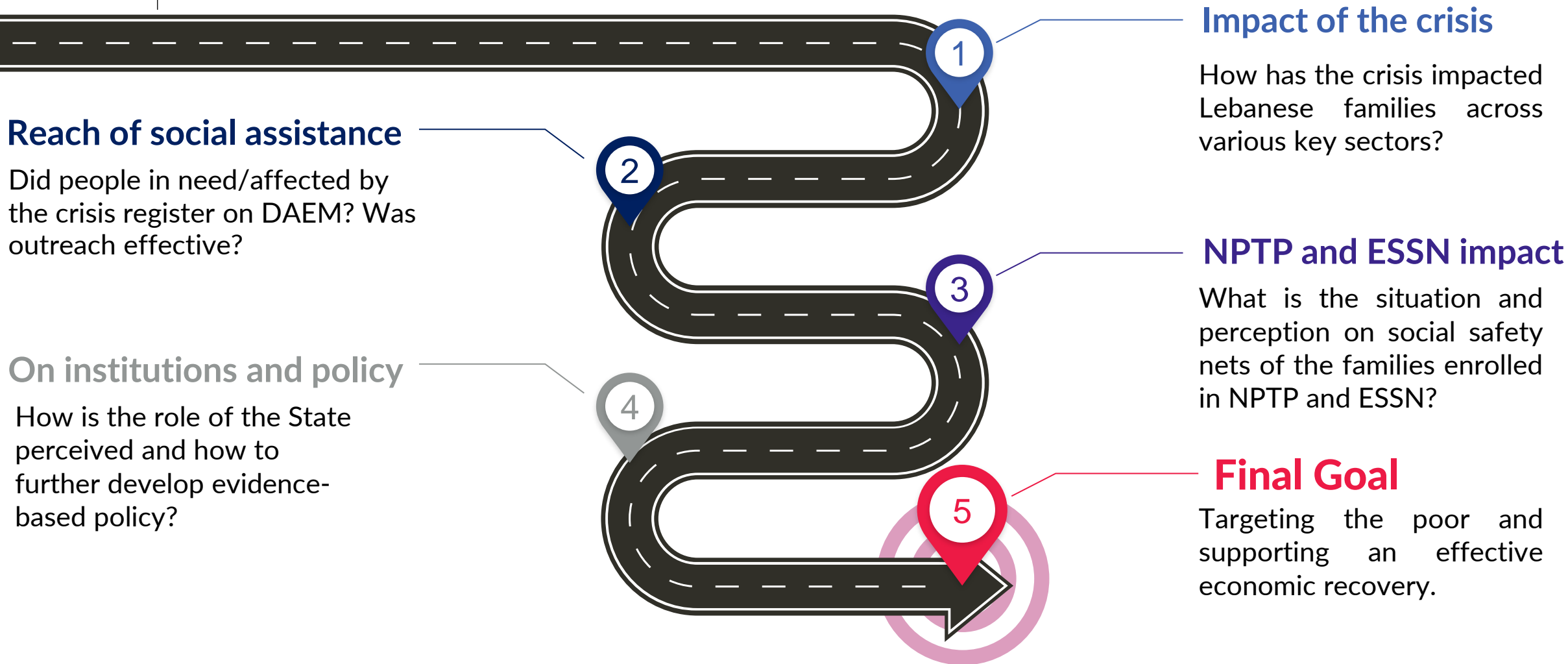
Regular employment doesn't mean much anymore. Do we need to take into consideration inflation and currency depreciation which created a new definition for extreme poverty yet to be explored?

Basic Infrastructure

How can we account for the affordability of fuel and oil?

RESEARCH QUESTIONS AND OBJECTIVES

Lebanese crisis



APPROACH AND METHODOLOGY



THE TEAM

We were 23 students, visiting North, South, Bekaa, Mount Lebanon, the streets of Beirut, and knocking on doors to learn more about poverty in Lebanon and how the State responds to the needs of citizens.

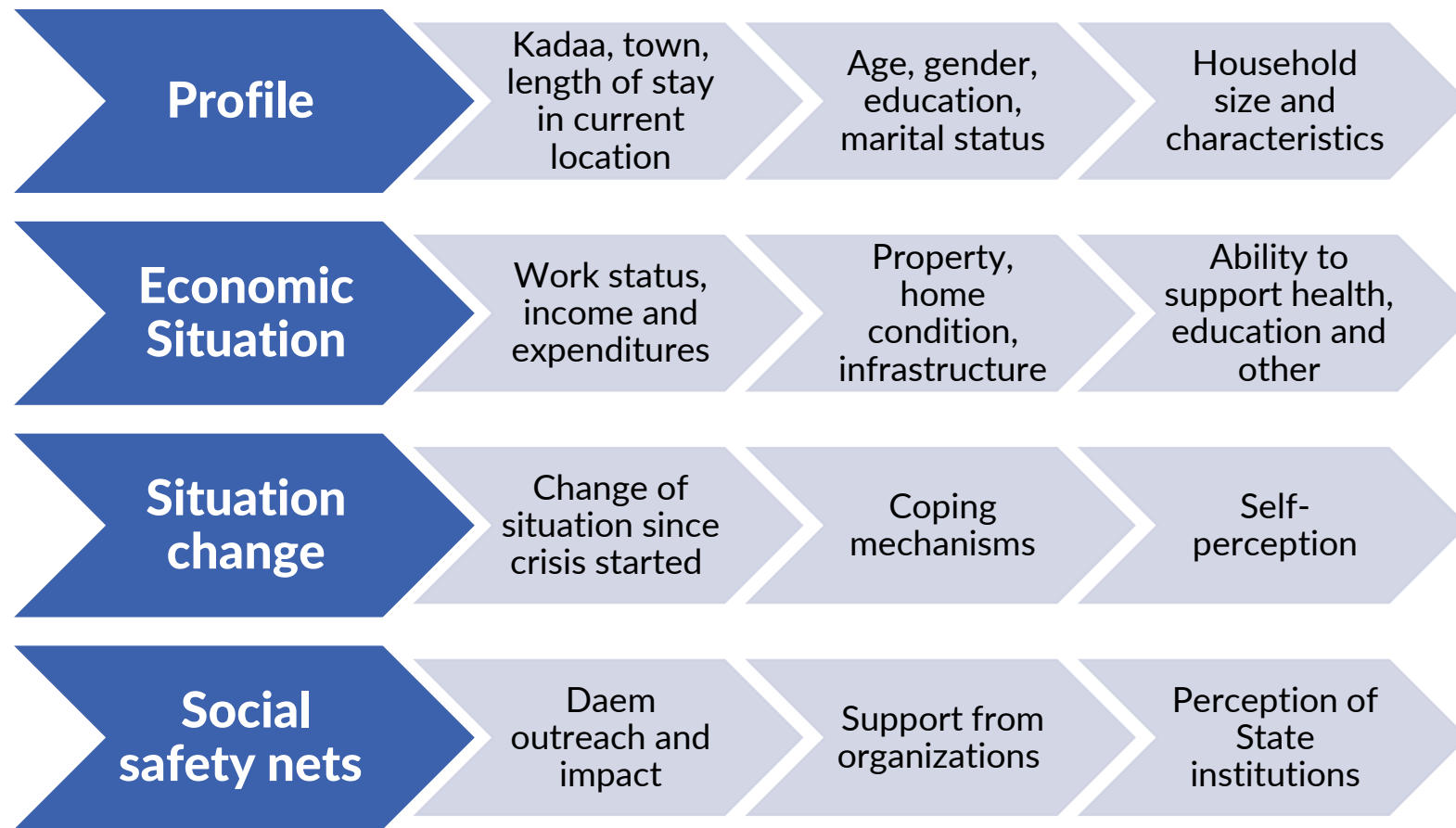
Teams of two did the interviews logging the answers on tablets and taking qualitative notes from side discussions.

Respondents were not always the head of households, but information about all members was collected and the head of household was flagged in the questionnaire.

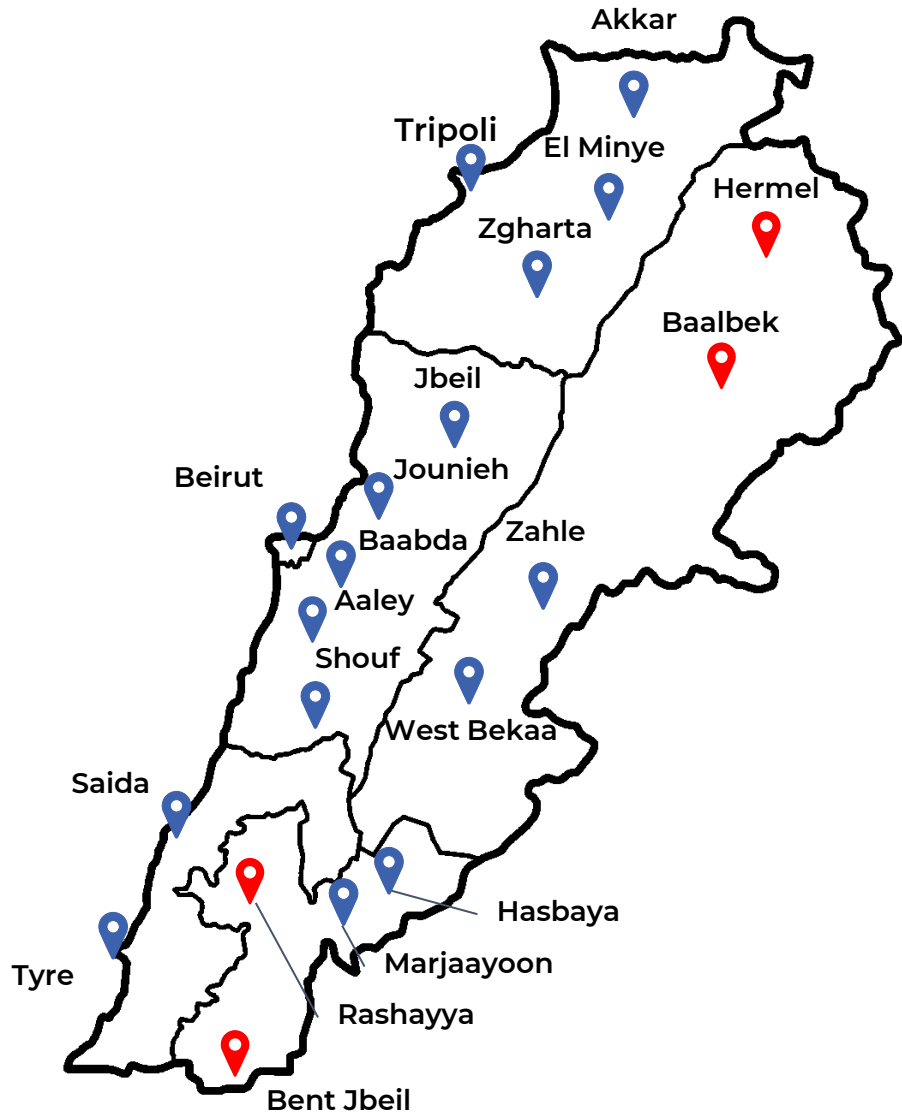


QUESTIONNAIRE

The questionnaire covered the profile of respondents, their economic situation, the impact of the crisis and their perception/relation to social safety net programs.



FIELD SURVEY, SAMPLING AND STRATIFICATION



Survey visits were based on a sample covering major areas selected through a combination of CAS, DAEM, NPTP, and other statistical references. A balanced scoring provided weights across regions for a stratified sample. The surveyors approached 1728 individuals in total, out of which 1328 surveys were collected, based on three sets of criteria: being Lebanese, living or working in the surveyed area and consenting to take part of the survey.



Survey Field Deployment



Data Cleaning and Labeling



Data Analysis and Report building



1328

Respondents

18

Cazas visited

4

Cazas not visited due to difficulty of access

23

Enumerators

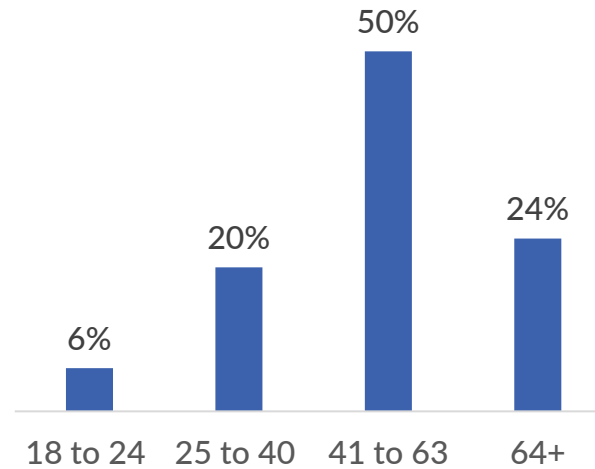
RESPONDENT AND HOUSEHOLD PROFILE



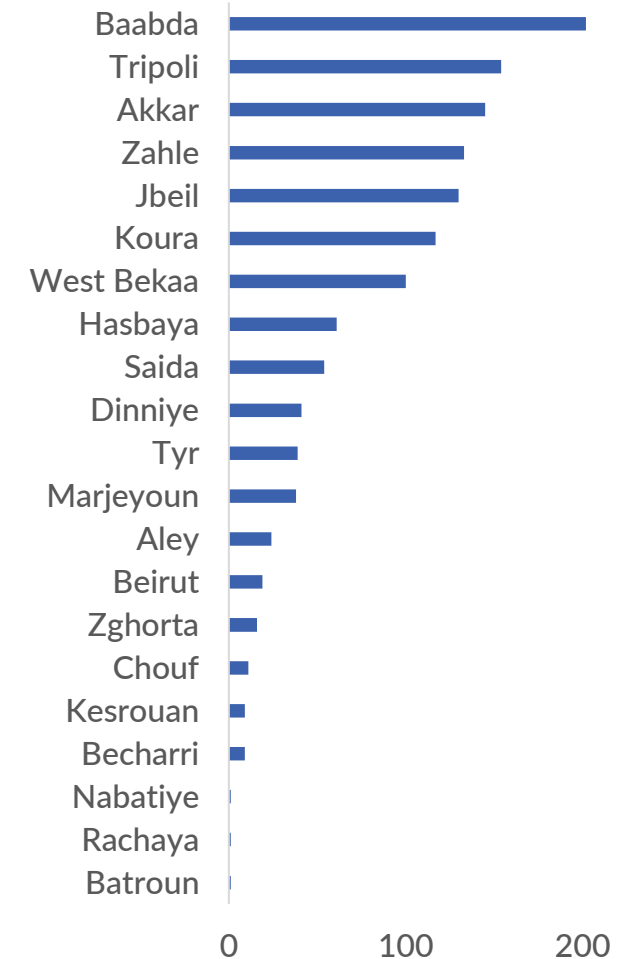
AGE & MARITAL STATUS OF RESPONDENTS

- The sample had the biggest proportion of respondents in Baabda, Tripoli, Akkar, Zahle, Jbeil and Koura.
- Baalbeck, Hermel, Nabatiye, and Bent Jbeil were not represented due to difficulty of access.
- Respondents were almost half men and half women.
- 69% of the respondents were the head of HH.
- 50% of them were between 41 and 63 years old, and 65% were married.

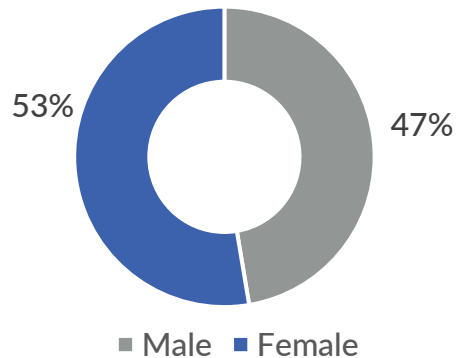
Age of Respondents



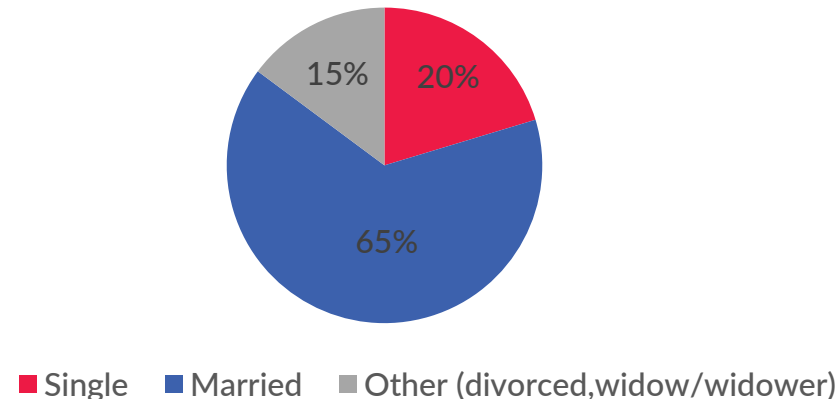
Geographical breakdown



Gender of Respondents



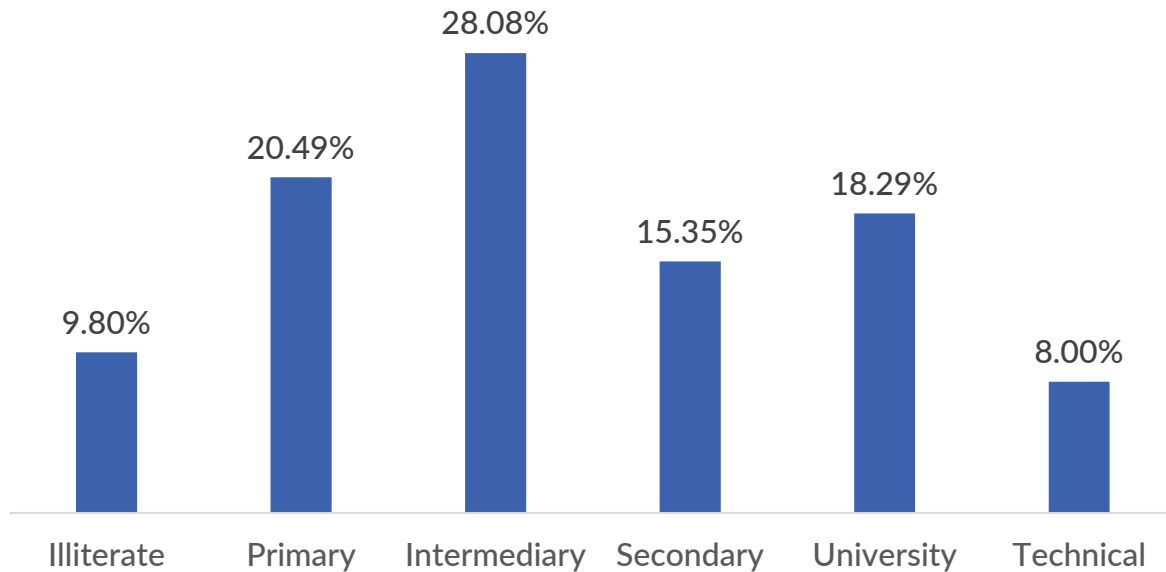
Marital Status of Respondents



EDUCATION & WORK STATUS OF THE RESPONDENTS

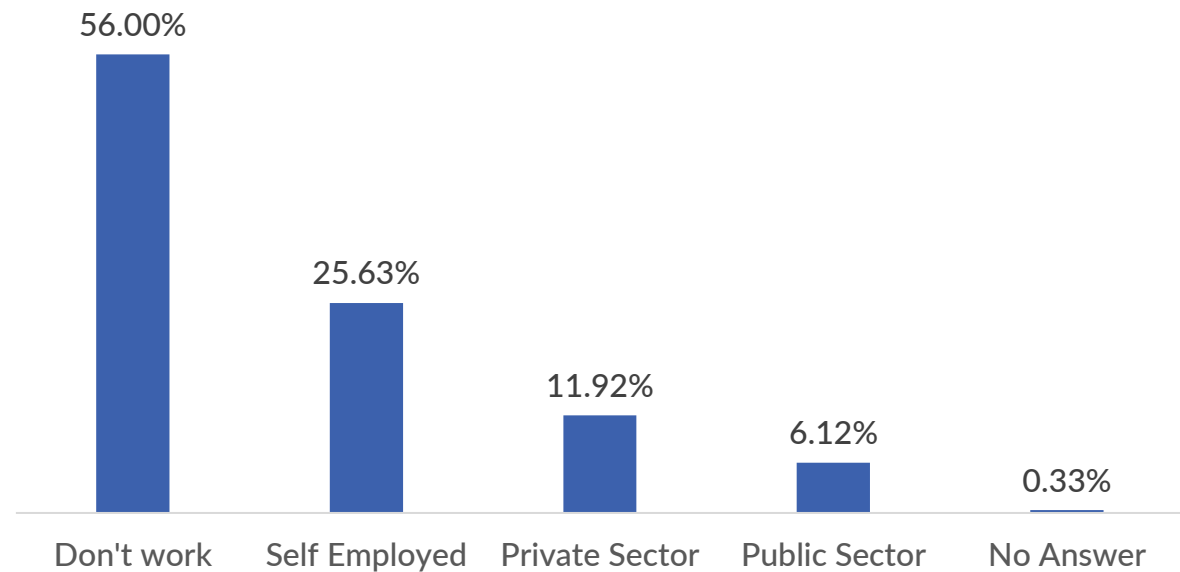
Respondents were asked to provide information about their education level and their work status, whether active or inactive, to have a better assessment and understanding of their profile.

Education



- 10% of the respondents are illiterate.
- 49% of respondents have not gone past the “brevet”.

Work Status

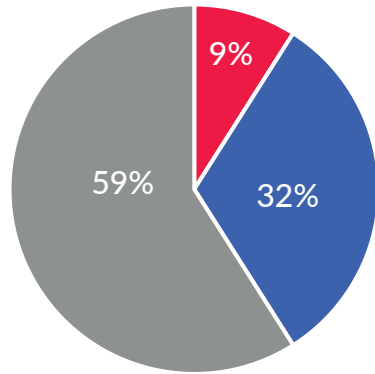


- Most of the economically active respondents were **self-employed**.
- 12% of respondents work in the **public sector**.

RESPONDENTS' SOCIO-ECONOMIC PROFILE: PROBLEMATIC ACCESS TO HEALTHCARE

59% of respondents said that they do not have any health care coverage and 32% only have partial insurance. At the same time, 52% of respondents suffer from disability or medical issues and 80% said that their ability to provide medication has gotten worse or much worse due to the crisis.

Healthcare coverage of respondents



■ Full Insurance ■ Partial Insurance ■ No Insurance

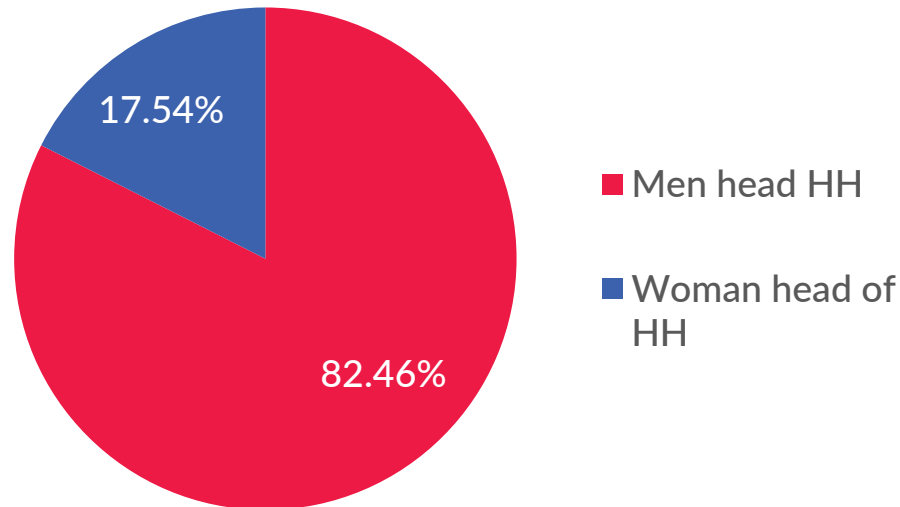
61% of households have members with chronic illnesses

15.5% of households have members that suffer from disabilities

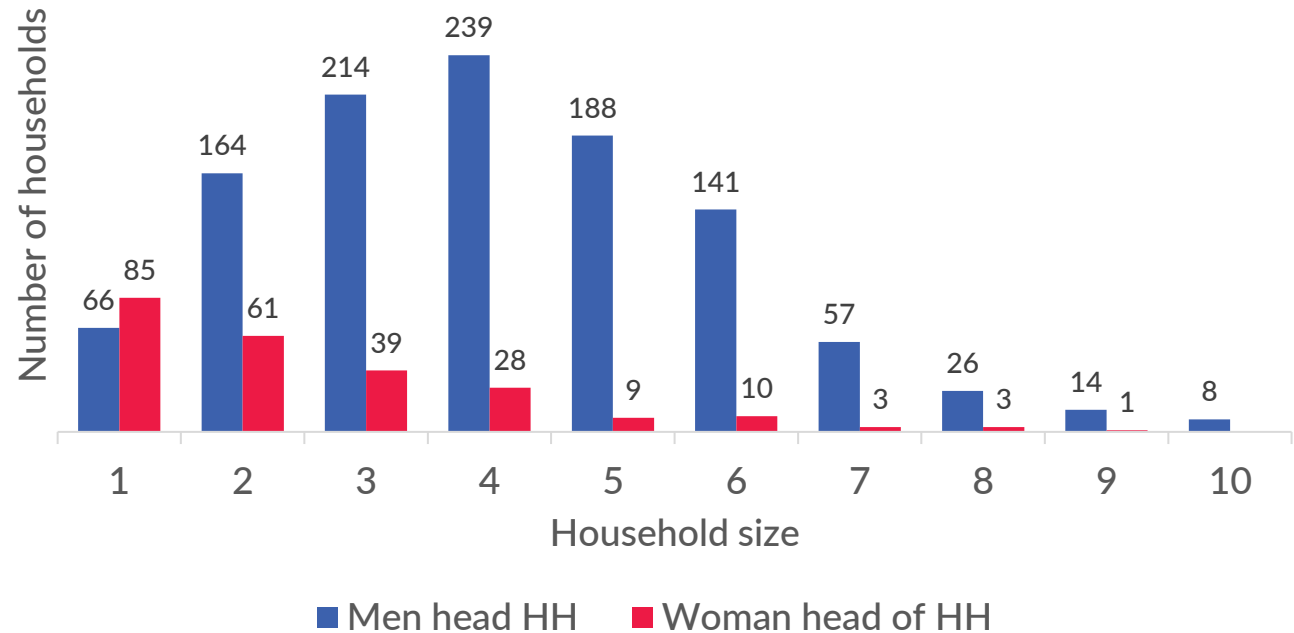
WHO'S THE HEAD OF THE HOUSEHOLD?

17.54% of heads of households included in the sample were exclusively headed by women. Household size varied between 1 and 10 with an average household size of 3.9. It seems that women are more likely to head smaller households.

Head of Household Gender



Head of household gender by household size

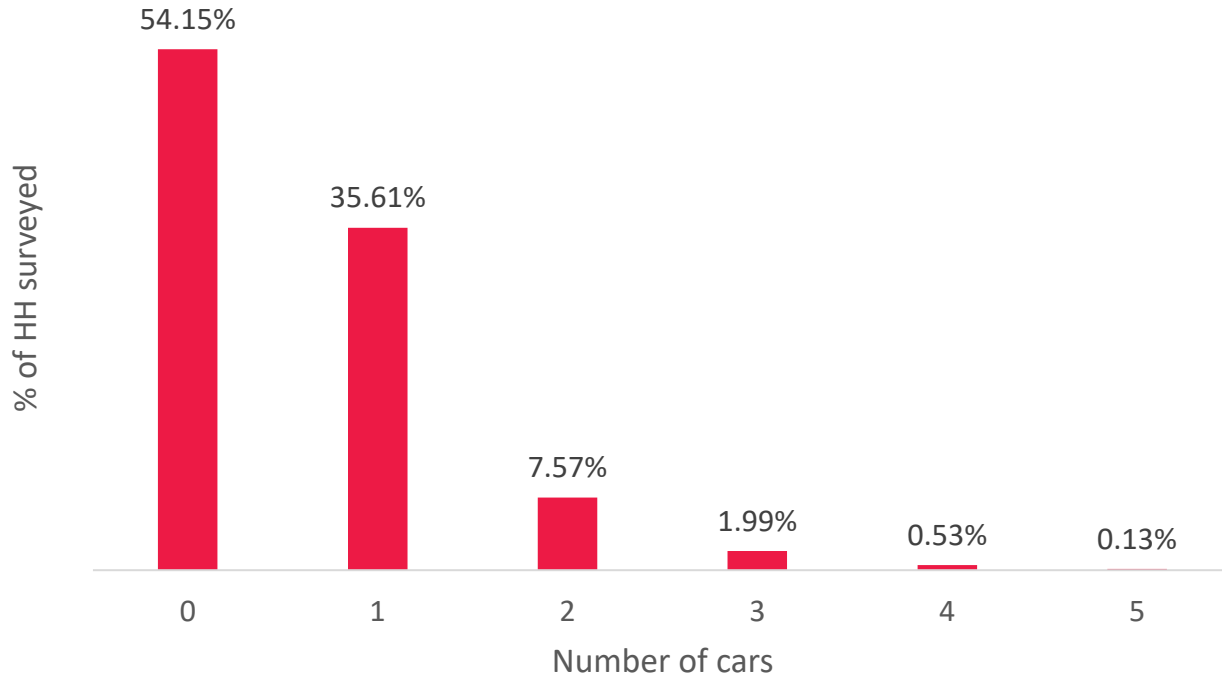


HOUSEHOLD PROPERTY

Car ownership by household is **mainly 0 or 1**, with less than 10% owning more than 2 cars.

Two thirds of the households own their homes, **most** of them live in apartments or houses.

Number of cars per household



98% of households live in apartments or houses

66% of households own their homes

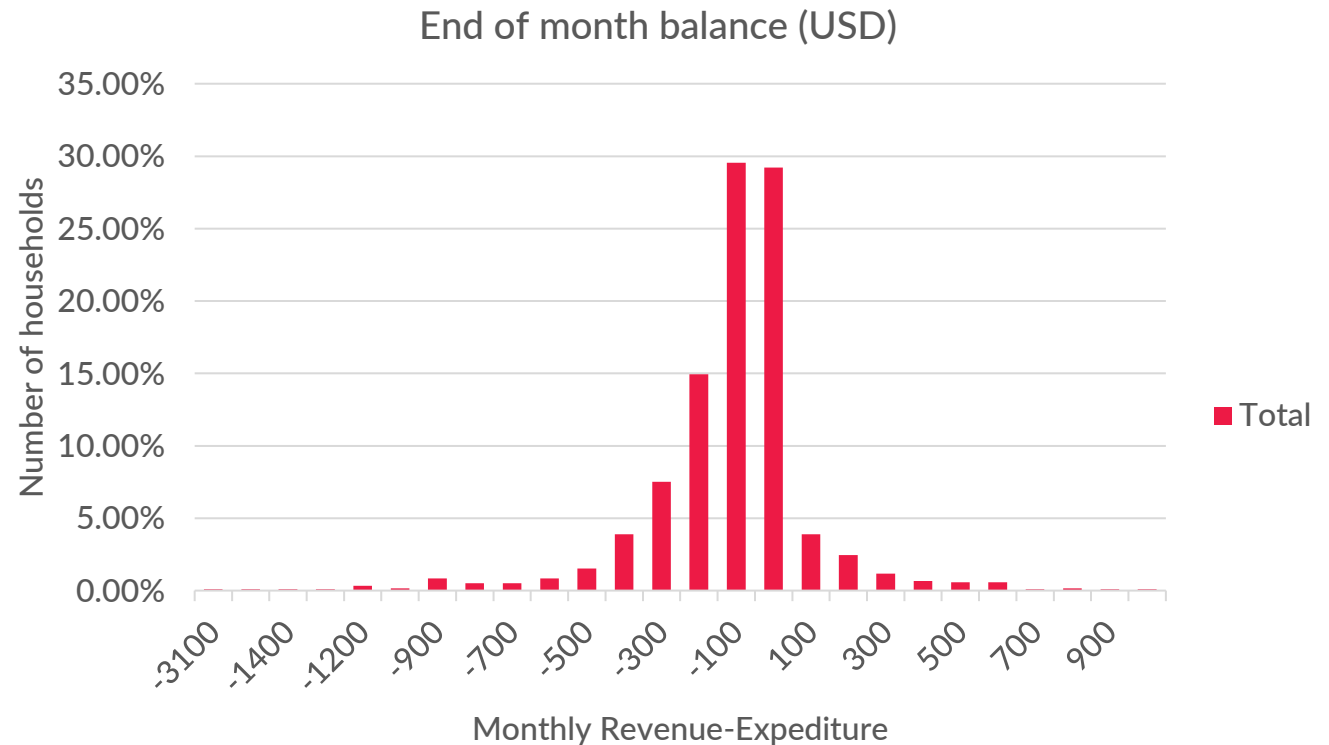
REVENUE & BALANCE

Respondents were asked to report about their household revenue and expenditure. The difference was used to compute the end of month balance which turned out to be negative in most of the cases.

56% of respondents have a revenue that does not exceed 5 million per month

30% of respondents break even at the end of the month

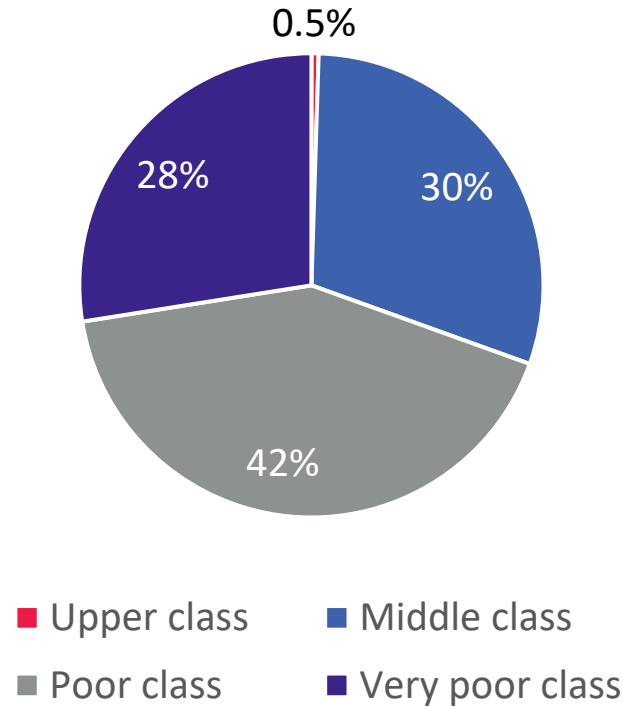
61% of respondents have a negative balance at the end of the month



“MIRROR, MIRROR, WHAT DO YOU SEE?”

42% of the respondents identified their household as poor and 30% of the respondents identified their household as middle class. This could be an indication that respondents are sometimes unaware of their situation.

Which social category does your household belong to?



30% of the respondents identified their household as middle class without their household income differing from the other respondents identified as poor. This self-perception stands in contradiction to answers reporting worsening conditions and limited ability to provide basic needs (transportation, food, water, heating and other).

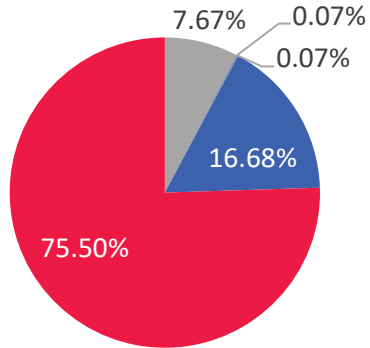
WHAT DID THE CRISIS IMPACT MOST?



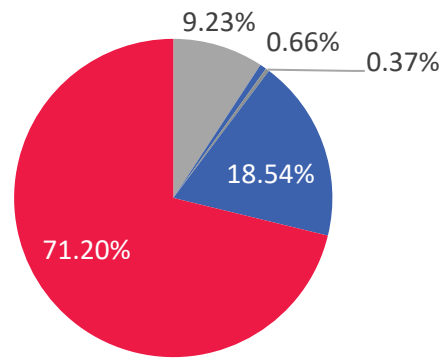
IMPACT OF THE CRISIS ON RESPONDENTS

The respondents' ability to pay transportation & electricity are among the most impacted (75% considered that their ability to access transportation worsened a lot, and 72% considered that their access to electricity worsened a lot). Worsening access to transportation, meanwhile, also negatively affects access to education. Access to food was also heavily impacted by the crisis (worsened a lot for 68%).

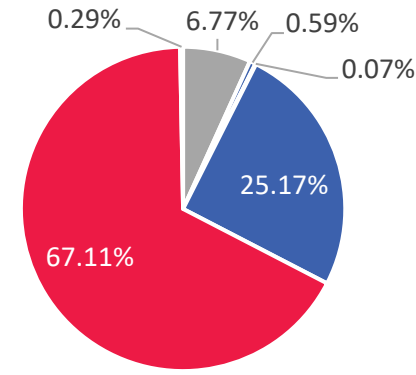
How much did the crisis impact your access to transportation?



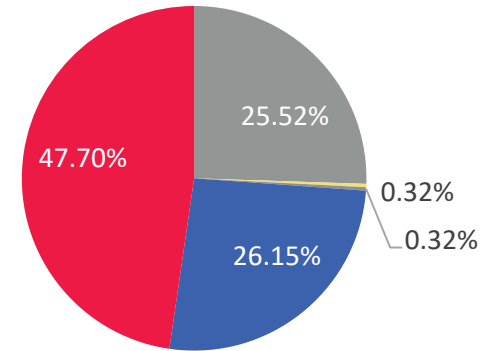
How much did the crisis impact your access to electricity?



How much did the crisis impact access to food?



How much did the crisis impact your access to education?



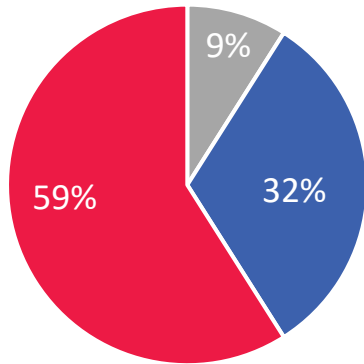
■ Worsened a lot ■ Worsened ■ No impact

“ I want to provide education for my kids, but how can I take them to school? – man from Akkar ”

IMPACT OF THE CRISIS ON RESPONDENTS: MEDICAL CARE AND MEDICATION

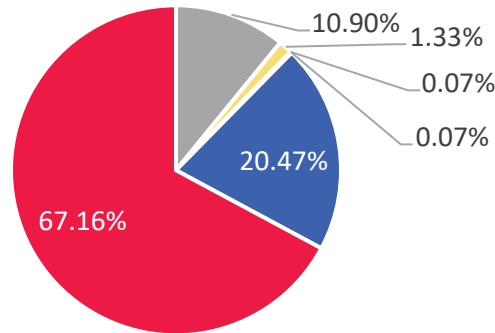
More than 88% of respondents stated that medical care and access to medication got worse with the crisis, with most lacking any healthcare coverage.

Healthcare coverage of respondents



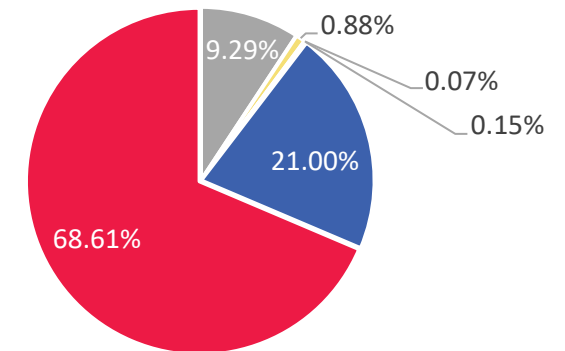
■ Full Insurance ■ Partial Insurance ■ No Insurance

How much did the crisis impact access to medical care?



■ Improved a lot ■ Improved ■ I don't know ■ Didn't change ■ Worsened ■ Worsened a lot

How much did the crisis impact access to medication?



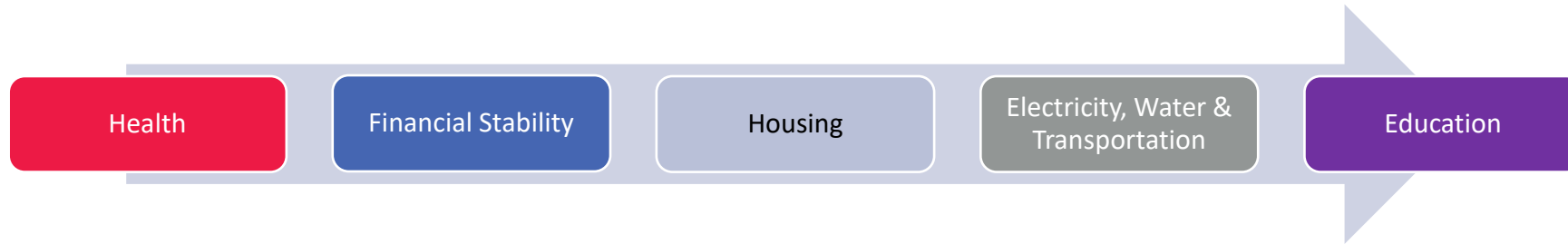
■ Improved a lot ■ Improved ■ I don't know ■ Didn't change ■ Worsened ■ Worsened a lot

58% of households have members with chronic illnesses

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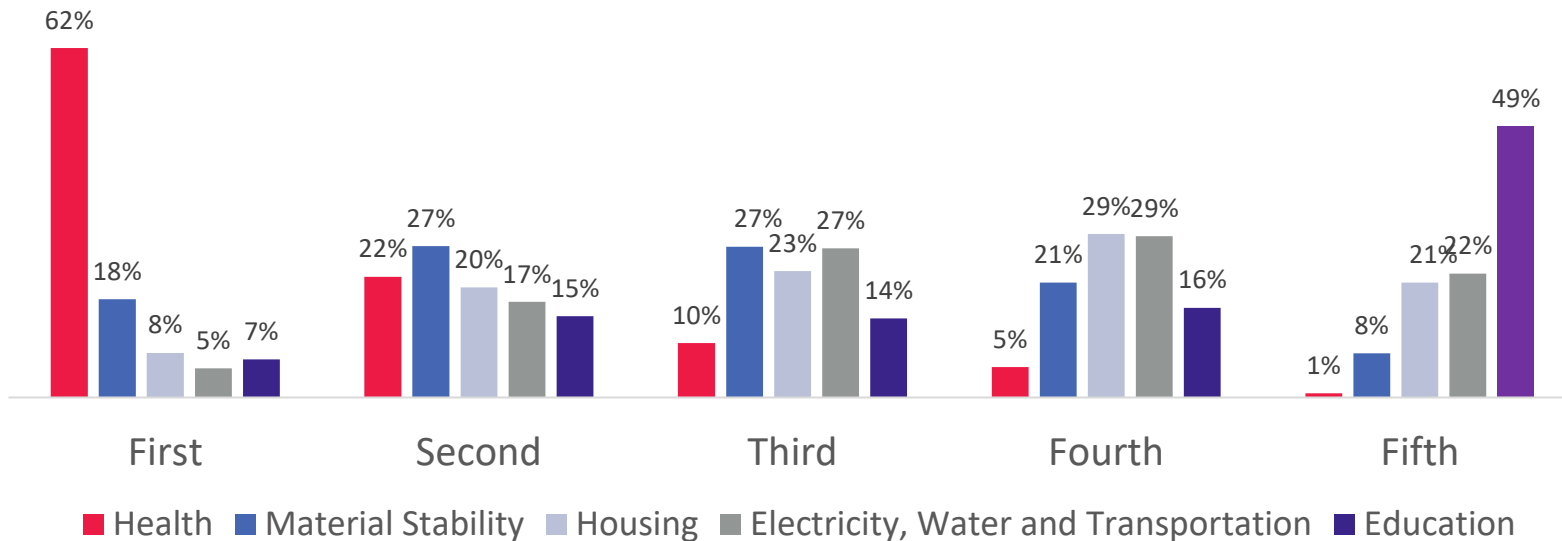
WHAT COMES FIRST?

When asked to rank various sectors from the most to the least important, respondents put health and financial stability on top... Electricity and transportation come after housing. Education comes last.



Health and basic needs are the most important and the less accessible

Respondents Priorities



- The most affected sectors (electricity and transportation) are not the highest priorities of respondents. Respondents care most about health, financial stability, and material stability (food).
- Education was not perceived as intensively worsening like other sectors, and it was ranked as lower priority than other sectors.

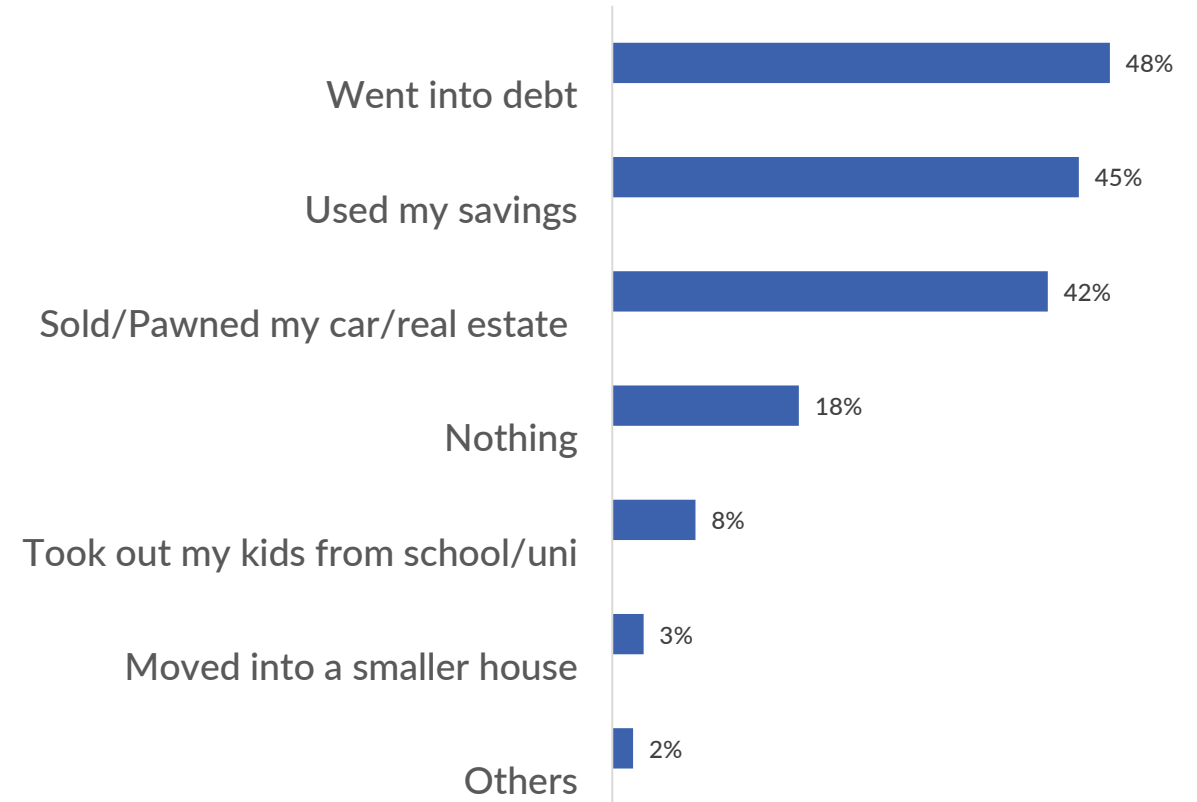
"DESPERATE TIMES CALL FOR DESPERATE MEASURES"

The top methods used by people to deal with this crisis are

- resorting to debt
- using their savings
- selling/pawning their belongings when possible

“I sold my house furniture and my kids’ essentials – woman from Beirut”

What measures did you resort to since the crisis?



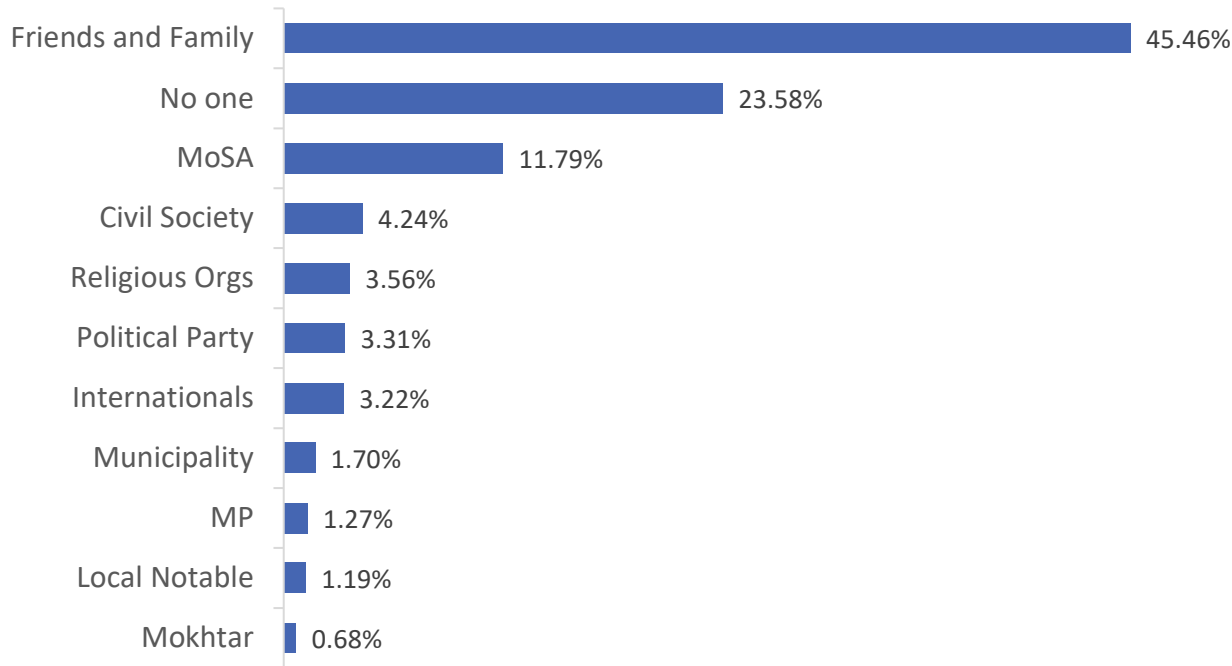
REGISTRATION AND ACCESS TO AID



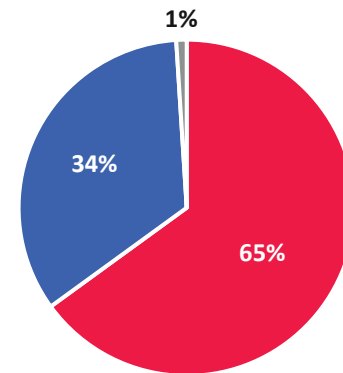
WHERE & HOW DO PEOPLE GET HELP?

When in need, most respondents seek help either from friends and family or from no one. Only 11.79% would resort to MoSA. 2% would go to municipalities and 1% would go to MPs.

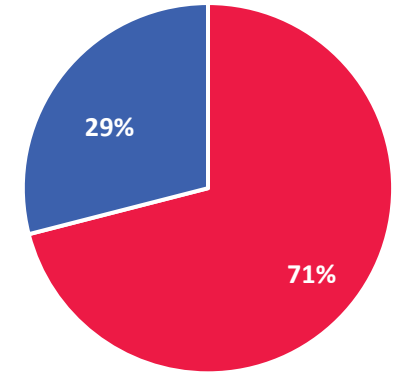
When you need help, to whom do you go?



Have you ever tried asking this entity/person for help?



Did they help you?



“Without my sibilings’ support, I’d starve to death – *man from West Beqaa*”

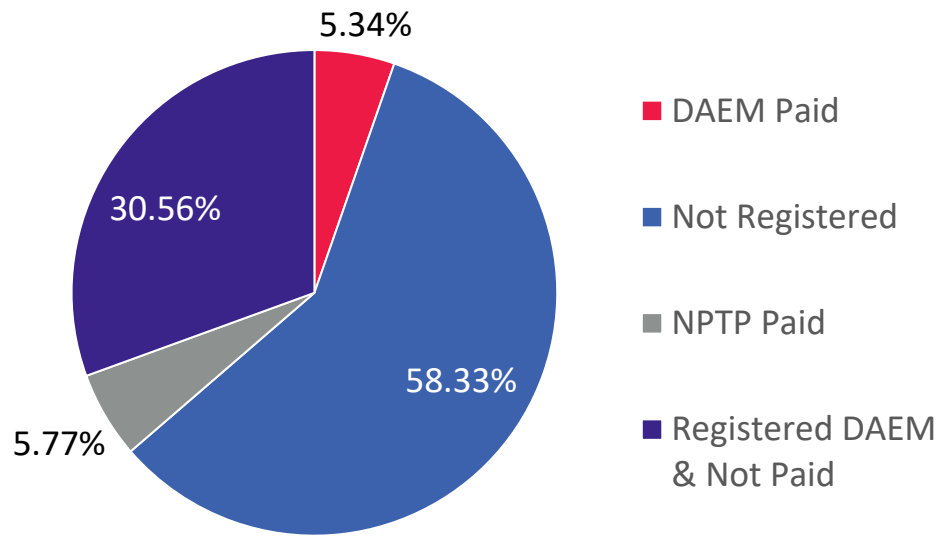
There is a distrust towards public institutions on both national and local levels as only few respondents mentioned mayors, MPs and MoSA.

WHO REGISTERED ON DAEM ?

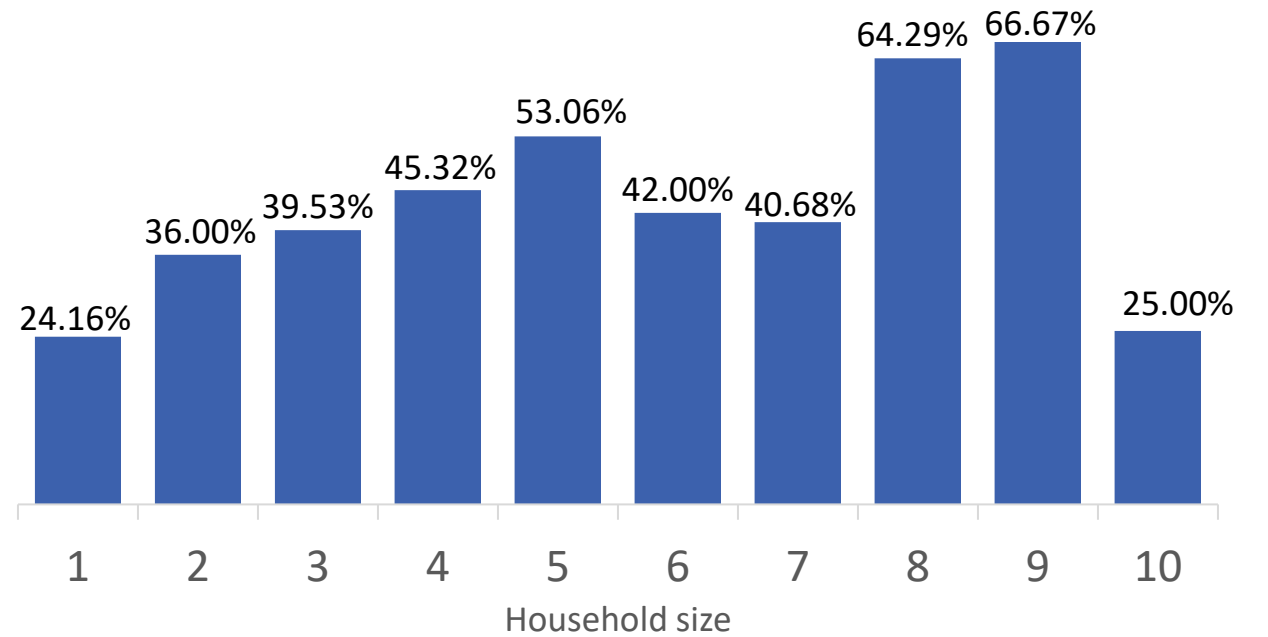
More than half the respondents did not register on DAEM (58.33%).

11.11% of respondents are receiving aid from ESSN and NPTP which reflects nationwide aid recipient rates.

Registration Status of Surveyed Households (1328)



% Registration by Size of Household



Large households appear to be more likely to register on DAEM.

WHY AREN'T YOU REGISTERED ?

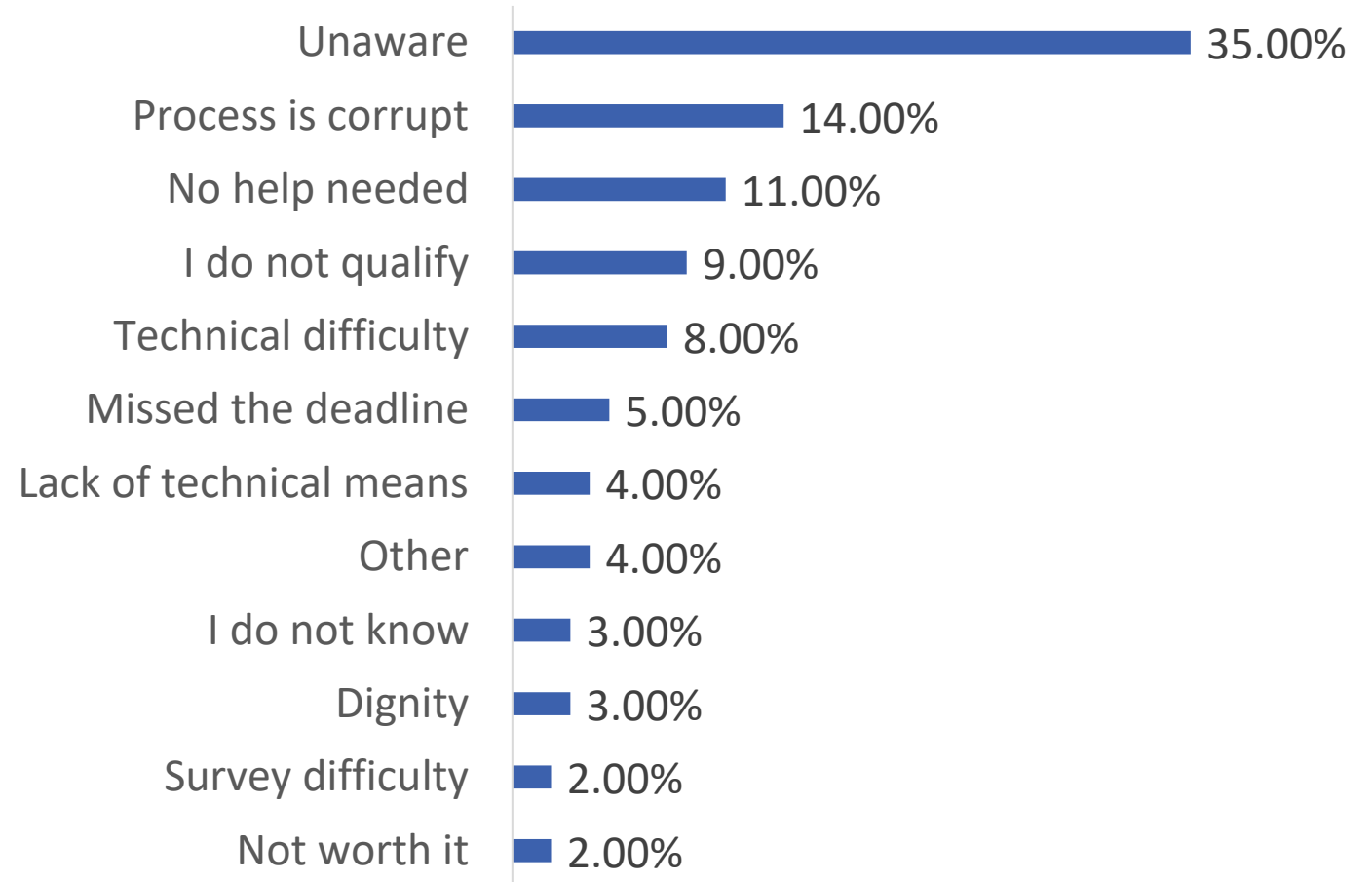
35% of the respondents that did not register on DAEM were UNAWARE of the program.

14% think that the process is corrupt.

8% had technical difficulties

4% said they “lack technical means”.

Why didn't you register on DAEM?

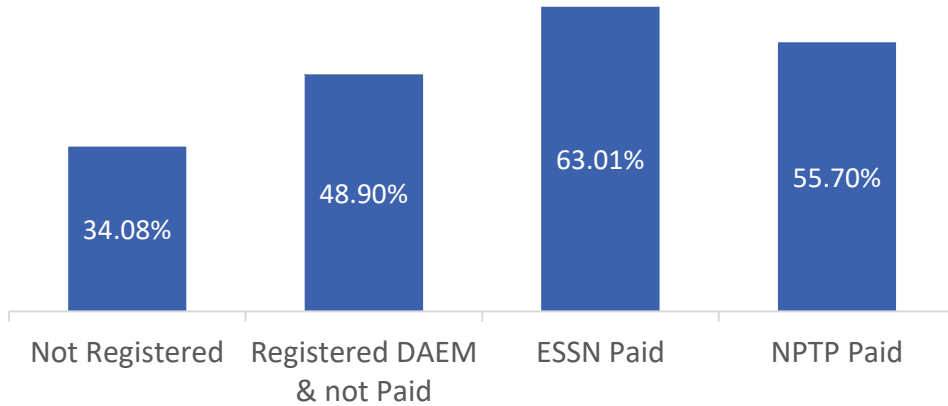


TARGETING THE POOR



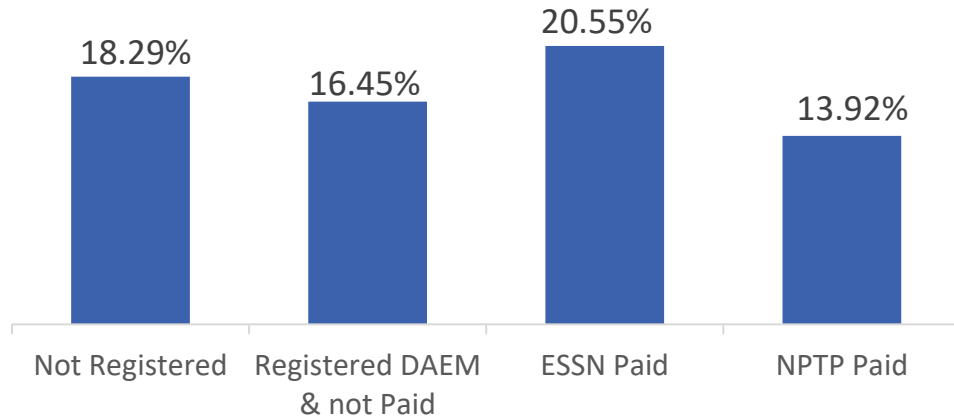
VULNERABILITY CRITERIA

Percent of Households with Children

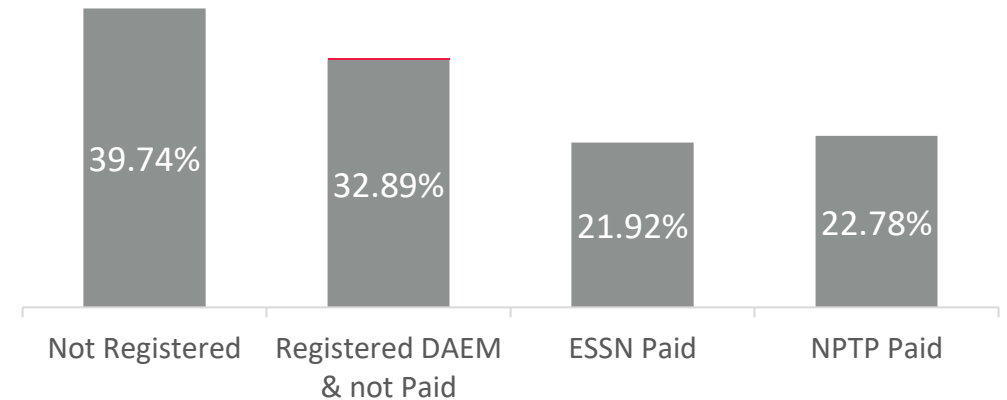


- Households that have children are more likely to be selected for NPTP or ESSN.
- Female headed households are more likely to be selected for ESSN than NPTP, maybe due to the different enrollment approaches and/or timing.
- Elderly do not seem to be privileged in the selection for NPTP or ESSN which deserves further investigation.

Registration Status and Woman Head of HH



Percent of Households with Elderly



FOCUS ON SMALL FAMILIES WITH ELDERLY

Small households with elderly members (age 64 and above) are less likely to register on DAEM, and hence are less likely to benefit from ESSN as seen in the previous slide. This indicates that better outreach methods need to be put in place to target elderly.

An attempt to assess households of 2 members with BOTH members above 64 reveals that none of these 55 cases received aid. Two thirds of these households were not registered on DAEM. This confirms that elderly are in need of outreach and better targeting in order to get the support they need.

58 % of HH with 1 or 2 members & at least one elderly did not register on DAEM

Half of these families were UNAWARE of DAEM and ESSN program

61 % of HH with 1 or 2 members & at least one elderly do not have any insurance

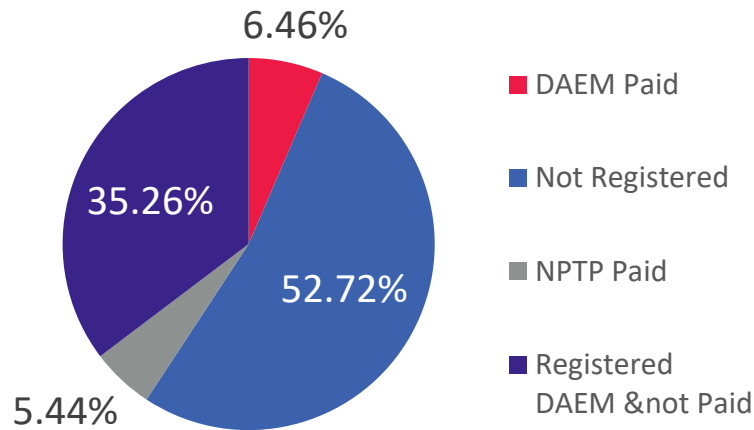
16% of HHs who have elderly and consider themselves as extremely poor did not register on ESSN

Out of these 16%, 48% of these HHs were unaware of DAEM and ESSN program

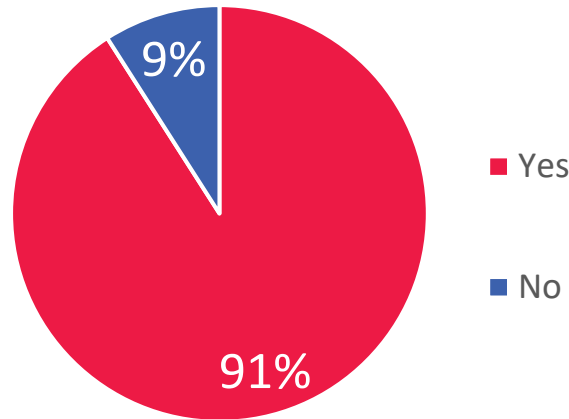
ELDERLY NEED HELP BUT HAVE NO RESORT

52% of families with elderly did not register on DAEM. Most of these households claim that they are in need of assistance, and one third of them could not do anything to cope with the crisis.

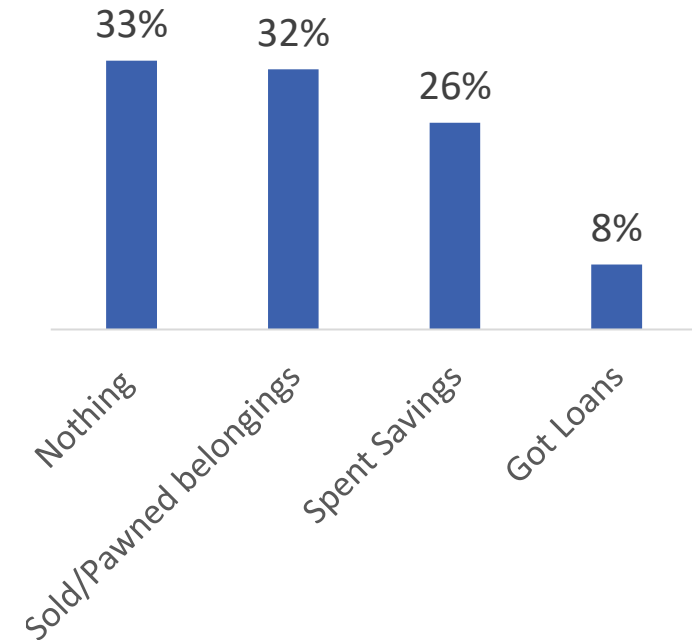
Registration Status of HH with at least 1 elderly



Are the elderly that are not registered on DAEM, in need of help?



How did elderly cope with the crisis?



A large number of small households with elderly had to find ways to cope with the crisis, such as selling belongings or spending their savings. But a large proportion (33%) did NOTHING (while for the general population 18% did nothing).

DISABILITIES

Households that have members with disabilities are more likely to be recipient of ESSN and NPTP aid.

	ESSN Paid	NPTP Paid	Registered DAEM & not Paid	Not Registered
At least one member with disability	24.6%	32.9%	16.2%	12.4%

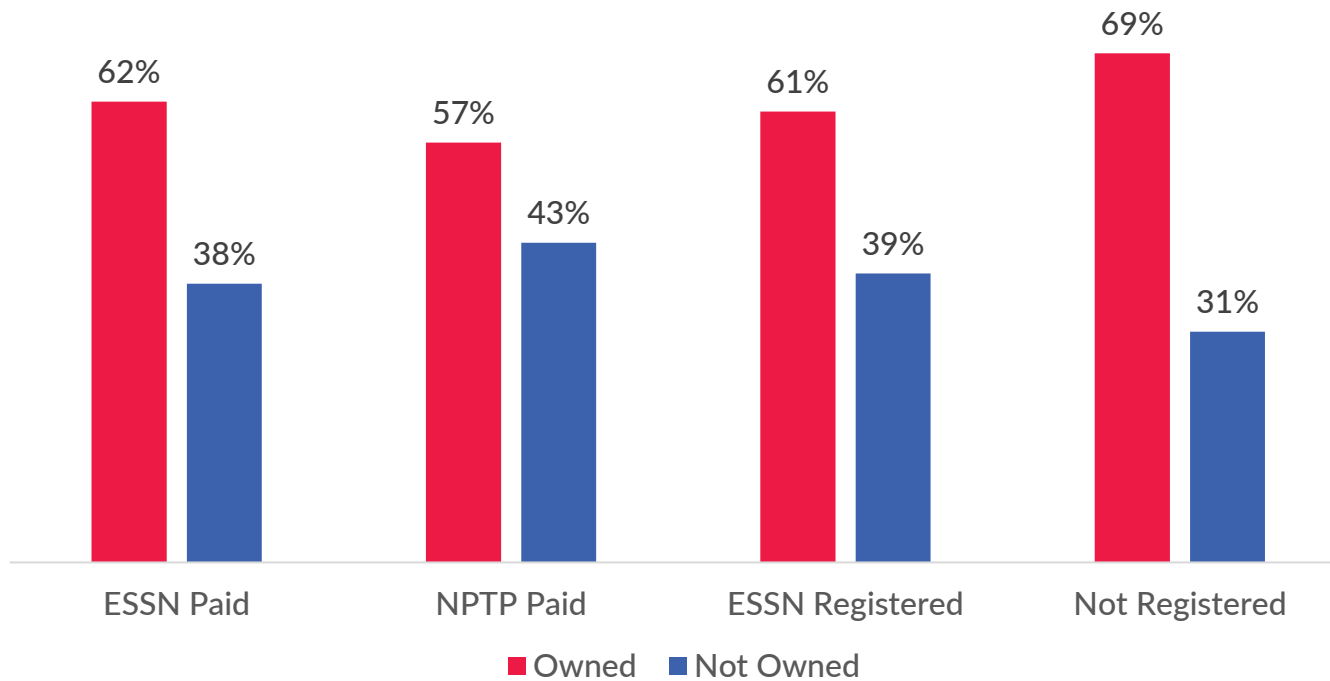
“ All I want is for someone to take my kids away ”

woman with three disabled children from Tripoli

HOUSE OWNERSHIP & BENEFICIARIES

NPTP seems to give a slight priority to households that do not own their accommodation.

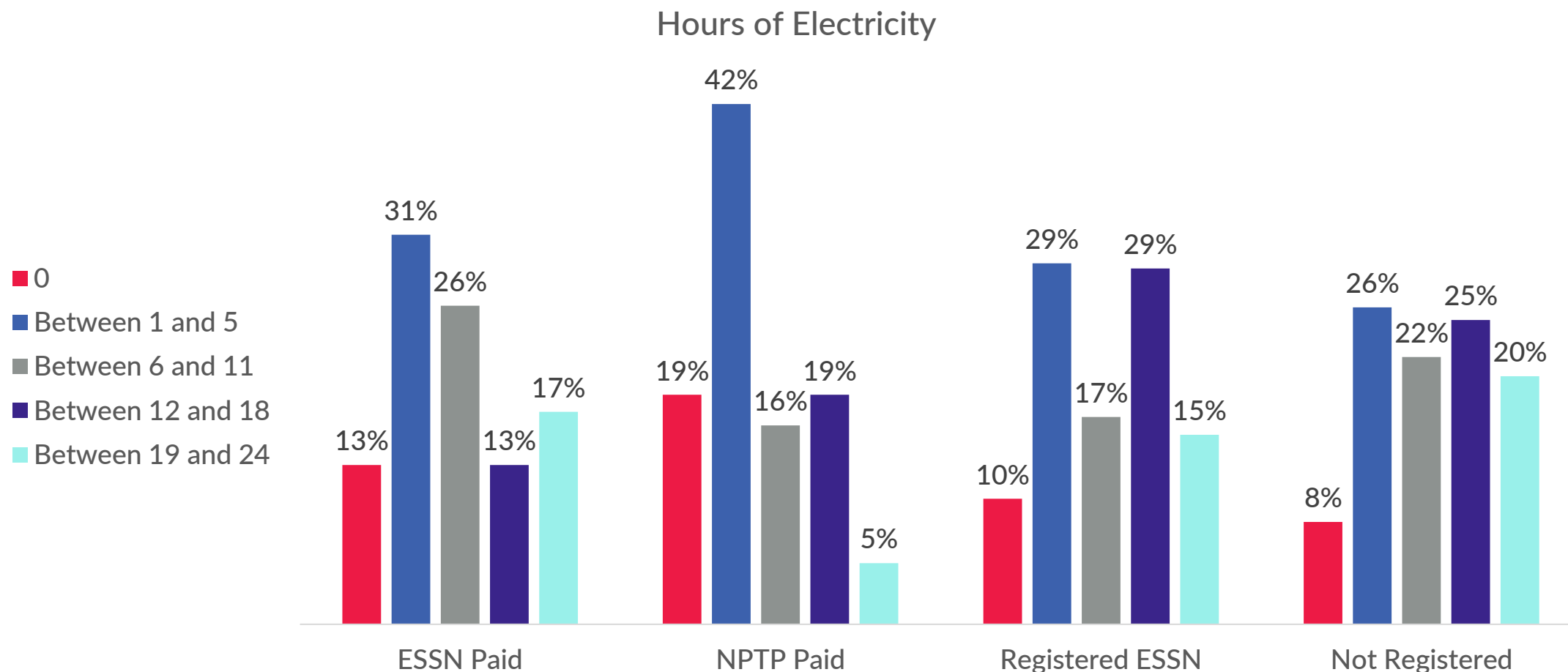
Type of Accomodation



The majority of respondents live in houses they own, which relieves them from having to pay rent at the end of the month.

ELECTRICITY COVERAGE

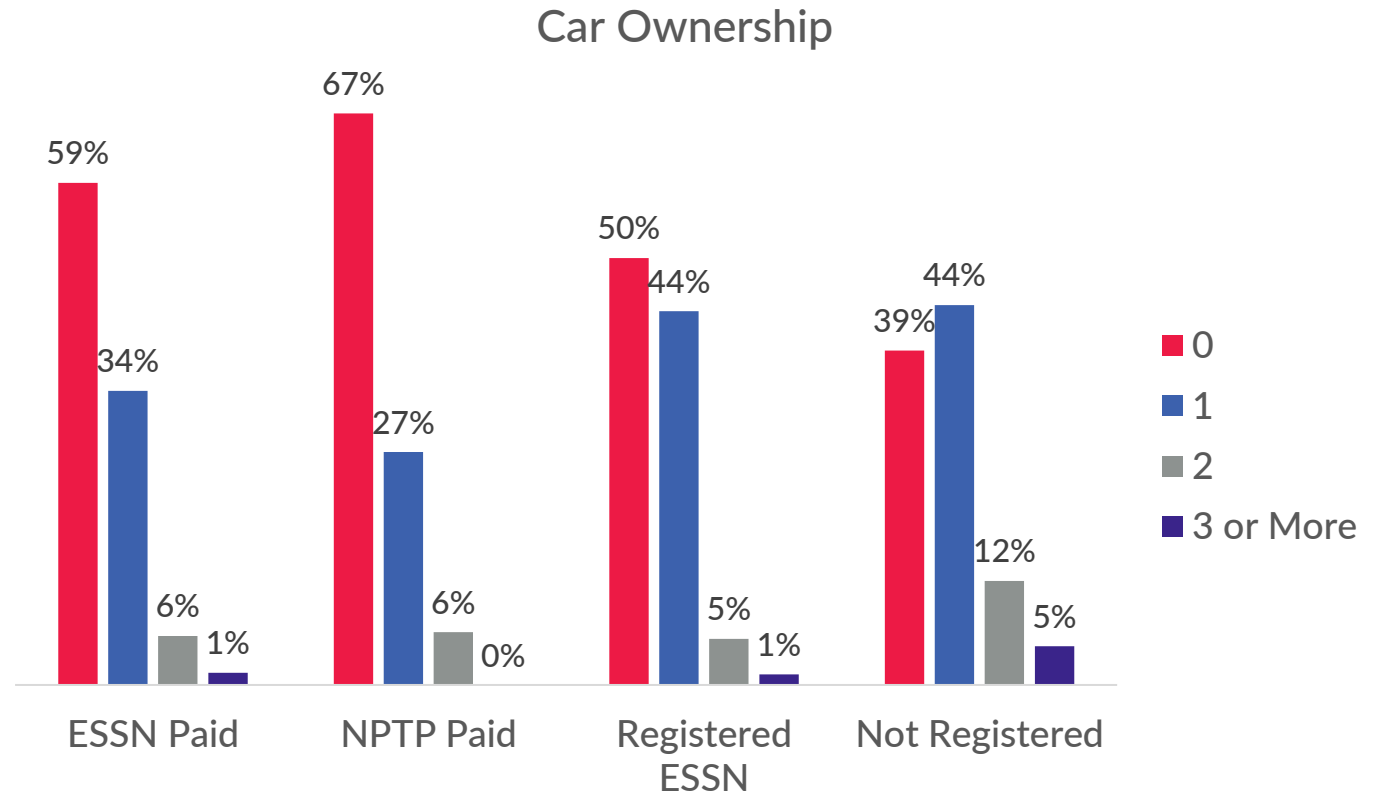
Households benefiting from ESSN and NPTP tend to have less electricity coverage. Almost half of beneficiaries are able to provide less than 5 hours of electricity only.



MEANS OF TRANSPORTATION

Compared to the rest of the households, families benefiting from social safety nets tend to have a single car at home.

NPTP seemed to allocate greater importance to car ownership, with a prioritization of households with no means of transportation at all.



HOUSEHOLD REVENUE

ESSN and NPTP recipients have lower revenues than other HH. Yet, a good proportion of HH registered on DAEM and not benefiting from ESSN said they earn less than 20 USD per capita per month. Should those cases be reconsidered?

	ESSN Paid	NPTP Paid	Registered DAEM	Not Registered
Average Monthly Revenue per capita (USD)	29.5	26.85	39.79	75.14

38% of HH registered on DAEM & not benefiting said they earn less than 20\$ per capita per month

SIZE OF HOUSEHOLDS AND SIZE OF DWELLING

Larger households have more chance to benefit from ESSN and NPTP .

Furthermore, households with lower room ratio are also more likely to benefit from these two programs.

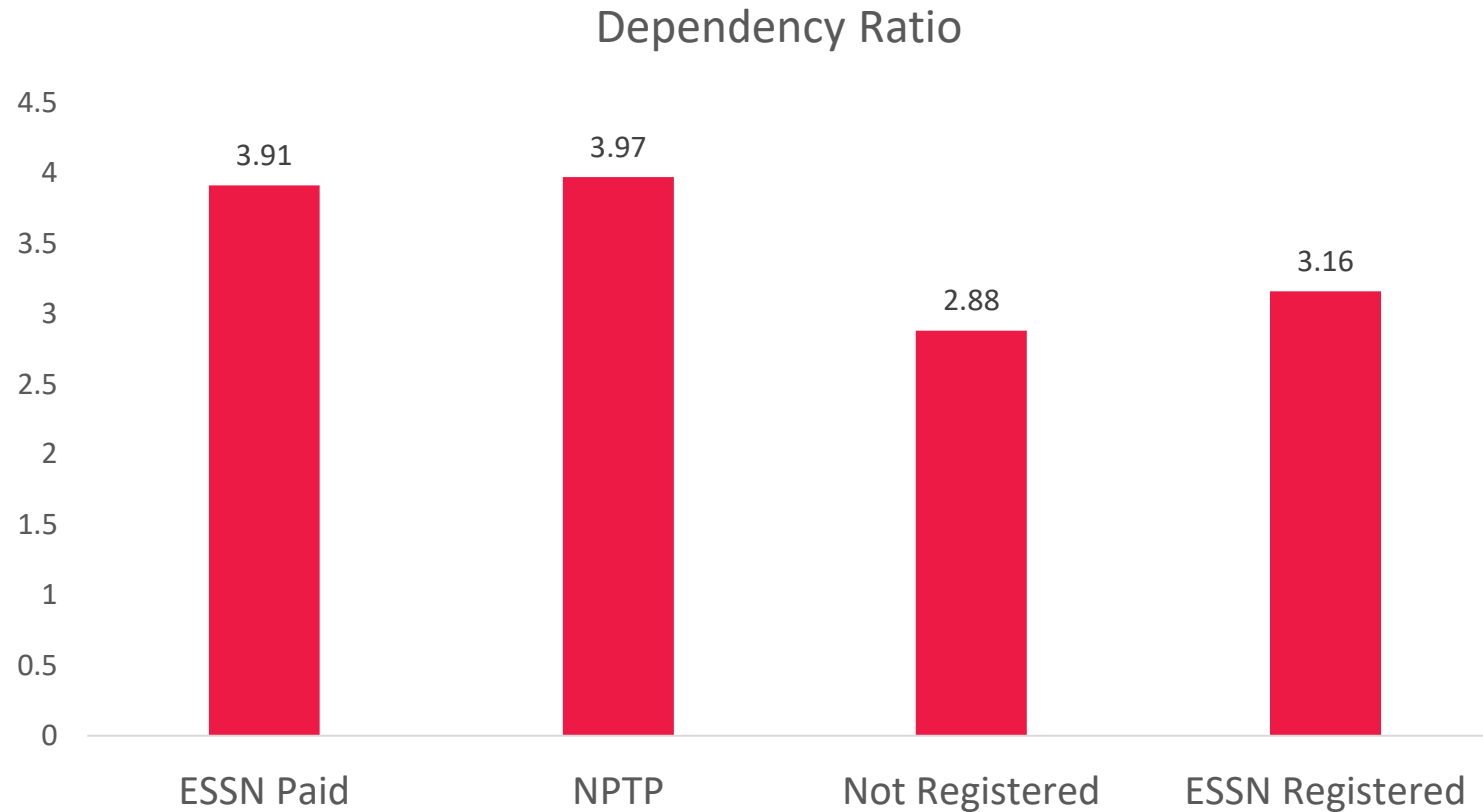
	ESSN Paid	NPTP Paid	Registered DAEM	Not Registered
Average HH size (number of members)	4.83	5.09	3.97	3.51

	ESSN Paid	NPTP Paid	Registered DAEM	Not Registered
Ratio of rooms to HH members	0.61	0.68	0.96	1.31

DEPENDENCY RATIOS

Households benefiting from ESSN and NPTP primarily have a dependency ratio of almost 1 working household member for every 4 non-working members.

Other households tend to have a ratio of 1:3.

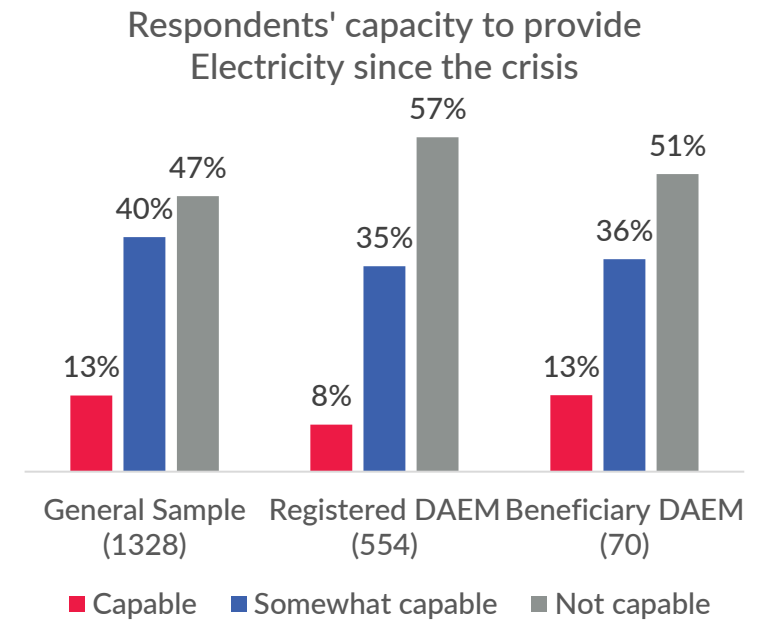
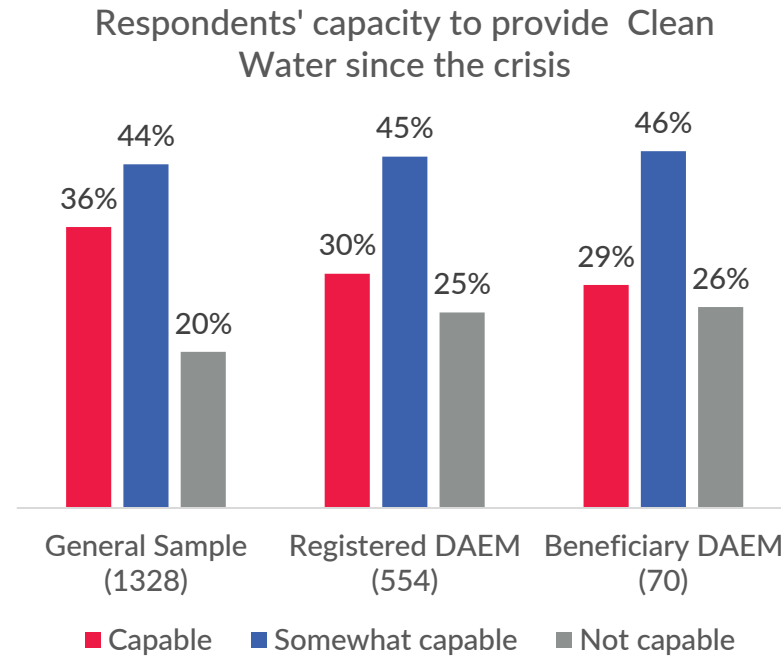
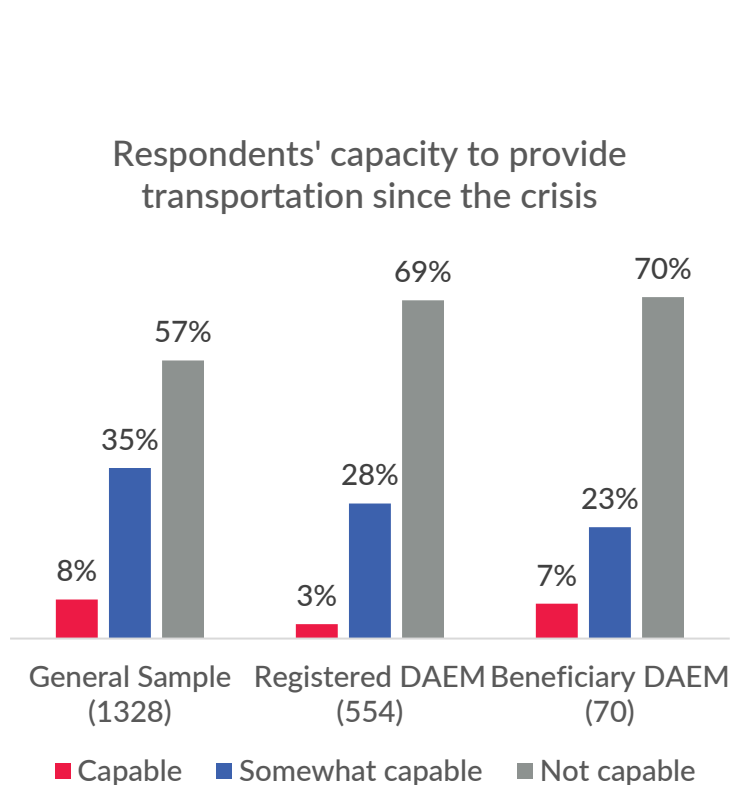


DID ACCESS TO “DAEM” MAKE A DIFFERENCE?



DEALING WITH THE CRISIS: GENERAL SAMPLE / REGISTERED / BENEFICIARIES

Basic needs such as transportation and electricity have been hard to provide ever since the start of the economic crisis, due to the exorbitant increase in fuel and oil prices.

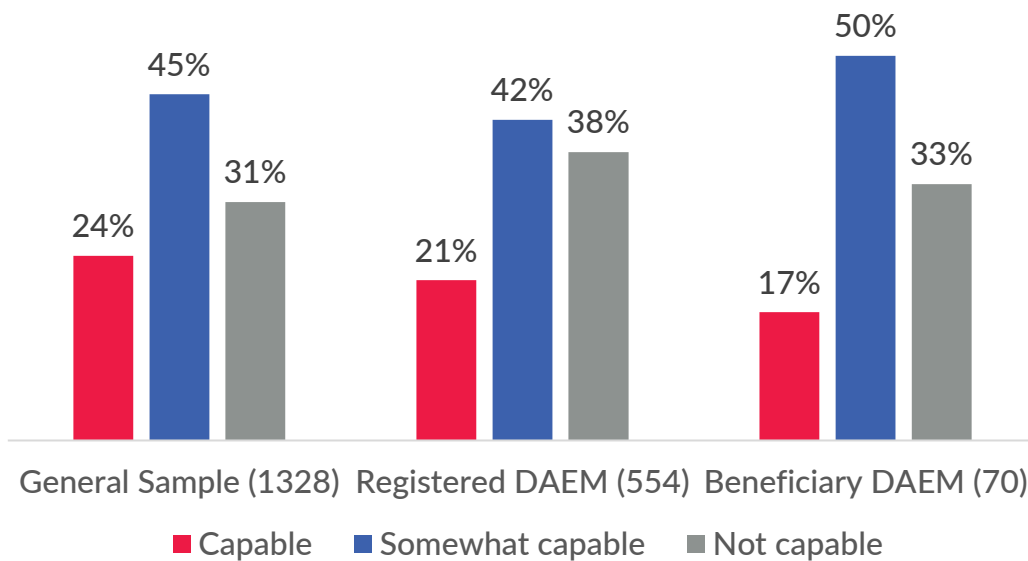


A relatively high percentage of respondents claim being somewhat capable of providing water, due to water sources around their areas.

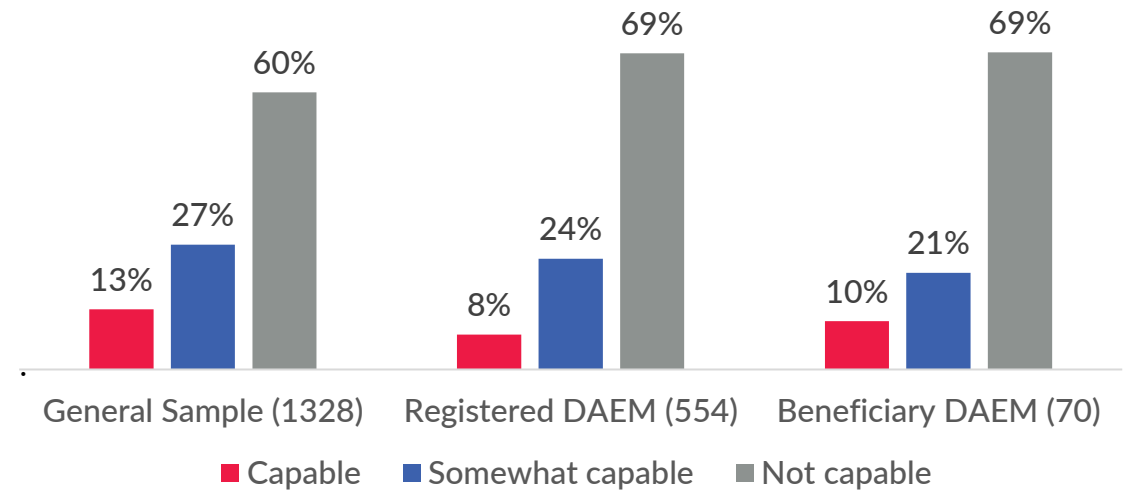
DEALING WITH THE CRISIS: PROVIDING RENT AND HEATING SERVICES

The respondents capable of affording rent are mostly those whose landlords have not dollarized rent. With the increase in oil prices, heating has been almost impossible to provide. Respondents are now forced to find alternative ways to keep themselves warm.

Respondents' capacity to pay rent since the crisis



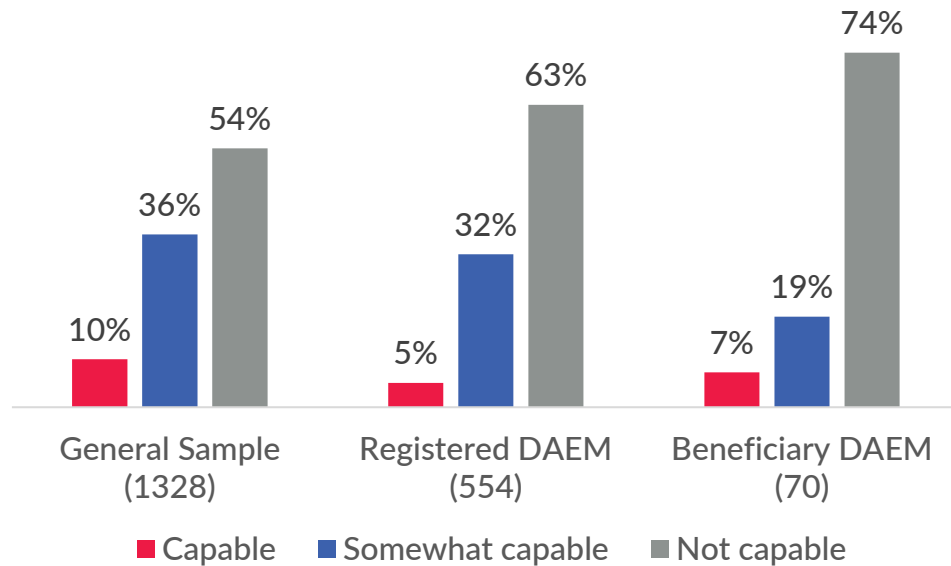
Respondents' capacity to provide heating since the crisis



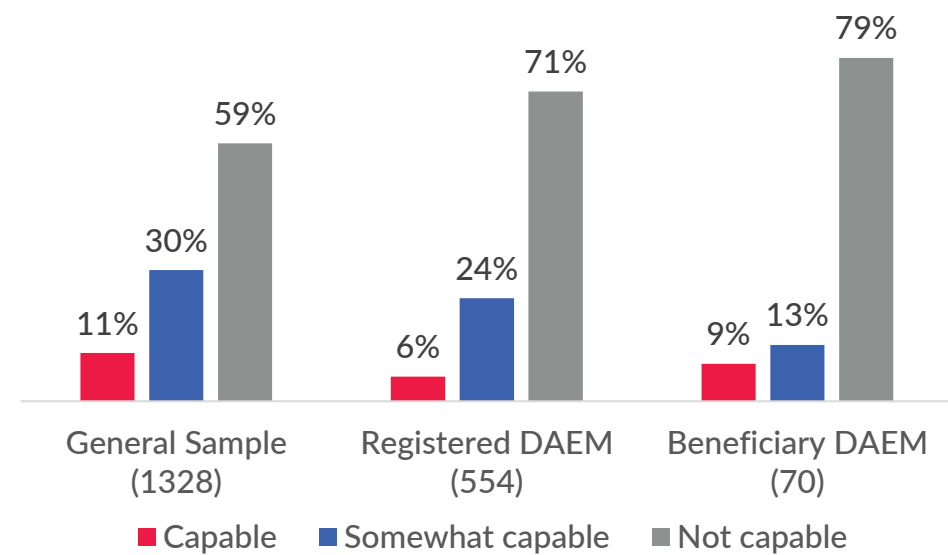
DEALING WITH THE CRISIS: PROVIDING MEDICAL CARE

After the start of the crisis, health care became a luxury many residents are no longer able to afford. Due to the shortage of medication in Lebanon, as well as the dollarization of hospital fees, a huge amount of respondents now report being unable to afford health care. Respondents' challenges paying for healthcare may also be due to the fact that most insurance companies are no longer covering the full portion of hospital fees.

Respondents' capacity to provide medication since the crisis



Respondents' capacity to access medical care since the crisis



“ I have cancer but can't afford medication, I am waiting for my death ”
 – woman from Akkar

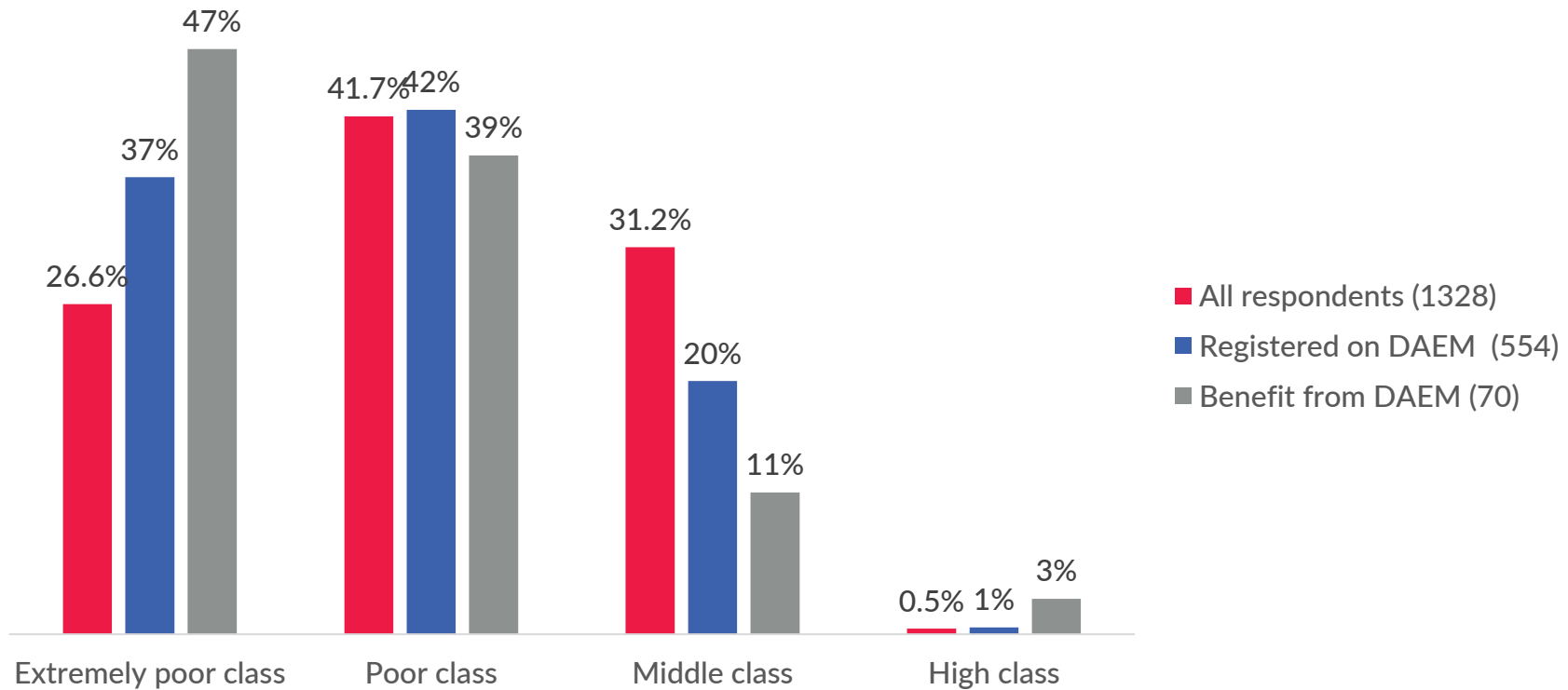
PERCEPTIONS : THE GOOD, THE BAD AND THE UGLY



ANALYSIS OF PERCEPTIONS

Most respondents perceive their households as poor to extremely poor, irrespective of whether they are recipients of aid or not.

Self-reported poverty for all respondents, registered and benefiting from DAEM

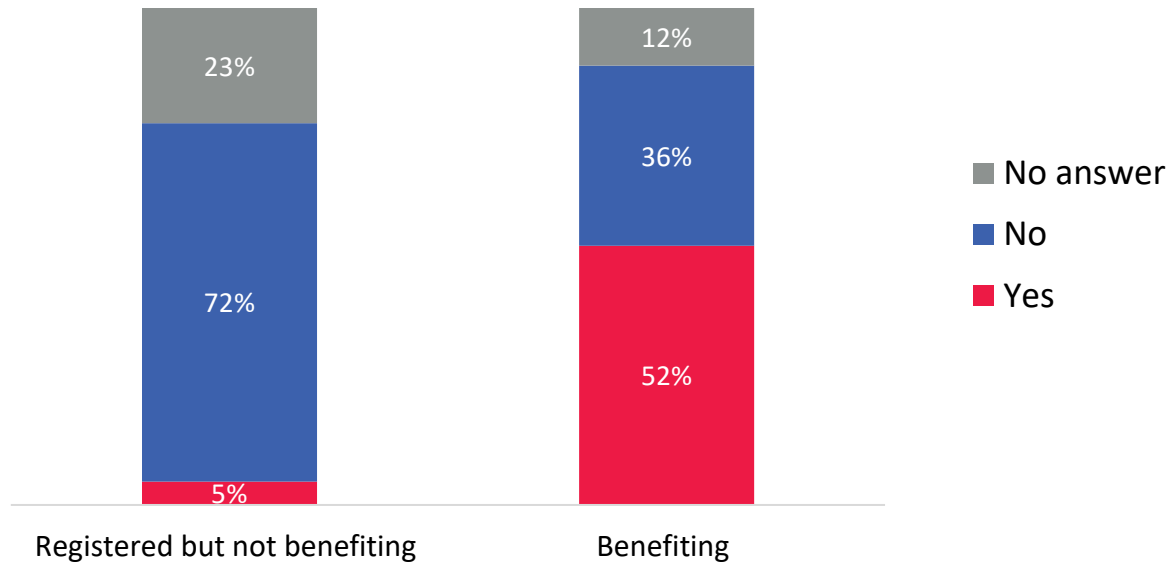


Respondents benefiting from DAEM are more likely to perceive themselves as extremely poor (47%) compared to all respondents and to those registered (but not recipients) on DAEM.

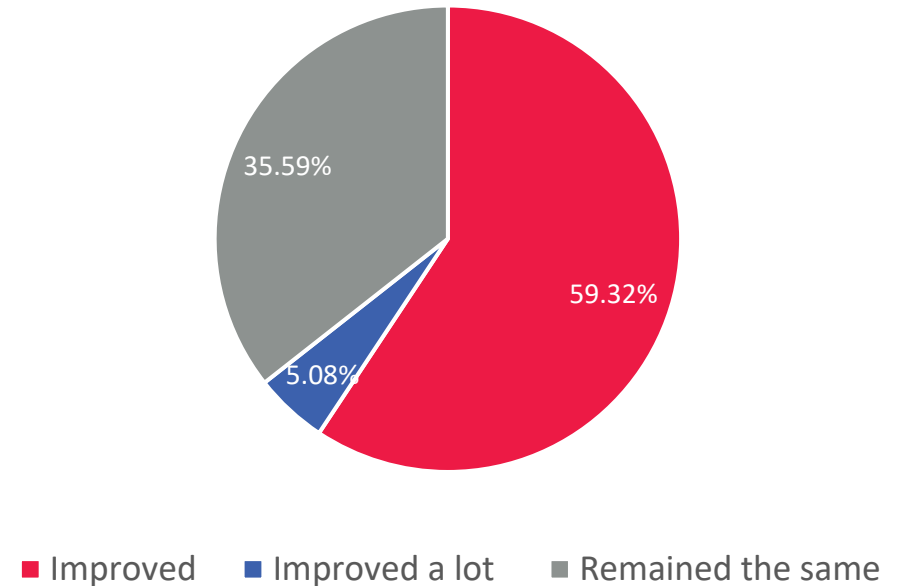
PERCEPTIONS OF ESSN

Respondents who benefited from ESSN consider the process fair, while those who registered and did not benefit do not. Maybe communication related to the selection criteria would help alleviate dissatisfaction?

Do you consider the distribution of financial aid through the ESSN program to be fair?



How did ESSN payment impact your financial situation? (respondents benefiting from ESSN only)



58% of respondents benefiting from ESSN feel that their financial situation improved after receiving aid.

WHITHER THE STATE?

- When asked to describe the Lebanese state in a single word, respondents went wild.
- Among the surveyed respondents, more than half the respondents described the state as “absent”, “corrupt” or “failed”.
- Words used were all negative, often loaded with strong emotions and hatred.



Word cloud of responses of the respondents when asked to describe the role that the state played in helping the Lebanese population.

DO YOU TRUST THE STATE ?

- 50% of the respondents registered on DAEM think that the distribution of financial aid through the ESSN program was unfair, showing their displeasure with government programs.
- Only 12% of respondents stated that they would go to the Ministry of Social Affairs if they were in need of aid.
- The state was mainly portrayed as “absentee”, a “failure”, and “corrupt” in comments) from respondents.
- In conclusion, public institutions are seen in a negative light by a large number of respondents as shown by the above data.



CONCLUSIONS & RECOMMENDATIONS



CONCLUSIONS

The ESN social assistance program was generally effective in reaching the most extreme poor.

- Our research demonstrated that the PMT formula used is generally effective in selecting the most vulnerable beneficiaries.
- Of those that did receive social assistance, most felt it was a fair program, indicating a positive experience with the registration and distribution process.
- For those that did receive aid, a majority felt that it helped to improve their situation.

Digital registration and distribution is an effective method.

- 11% of our research sample received aid through the ESN and NPTP programs (equally divided between each). Given that ESN was rolled out within 9 months while NPTP was started 11 years ago, this demonstrates that digital registration and distribution can be an effective method for quick distribution of urgent assistance.

The inclusion filters worked well in ensuring those with additional vulnerability received assistance.

- Findings demonstrate that people with additional vulnerability criteria, such as having a disability or being a female headed household, did indeed receive assistance through the program. This indicates that the inclusion filters used to determine beneficiaries is generally appropriate to the Lebanese context.

RECOMMENDATIONS AND WAY FORWARD !

Re-evaluating outreach methods may help better reach the extreme poor.

Rationale: While those selected for aid were clearly among the most vulnerable, nearly a third of those surveyed also reported they have never heard of DAEM. Given that those that had not heard of the program are likely also in need, future programs could benefit from more comprehensive outreach. In particular there is a need for better outreach to the elderly, who were clearly left out of assistance programming.

Action: MoSA should consider field testing outreach methods prior to launching assistance programs, including hybrid outreach models of both offline and online methods. Offline outreach, including door to door registration for the elderly, could help increase registration rates. Moreover, local authorities such as municipalities and mokhtars, as well as local NGOs could be helpful actors in the outreach process.

Review the accuracy and effectiveness of the inclusion filters and PMT formula in the crisis context.

Rationale: The PMT formula was clearly effective in identifying the extreme poor and ensuring they received assistance. However, the research showed that those that applied but did not receive assistance were also badly affected by the crisis and thus, fell into extreme poverty. It is possible that the weighting of traditional markers of poverty, such as large households and small homes, may need to be adjusted in the crisis context.

Action: Given the volatility of the socio-economic situation, individuals that applied but did not receive assistance can also be considered at high risk of extreme poverty. An adjustment of the PMT formula and reapplication to applicants for assistance could help identify additional beneficiaries.

Action: Consider whether traditional cash assistance is sufficient in the crisis context. More comprehensive solutions may be needed to address affordability issues in the transportation, electricity and healthcare sectors. Ameliorating challenges in these sectors could help prevent those that did not receive assistance from falling to the level of extreme poor.

Engage in outreach efforts to build public trust in government social assistance programs.

Rationale: Negative perceptions of the state are a clear hurdle to effective social assistance, with many people choosing to not seek help from state institutions, and those that sought but did not receive help viewing the process as unfair and corrupt.

Action: Public communication regarding the selection criteria and methodology may help to assuage concerns regarding corruption and bias. Likewise, developing mechanisms allowing citizens to appeal or request information regarding the denial of assistance may help to build relationships of trust with the state.

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