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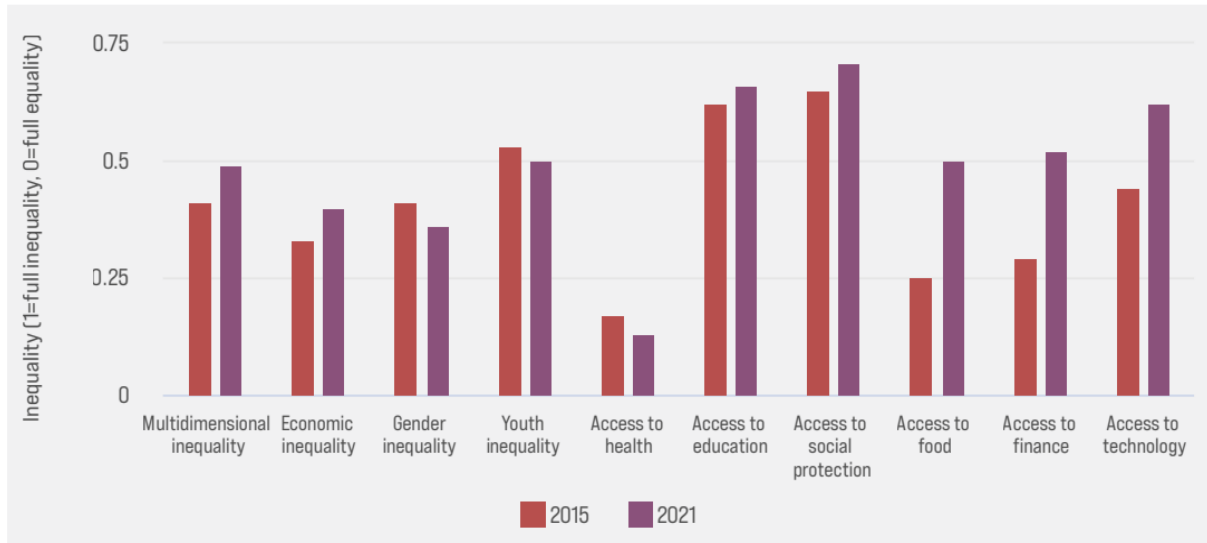
Lebanon's socioeconomic collapse has led to one of the most acute increases in inequality recorded in the Arab region. According to the ESCWA report, [*Inequality in the Arab region - Crisis upon crisis*](#), published in 2024, the country now ranks among the top 1% most unequal countries in the world based on the Gini index and wealth concentration indicators. The root causes of this crisis are multifaceted: a collapsed banking system, runaway inflation, high unemployment, and institutional paralysis, all of which have deepened existing disparities in income and wealth.

Lebanon's deepening crisis, which reached a turning point in October 2019, is the result of overlapping political, economic, and institutional breakdowns. As mass protests erupted against governmental corruption, capital controls, inflation, and proposed regressive taxes, such as one on WhatsApp calls, the population demanded structural political reform and greater civil rights. According to the World Bank, Lebanon's economic and financial collapse is among the most severe globally since the mid-nineteenth century. From 2019 to 2021, per capita GDP fell by 37%, inflation soared to 171% by 2022, and the Lebanese pound lost over 90% of its value.

According to Gallup World Poll data (2022), Lebanese citizens have become overwhelmingly pessimistic about their living conditions. Nearly 29% of people placed their quality of life at the lowest point of an 11-step scale, up from just 3% in 2015. None rated their life at the top of the scale. Dissatisfaction with living standards rose from 43% in 2015 to 89% in 2022, while 95% said it was a bad time to look for a job (up from 78% in 2015). Additionally, 74% of respondents were pessimistic about their future quality of life in 2022, dramatically higher than 21% in 2015.

The report illustrates how both the risk of polycrisis and multidimensional inequality rose sharply between 2015 and 2021. Lebanon became the only non-conflict country in the region to be rated at high risk of polycrisis, driven by economic and climate-related risks. By 2021, 74% of the population was living in poverty, exacerbated by overlapping crises like COVID-19 and the Beirut port explosion. Lebanon also hosts about 1.5 million Syrian refugees - the

highest per capita rate in the world - placing additional strain on health, education, and basic services.



Source: ESCWA calculations.

As shown in the above figure, Lebanon experienced a sharp increase in multidimensional inequality between 2015 and 2021, especially in areas like access to food, finance, and social protection. Access to education and social protection were already the largest sources of inequality in 2015 and has remained so, while food and finance inequality have significantly worsened. For instance, gender inequality saw slight improvement, with female labor participation increasing from 26% to 28%, and women's parliamentary representation rising from 3% to 5%. Nonetheless, equality with men remains distant. Social protection access decreased, the share of the population receiving at least one benefit halved. As for social insurance, it remained regressive, disproportionately serving public-sector retirees (just 2% of the population receiving 93% of spending). While a small improvement was seen in social assistance, such as the DAEM platform which reached 145,000 households by May 2023.

Satisfaction with education plummeted from 74% in 2015 to just 41% in 2022, according to ESCWA. COVID-19, school closures during protests, and the 2020 Beirut port explosion worsened access to education, especially for children from vulnerable backgrounds. Online learning widened the gaps between privileged and unprivileged children. By 2022, 72% of Lebanese believed children lacked proper learning opportunities.

Even though infrastructure existed to serve most students, the quality and continuity of education deteriorated due to teacher strikes, devaluation of salaries, and families' inability to cover basic costs. In 2022, 40% of youth said they or their families had reduced education spending. Enrollment dropped from 60% in 2020/2021 to 43% in 2021/2022.

A key driver of inequality is the educational background of parents. Among children whose parents had not more than primary education, only 30% progressed past the level. In contrast, children of parents with tertiary education had a 98% chance of doing the same. Regional disparities are pronounced: Beirut students enjoy better resources, while those in Akkar, Baalbek, and Bekaa suffer from overcrowded, underfunded schools.

Hector Hajjar, Minister of Social Affairs, highlights how the polycrisis has hurt the majority while benefiting the elites. A small wealthy group managed to accumulate more wealth during the crisis, worsening social divides. Services in impoverished areas like southern Lebanon are scarce, and health and education services are severely underfunded – as for such, the Ministry of Social Affairs receives less than 0.5% of government spending.

Furthermore, access to food and finance saw significant inequality increases:

- Food insecurity rose from 15% in 2015 to 37% in 2021, with undernourishment increasing from 6% to 11%.
- The collapse of the currency and end of subsidies led to food price inflation reaching 228% by April 2021.

In 2015, Lebanon ranked second highest in financial inclusion among middle-income Arab states, but by 2021, only 21% of adults had bank accounts (down from 47%). Capital controls and hyperinflation eroded both access and value of local savings, leaving most unable to finance essentials like health and education.

Thus, the ESCWA report offers a sobering view of Lebanon's descent into entrenched and multidimensional inequality. The compounded effect of overlapping crises - economic, political, and humanitarian - has devastated the living standards of the majority, while disproportionately empowering small elite. The breakdown of public education, social protection, food access, and financial systems has left millions in poverty, eroded social trust, and shattered hope in the future. Without urgent and equitable reforms, Lebanon's inequality crisis will only worsen, with devastating consequences for generations to come.

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