



Economic and Social Commission
for Western Asia

الجمهورية اللبنانية
مكتب وزارة الشؤون الإدارية
ومركز مشاريع ودراسات القطاع العام



National Planning Institute

Distr.
LIMITED
E/ESCWA/SD/1997/WG.1/4
29 October 1997
ORIGINAL: ENGLISH

Expert Group Meeting on Improving Standards
of Living in the Arab Mashreq Countries
16-18 November 1997
Cairo

Republic of Lebanon
Office of the Minister of State for Administrative Reform,
Center for Public Sector Projects and Studies
(C.P.S.P.S.)

POVERTY ERADICATION POLICIES IN LEBANON A CRITICAL REVIEW

Prepared by

Muna Al-Khalidi

- The views expressed in this paper are those of the author and do not necessarily reflect those of the Economic and Social Commission for Western Asia.

- Issued as submitted.

97-0656

POVERTY ERADICATION POLICIES IN LEBANON

I. INTRODUCTION

“Poverty is a complex phenomenon with several facets: economic, social, political, cultural, and environmental. It is a state of deprivation which is reflected in lowered consumption of nutrients, lowered health status, lowered educational attainment, poor housing conditions, and the lack of capital assets and savings. All these factors make the individual or family extremely susceptible and vulnerable to outside changes and shocks”.¹

Poverty and the need for poverty eradication are currently very high on the global agenda. The United Nations World Summit for Social Development held in Copenhagen in March of 1995, stressed as one of its main tenets the problem of world poverty and its eradication. Over two years later and on the occasion of the International Day for the Eradication of Poverty, United Nations Secretary General, Kofi Anan sent a message to the world outlining the global situation as follows:

- While the incidence of poverty has been declining slowly, the absolute number of poor persons has been on the increase. Currently a quarter of the world’s population are estimated to live in poverty.
- The number of persons living on less than one US Dollar a day, increased by 100 million persons between 1987 and 1993.
- 160 million children in the world suffer from extreme to moderate malnutrition, and 110 million are unable to attend school.

Poverty has finally been acknowledged by the entire International community to be an extremely urgent problem that requires immediate action. It has been realized the world over that for sustainable human development to be achieved, poverty and its causes need to be addressed and dealt with as a matter of priority.

In Lebanon, in recent years, with worsening economic conditions and increasing pressure on the population for the fulfillment of basic needs, the poverty issue is firmly on the national agenda. If not on the government’s agenda, certainly on the agenda of citizens concerned with day to day living. Hardly a week passes without one or more of the local dailies or magazines running an article on poverty and the worsening living situation of the population. The recent taxation program being put forward by the government has brought the discussion to the forefront again.

MAIN OBJECTIVES OF THE STUDY

In this paper, an attempt is made to look at Poverty Eradication Policies (PEPs) being put forward and discussed by Governments and the International Organizations, with the view

¹ . ESCWA 1995. Poverty in Western Asia, p.10.

to assessing their relevance in the context of Lebanon, and the extent to which PEPs, explicitly or implicitly, are being adopted and implemented.

The present study is part of a series of such studies prepared by the United Nations Economic and Social Commission for Western Asia (ESCWA) in an effort to contributing more meaningfully to the global endeavor to eradicate poverty and alleviate its most pressing adverse repercussions, as well as to contributing to country-specific endeavors by member States to eradicate poverty among their populations.

The paper will begin by a general discussion of the definitions of poverty commonly used, and will then present an overview of the more common policies and strategies recommended in the fight against poverty and its spread. A presentation of the main elements of PEPs recently put forward by the United Nations Development Program for the eradication of poverty in Arab States will also be briefly presented. The poverty situation in Lebanon will be assessed in terms of available information on the incidence and spread of the problem, and in terms of the determinants of poverty that have been identified. In the absence of a national poverty eradication or alleviation policy, existing programs that may play a role in poverty alleviation, or poverty exacerbation are reviewed. Extensive examples are drawn from two recent sectoral studies commissioned by ESCWA, on the Educational and Health sectors in Lebanon and their association with poverty. Lastly, recommendations for future action are outlined.

II. DEFINING POVERTY

Arriving at a consensus on the working definition of poverty is a matter which has yet to be resolved. The term "poverty" conjures different images of hunger, unhealthy environment, over-crowding, unemployment, ill-health, exploitation, crime, and many others.

This multi-faceted image is a part of the problem in pinpointing a precise and "scientific" definition.

According to Roget's Thesaurus "To be poor: To want, lack, starve, *live from hand to mouth*, destitute, needy, reduced, distressed, embarrassed, insolvent". To be rich, on the other hand is defined as: "fortune, opulence, easy circumstances, independence, competence. Resources, substance, command of money, property, income, livelihood. Enough".

The Arabic *Lisan al-'Arab* defines poverty as the "inability of an individual to satisfy his own basic needs and the needs of his dependents"

Robert McNamara, the former President of the World Bank once said: "Absolute poverty is a condition of life so limited by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality and low life expectancy as to be beneath any reasonable definition of human decency". Some have also argued that the poor lack the capacity to cope with stress.

Any definition must take into account the perceptions of the poor themselves of their own realities and their own problem priorities. Chambers has argued that, "in contrast with the professional definition of poverty- which tends to be narrow and one-dimensional- the realities of the poor are local, complex, diverse, and dynamic".

Amartya Sen has defined poverty in terms of capability. According to Sen, the life of a person can be viewed as a combination of various "doings" or "functionings". Those range from elementary matters as being well nourished to more complex concepts, such as possessing self-respect, or the ability to participate in civic and public life. The overall "capability" of an individual consists of various combinations of such functionings. It represents the life opportunities that are accessible and can be freely chosen by an individual. "Thus poverty is not about low income or low utility (or the failure to meet basic needs of specified commodities), but about a capability failure. To be poor is not to have a low income *per se* but to have an income below what is adequate for generating, via functionings, the appropriate capabilities for the person".²

For the purposes of this paper, however, the available information and data do not allow for the meaningful measurement of "capability failure" as Sen views it. Hence, the definition employed here is that of "unsatisfied basic needs".

². UNDP, 1997. Preventing and Eradicating Poverty, Vol 2., p. 11.

III. POVERTY ERADICATION POLICIES: A GENERAL OVERVIEW OF THE LITERATURE

Midgley and Piachaud (1984) outlined the basic structure and components of any project or plan whose objective is the alleviation of poverty, and the reduction of the weight of its impact on the population. They stated that in order to plan a program to reduce poverty the program must be planned in relation to the *extent* and *nature* of poverty in the country in question. The first requirement for the building of the plan is *Information* on the distribution of the population in terms of economic circumstances and incomes. Secondly, more specific *Planning Problem Indicators* are needed, providing a measure of the extent of poverty, based on a *Definition* of poverty. Thirdly, *Resource Indicators* are needed, on resources currently available to social security. Fourthly, *Performance Indicators* assessing the performance of existing programs are required. Lastly, when a new program is planned, its monitoring is essential through *Impact Indicators*.

The poverty eradication policy chosen by a researcher, an organization, or a state is to a large extent a function of the definition of poverty adopted by the person or institution. Issa (1994) for example challenged the commonly held view that poverty is the problem of poor people to define is at the problem of poor states. Economic and social problems faced by the state will by necessity be reflected in increasing impoverishment of the population. Because of the complex nature of poverty and the complexity of its causes and determinants, interventions aimed at alleviating it must necessarily differ between regions and countries; even between population groups within the same country.

However, in the current discourse on poverty, one principle appears to receive universal recognition: that any attempt to reduce poverty must be spearheaded by economic growth. There is also growing universal recognition, especially in recent years on the other hand, that economic development and growth will not automatically translate into poverty reduction or alleviation. Time and again, the trickle down theory of development has been proven to failed.

The actual pattern of growth chosen and followed by a given country is as important as the rate of growth achieved. "A rise in the mean income of the population, assuming income inequality remains the same, leads to a reduction in poverty. The impact of growth is ambiguous if it is concentrated and results in a worsening of the income distribution. However, when incomes are falling in a period of declining growth, it is far more difficult to maintain the incomes of the poor which often bear the greatest relative burden of the economic decline (ESCWA 1995; and Khalidi, 1995)

Due to the complex and diverse nature of the causes of poverty, combating it must proceed on several levels simultaneously. Watkins (1995) argues that strategies to eradicate poverty must be geared towards enhancing people's ability to adapt to stress, to overcome emergencies, and to improve their long-term productivity. As a basis for achieving this, he calls for an increased equity in the distribution of productive assets; for better opportunities to develop greater autonomy through improved health, education, and

availability of clear water and safe sanitation; and for the participation of the poor themselves in decisions which are meant to affect their lives.

Jentsch (1994) argues that “the sole aim of development policy should be reducing poverty”, stating that development plans should start with improving the lot of the poor. He also argues that structural adjustment policies should not merely provide for some cushioning of the negative effects on the poor, but should have as an aim the improvement of their living conditions.

UNRISD, on the other hand, while agreeing with the general principle that poverty eradication efforts should form an integral part of any development, differs in claiming that poverty reduction should be the outcome of a well-designed and well-executed project, rather than an end in itself. UNRISD (1995) in a conference on Adjustment, Globalization, and Social Development, stated that poverty reduction should not be seen as an end in itself, but rather as a means for the achievement of sustained economic growth. UNRISD also warned against ‘adding poverty components’ as an afterthought to economic reform proposals, arguing that those should be an integral part of any proposed reform effort from the outset.

Participation in development is a recurring theme in much of the literature. The positive impact that people’s involvement and participation in the identification of problems, the design of solutions and the implementation of those solutions has in recent years gained recognition as a fundamental principle of effectiveness and sustainability. This is no less true of poverty alleviation efforts. “When it comes to poverty, the real experts are the poor themselves” (Watkins, 1995). While increasingly organizations are seeking to actively involve the poor in the planning, implementation, and monitoring of projects and programs, there is a distinction in some of the approaches to participation. While some view participation as a means to ensure success and sustainability of projects or policies, others see it as important in its own right.

Five main groups of activities which address poverty directly were put forward by the Consultative Committee on Program and Operational Questions (CCPOQ, 1995) in a study prepared on the work of the United Nations System in Poverty Alleviation:

1. Activities to promote equitable economic development: Including following an economic development strategy based on the resources of the poor (especially labor and land) as well as improving asset and income distribution and preventing economic and social exclusion;
2. Targeted Anti-poverty Programs: Including the targeting of the most disadvantaged and vulnerable groups of society for anti-poverty programs. This requires the recognition that the mainstreaming of vulnerable groups needs special effort at both the level of promoting special programs as well as at the level of reducing immediate and transitional hardships. It is for this purpose that social safety nets, social investment funds, and social emergency funds are established;
3. Provision of social services: Involving the strengthening and the improvement of access of the poorer population to basic social services such as education and health;

4. Productive employment: Involving the expansion of employment-creating investment and improving the distribution of assets and income. This involves strengthening agricultural production and land reform, improving the efficiency of small-holder agriculture (especially those in marginal areas), establishing productive medium- and small-scale industrial capacity, promotion micro-enterprises and self-employment in the informal sector;
5. Activities that address the causes of poverty from a long-term perspective: Involving the adoption of policies which address the problems of endemic poverty and which are based on investments in sustainable human development, are participatory, involve reproductive health, environmental protection and rehabilitation, prevention of discrimination and the promotion of human rights and tolerance.

Special targeting of women as an especially marginalized group in poverty alleviation work, is another principle that appears to have the support of nearly all involved in the fight against poverty. Enabling women to participate in productive work, improving their access health care and education are strategies that benefit their entire community. Solh (1995) in her review of the feminization of poverty in the Arab World, agrees, claiming that poverty actually affects women more than men. IFAD (1992) in their report on rural poverty, also argues that programs that empower women should be a priority in order to alleviate poverty and enhance growth. The feminization of poverty is reflected in higher female illiteracy, higher fertility rates, higher infant and maternal mortality rates, higher rates of child labor, food security problems, and environmental problems related to the management of natural resources.

A. Structural Adjustment Programs & Poverty: The Bretton Woods Institutes

During the 1980s many developing countries, including some Arab states were forced to adopt a number of important economic policy changes and adjustments in order to maintain macro-economic balance and stability. The general trend was towards policies that reduced expenditures, adjusted over-valued exchange rates, rationalized interest rates, controlled the supply of money, reduced subsidies, and changed the relative price structures, through curtailing state monopoly in the distribution of inputs and the marketing of products. Much has been written on the effect of structural adjustment policies on the poor. The IMF and the World Bank have argued that restructuring results in higher growth rates, and will, therefore, be of benefit to the poor in the long run. There is general agreement, nonetheless, that demand suppressing austerity measures of the IMF- World Bank-led structural adjustment policies have led to the worsening of the conditions of the poor, at least in the short term. The likely to be incurred "social costs" have been acknowledged by the Bretton Woods institutes themselves.

Poverty and the situation of the poor in a country is affected in several ways as a result of the adoption of structural adjustment programs., among which are changes in the prices of goods and services and changes in the provision of basic services. Accurately determining the impact of a complex of policy changes is very difficult, especially when

several are taking place simultaneously, as is often the case when countries undergo structural adjustment programs.

While no one questions the validity and necessity of economic reform, several authorities and International agencies have, however, questioned the strategies followed to attain those reform goals, and have suggested that more socially aware strategies should be devised in order to lessen the burden of poverty.

As a result of the growing world-wide criticisms of the IMF and the World Bank as main driving force and lobby for structural adjustment programs, both institutions have in recent years expressed a willingness, and desire, to work towards achieving adjustment which is more attuned to the needs of the poorer segments of society. This has over the past few years changed the nature and outlook of structural adjustment programs. And since 1990, international organizations have begun to incorporate into their programs more sensitivity to the needs of the poor.

The shift in position may be in part due to the increasing realization that the poor were shouldering a burden resulting from the implementation of structural adjustment programs which was way too high, which even became manifested in riots in a number of countries. The shift may also be a reflection of the realization that alleviating poverty and unleashing the potential of the poor, is in and of itself a strategy for economic growth. In other words, it is not merely a result of economic growth but also a contributing factor to it.

Hence, the World Bank has, since 1990, repeatedly stated that the reduction of poverty was actually its basic goal and mission. To achieve poverty reduction, the World Bank promotes a three part growth with equity strategy:

1. The first component is directed at employment creation, and the expansion of income-earning opportunities, particularly for the poor. This involves the improvement of macro economic and sectoral policy frameworks and facilitating the development of an energetic private sector. The argument is for the need to increase the demand for the poor's labor, their most abundant asset.
2. The second component is directed at developing the ability of the poor to respond to opportunities, and the direct improvement of their welfare and productivity. This involves the ensuring of access to health services, education, and other social infrastructure.
3. The third component is directed at the establishment of a compensatory programs to alleviate the most urgent negative effects of structural adjustment. Both the World Bank's World Development Reports and the UNDP's Human Development Reports agree on the necessity of "social safety nets" and some form of food subsidies in order to lessen the burden of structural adjustment programs and ensure the protection of the poor. Proper, well-focused targeting of beneficiaries has been put forward as the basis of a solid and efficient system of social safety nets. These social safety nets do, however, place a heavy financial burden on the economy of the state implementing them, which the state may not be able to meet.

In 1987, Cornia et al. (Adjustment With a Human Face) put forward much the same recommendations for dealing with poverty associated with structural adjustment. They advocated the following:

- Expansionary macro-economic policies directed at sustainable levels of output, investment and human needs satisfaction over the adjustment period;
- Sectoral policies aimed at strengthening employment and raising productivity;
- Meso policies to reinforce the more expansionary macro approach and to secure the priority use of resources to meet the needs of the most vulnerable;
- Improving the equity and efficiency of social sector spending by restructuring public expenditure both between and within sectors and by improving the targeting and cost-effectiveness of interventions;
- Compensatory programs to protect basic health and nutrition of low-income groups during adjustment before resumption of growth allows them to meet minimum needs independently;
- Monitoring the human situation, especially the living standard of low-income groups in such a way that needs may be identified and programs assessed and modified;
- Adjustment policies should form an integral part of a longer-term vision and should be part of national policy formulation.

Social safety nets have been the strategy favored by most states as a means of alleviating poverty. While, safety nets are essential to counterbalance the most severe effects of economic reforms, it is important to bear in mind that they do not, however, address the root causes of poverty. Safety nets, hence, are unable to resolve long-term poverty problems as they often deal only with the alleviation of some of the symptoms of poverty. An integrated approach is, hence, called for involving both social welfare and the enhancement of the poor's capabilities. This is a view shared by many, including, UNDP, Watkins, and van der Hoeven, among others.

Furthermore, the provision of welfare services to the poorer groups is a highly costly endeavor which is likely to affect the interests of those better off in a society, those who have greater political power. Political opposition to poverty eradication and alleviation policies is, therefore, likely to be a real hindrance to the development and implementation of such policies. This reality, calls for firm political commitment on the part of Government to the implementation of poverty alleviation strategies, in order to ensure any degree of success.

The socially and economically dominant groups in society are unlikely to willingly change the existing system for the benefit of the poor. This being the case, change can only come about if the poor themselves initiate it. In order to be able to do so, they need to be supported, by both the public sector and civil society.

Some researchers and development agencies have identified governance, including the issues of accountability and transparency as key components of poverty reduction policy or efforts. On the whole, governments in the Arab world, as elsewhere, suffer from the effects of complex bureaucratic structures and corruption. The Government of Lebanon is

no exception, in spite of the huge effort being expended by the World Bank in conjunction with the newly established Ministry of Administrative Reform. Although there are as yet no detailed studies on these issues, there is general agreement that they have severe negative impact on the implementation of any strategy. Often sound development projects with sufficient funding and the necessary critical mass of trained personnel, fail to get off the ground precisely because of the interference of excessive bureaucracy and corruption at various levels of public administration. Sandstorm (1994) in an article on the lessons learned by the World Bank over the years, says that good governance, accountability and transparency are essential components of a poverty alleviation program, if it is to succeed.

These issues have now gained increasing recognition as essential to the success of any development effort, and are now placed at the forefront of discussions among International agencies and governments.³

³. See Kossaifi, G. 1996. Poverty in Western Asia: A Socio-Political Perspective, ESCWA. and Kossaifi, G. 1996. "Poverty in Western Asia: A Socio-Political Perspective", in UNDP, Preventing and Eradicating Poverty, Vol. 1.

B. UNDP & Poverty Alleviation in the Arab World

In February of 1996, UNDP Regional Bureau for Arab States held an Expert Group Meeting on "Poverty Alleviation and Sustainable Livelihoods in the Arab World" in Damascus. During the meeting the outline of a strategy to eradicate poverty in the Arab States was worked out. This outline was further expanded and developed into a document put out by UNDP (Preventing and Eradicating Poverty Vol 2: Main elements of a strategy to eradicate poverty in the Arab States, 1997) in which the main elements of a strategy are presented.

The strategy at hand is based on the following principles: Poverty is the result of highly complex and structured inequities. Poverty, at the same time, is always local, complex and specific which means that its eradication needs to proceed on a number of different levels simultaneously. Within this context, a number of primary and secondary "driving forces" have been identified as leading to poverty in the Arab states, and whose identification is the necessary first step in the design of any program for poverty eradication. These are:

Primary:

1. The failure of state-led development strategies and macro-economic market reforms;
2. Limited access of some groups (the poor) to productive assets and control over such assets, public goods, institutions, and services;
3. The burdens of wars and civil strife.

Secondary:

1. Rapid demographic growth;
2. Ecological degradation.

Other key issues, most notably gender, cut across these driving-forces; for gender inequality does not in itself lead to poverty, but does in most cases exacerbate its effects.

In light of these principles, a set of six strategic directions were put forward as guidelines for Arab States committed to poverty eradication. Not all six are recommended for all States, as context differs from one country to the next. Rather the report assumes that these strategic directions would be viewed as a synergistic bundle, out of which each country can formulate the policies most suited to its particular situation.

Also basic to the proposed poverty eradication strategic directions is the need for a new "social contract" which would act to regulate the relationship between the state, the market, and civil society, with the view of enhancing and "exploiting" the comparative advantage of each. This to be done within an overriding spirit of complementarity between the three sectors, in place of the currently existing spirit of competitiveness, reaching a state of synergy between the state, the market and civil society.

The elements of the six strategic directions being advocated by the UNDP are the following:

First: Rethinking the Development Model

This issue has various aspects:

a - The State, the Market, and Civil Society: Arab States need to reorient their relationship towards both the international and domestic markets, allowing more productive competition. This must be accompanied by a clear separation between politics and economics, that is decisions should be taken on the basis of economic and not political considerations and criteria. The role of the State, therefore, needs to evolve into one where it becomes supportive of markets and market actors, and not to simply disappear from the market. In order for markets to thrive, they in fact require support from and regulation by the State, to become more dynamic, leading to employment creation and ultimately poverty reduction.

It is also the State's responsibility to condition and encourage society to take advantage of market opportunities. Given that the majority of growth in the global economy will be based primarily on Information, the Arab workforce will need to be trained in Information in order to be able to participate in this growth. For the poor to be able to benefit, the State has the responsibility of ensuring that they have access to opportunities. This is to be achieved through access to good quality education and health services.

It is also the responsibility of the State to ensure that efficient and transparent systems of public administration and justice are provided. This offers the stable environment that both private businesses and civil society need in order to thrive. Furthermore, such transparency and lack of corruption lends credibility and legitimacy to the Government.

The State has also to ensure that civil society, especially the poorer segment of society can participate in political life.

b- Engendering Development and Poverty Eradication: Women in the Arab World are generally worse-off than men in terms of development, which becomes clear from a comparison of the UNDP's Human Development Index (HDI) and the Gender Development Index (GDI). The views of female gender roles in Arab society remain largely focused on women's reproductive role, and therefore, their choices and opportunities are limited to this role. Accordingly women's economic role remains largely one of unremunerated domestic responsibilities, while participation in paid employment remains low.

Within this context, a poverty eradication strategy needs to promote change that would lead to the broadening of women's choices and opportunities and address their specific needs, while at the same time remaining culturally sensitive. Women need to be promoted and encouraged to actively participate in setting development priorities and reorienting the development agenda to include their perceived needs. Effort should also be directed at ensuring access to women and control over productive assets.

c- Information for Development: The need for regular close monitoring of poverty and its determinants is an essential element of any effective poverty eradication strategy. Household surveys which include all aspects of poverty, usually provide the best source of data and information. Qualitative techniques allowing the poor to participate are also

useful to gauge perceptions and felt priorities of the poor themselves. Information on how the poor cope with stress and the support networks on which they rely, also constitute important guidelines for policies and strategies of poverty eradication.

Second: Mitigating Structural Adjustment: Proactive Human Security Measures

The adoption of structural adjustment policies and the implementation of ensuing changes, especially in the context of greater economic integration with the global market, have usually been associated with increased poverty and marginalization. Social safety nets have been put forward as a mechanism of dealing with the groups most affected by change. Negative repercussions, however, are not limited to the transition period, immediately succeeding the implementation of new measures, but are far-reaching and their effects are long-lasting. Hence social safety nets need to be established as permanent institutions, even though the target population for intervention may vary over time, and with it, the priorities and strategies of the institution. For effective safety nets, the beneficiaries must be included in the decision making process, in the design and in the management of institutions.

Safety nets should not be perceived as substitutes for redistributive reforms. Safety nets exhibit the highest success when they are coherent with a well designed policy that aims to raise the capabilities of beneficiaries such that they eventually do not need to rely on the assistance provided by the safety net. A number of key policy initiatives, which would improve the effectiveness of safety nets have been identified. Those include the following:

- Information about the poor;
- Ensuring that already existing public subsidy programs are well targeted.;
- Instituting self-targeted assistance programs;
- Ensuring that safety nets integrate into their design the support of women;
- Encouraging NGOs to bear more responsibility;
- Establishing a rigorous monitoring system of safety nets.

Third: Unleashing the Potential of the Poor

Safety nets are not enough to help the poor improve their living conditions or improve their situation in any sustainable way. A national strategy needs to be formulated to help the poor realize their productive potential. This is best achieved through public investment in human capital and through enhancing the access of the poor to productive assets and to control of those assets. That is the often cited main asset of the poor, their labor, needs to be realized and made use of in a productive manner. A number of steps need to be taken to realize this potential:

a- Investing in the Human Capital of the Poor: Human capital enhancement can take many forms including knowledge, skills, and enabling social attitudes in addition to good health.

Education: In most Arab cases, including Lebanon, the reform of the educational system needs to address three separate issues: Firstly, the attainment of the whole population of a certain level of education (the UNDP report recommends a goal of at least secondary education for Arab States), secondly, improvement of the quality of education in such a

way that cognitive achievement, creativity, and the ability to self-learn are encouraged, and thirdly, the design of educational programs to cater for the demands of the labor market. While 12 years of schooling have been suggested, ensuring access to basic education (9 years) is the minimum that needs to be made truly universal, and available free of charge.

An integrated educational policy package should have the objective of reforming the system through the promotion of science, technology, and technical education, ensuring the acquisition of skills in demand by the market, training in economic units, and training in new fields such as computers, bio-engineering, robotics, etc... Including also improving the skills and conditions of teachers and administrative staff, with on-the-job training and effective incentives offered to teachers.

Informal education is another option of particular relevance to the poor. Training or re-training of poor individuals who have gone through the formal educational system (especially those at the intermediate level), helps them acquire skills that are market-relevant and which would enhance their chances of gainful employment.

Health: Improving health involves expanding the network of facilities and improving accessibility of the poor and vulnerable. Although health in the Arab States has improved considerably over the last few decades, much remains to be done, especially in terms of improving the health of the poor in society. A number of critical interventions are absolutely necessary for the health of the poor to improve. Those are:

- provision of safe water and adequate sanitation infrastructure;
- adequate nutrition for vulnerable groups- supplementary feeding programs, targeted subsidies on certain items, micro nutrient supplementation;
- provision of basic public health measures- immunization, mass treatment of parasitic infections, tobacco and drug abuse reduction programs;
- provision of a package of essential clinical care, through a network of primary health care facilities- reproductive health, maternal and child health, diarrhea, acute respiratory infections, TB, STDs including HIV/AIDS.

State allocations for health need to be increased, and expenditures need to be re-directed from specialized tertiary care, to wider-reaching health care and public health measures. Health education and promotion deserve much more input and emphasis than they have been receiving so far. NGOs and non-profit institutions offering health care, health promotion, or health maintenance need to be encouraged, and brought in on national health plans.

b- Employment Creation: The creation of employment opportunities needs to be made an explicit policy priority. For this to be achieved, an integrated policy package based on a supportive relationship between the State and the market needs to be built.

However, for significant improvement in the living conditions of the poor to result from employment creation, productivity needs to be improved and enhanced. A move away from the traditional job-creation approach (low skills, low productivity, low wages), to a new approach (high skills, high productivity, high quality, high wages) is in order. This in

order for real wages to increase leading to a reduction in the disparity in the distribution of income and wealth. A target with high potential is labor-intensive technologies in small and micro-enterprises.

An important aspect of an employment creation policy is the gradual deregulation of the labor market in order to increase flexibility, and reduce the role and involvement of the State, within a competitive market framework. This would include :

- the full rights of management, including the rights of hiring and firing;
- full labor rights, including unions, collective bargaining, and legal protection for strikes;
- inflation-indexed unemployment benefits (as part of a safety net); and
- credible chances of productive employment, including training and retraining.

A crucial factor for the success of job-creation programs in the Arab countries, is investment, especially private investment. The role of the State is vital for ensuring the right stable environment to attract foreign investment and to keep local investment at home, including the provision of the infrastructure needed for business (such as information networks).

The State is likely to remain a primary employer for the foreseeable future. Reform of the civil service is therefore an important factor which has repercussions on the rest of the employment market. The changes suggested for employment creation all entail significant Government expenditure. Potential sources of funds could be the reallocation of existing budgets and reform of the taxation system.

c- Resources for Small and Micro-Enterprises: Small and micro-enterprises, which are on the whole labor-intensive, allow the poor to have access to employment and income generation, both of which are essential for the process of poverty reduction and eradication. Small and micro-enterprises, however, exhibit failure rates which are quite high, unless they are operating within a hospitable institutional and economic environment, and a relatively high level of productivity.

Unfortunately, with structural adjustment programs, small and micro-enterprises have gone unnoticed, while large capital projects have had all the attention and support focused on them. At the time when small-scale entrepreneurs struggle through bureaucracy and the barriers of collateral to obtain small amounts of credit, large investors have been given all the privileges such as tax exemptions, land and facilities at concessionary prices, etc..

Small and micro-enterprises need to be encouraged to set up business in an atmosphere of legal and administrative support. Access of the poor to credit and new technology need to be ensured, with special care given to women and the more vulnerable groups. Access to local and international markets also needs to be improved. Both Government and NGO have significant roles to play in ensuring that the proper support systems are in place to enable small and micro-enterprises to thrive.

d- Sustainable Rural Livelihoods: The poor in rural areas need a strategy aimed at rural employment creation, not merely in agriculture, to enable them to survive in their rural

areas. In other words, “a rural-focused employment-oriented strategy of development”, is essential for sustainable development and growth. Again, access to assets is a crucial question. Land is central to the discussion of assets in the rural context. Land reform needs to be examined closely. The State, also, has a central role to play in improving rural livelihoods (see section First; a, above).

On another level, agricultural research needs to be directed at improving the productivity of “pro-poor” crops, such as staples and labor-intensive cash crops for export, as well as disease prevention for those crops. Pastoral and nomadic populations, when they exist, need special attention and special programs.

Moreover, off-farm employment opportunities need to be developed and access of the poor to them improved. This could take the form of industry, micro-enterprises or Government employment (see section Third; c, above).

Fourth: Citizenship and Civil Society:

Central to the concepts of poverty eradication and social development is the empowerment of the poor, the marginalized, and the underprivileged such that they have a voice and an active role in the development and decision making processes. The guarantee of basic human rights is central to the achievement of these targets, as are opportunities for participation through representation, accountability of public administration, and the enforcing of laws across social classes and political affiliations.

Decentralization of Government, in the context of respect for human rights and transparent governance, serves the purpose of bringing the decision-making process closer to the general population, especially the rural poor.

Civil society is represented in many different forms. Throughout the Arab world, informal social structures and organizations (such as family/ clan groups) exist, which can be used as the basis of support networks and local representation. Two Arab-Islamic institutions that have gained a lot of interest in the past couple of years are the *Waqf* and the *Zakat*, both of which serve as social safety nets with an equity orientation based on distributive principles, which benefits the poor of society directly. Those are currently being explored by several Organizations amongst them UNDP and ESCWA.

Non-governmental organization, based on the Western model, have also begun to thrive in the Arab world. Most however, are very small or too factional in their outlook, leading in many cases to duplication and fragmentation, and lowered efficiency. Government’s relationship with NGO has also been vague so far, with some effort to regulate it into complementarity. While the State has the major role to play in poverty eradication, NGOs and other forms of community institutions can be valuable partners in this endeavor.

Some measures are suggested by UNDP to maximize the benefits that could be had from the activities on NGO aimed at poverty eradication:

- Reform of the often constraining laws of association found in most Arab countries;

- Encouragement of NGOs to aim for empowerment of the poor rather than charitable distribution;
- Ensuring respect for NGOs autonomy;
- Support of NGOs through offering management training and capacity building skills;
- Encouragement of the financial independence of NGOs and support of NGOs efforts to become self-financing;
- Revising the taxation strategy to allow NGOs to benefit and to encourage more social initiative efforts;
- Tailoring anti-poverty policies to specific sectors (e.g. low-cost, high quality, health care provision by NGOs);
- Supporting in particular NGOs aimed at the empowerment of women and the improvement of their status;
- Encouraging the media to promote the concepts of community action and participation.

Fifth: Conflict Resolution:

Poverty and conflict, and hence poverty eradication and conflict resolution, have been linked in three main ways:

1. Poverty eradication as a conflict prevention tool. Providing the poor with their basic needs and rights such as , health, education, employment opportunities, housing, political participation, justice, etc.. often leads to the diffusion of potentially explosive situations;
2. Poverty eradication programs as vehicles for conflict resolution. Poverty eradication programs can have built into their structures “educational” components for the promotion of tolerance, understanding, cooperation, etc.. which will in turn support conflict prevention efforts.
3. Post-conflict rehabilitation through poverty alleviation programs. Conflict and wars aggravate poverty conditions among a population. Special effort is needed in targeting the more vulnerable groups affected by conflict (widowed, orphans, war disabled, etc..) to alleviate the poverty of those most in need.

Three policies which are aimed are conflict prevention and reduction, are suggested by UNDP:

- Promoting a culture of tolerance, negotiation, and cooperation;
- Education programs highlighting the opportunity costs of wars;
- preventive development programs, especially among the urban poor and isolated rural communities.

Sixth: Arab and International Cooperation:

Despite various past efforts and despite generally good intentions, the incredible potential for pan-Arab development has never been fully explored or exploited. A number of regional/ Arab dynamics have played an important role in the control of poverty. These are: labor migration from the poorer Arab countries to the oil-rich Gulf states, official aid

from the richer countries to the poorer State, and the flows of private investment between Arab countries. All three mechanisms have been witnessing rapid decline since the late 1980s early 1990s.

Increases in inter-Arab cooperation is necessary to support the fight against the spread of poverty. As is international assistance to the countries of the region. This could take several shapes ranging from direct cash flows and aid to alleviation of the foreign debt burden, to the adoption of welfare-centered aid strategies.

IV. LEBANON'S POVERTY CHALLENGE

Despite the deficiency in data, available statistics show that social development indicators in Lebanon have been improving considerably, over the past 20 years, this despite the difficulties and set-backs caused by the civil war, and the continued Israeli occupation of the South and periodic aggression. The crude birth rate for 1996 was 27, while the crude death rate was 7. Life expectancy at birth in 1996 had reached 68.7, up from 59.6 in 1960. The infant mortality rate was 28 in 1996 down from 68 in 1960. The adult literacy rate in 1996 was 86.4% up from 69% in 1970 (PHS, 1996). But despite this record of social achievement, poverty (defined as unmet basic needs), both rural and urban, remains a common problem, requiring urgent attention.

The Lebanese Government, in contrast to the Jordanian Government, for example, has not put forward any policies specifically aimed at reducing poverty, or even a general policy which includes reduction of poverty as a stated aim. While in Jordan a specialized central anti-poverty unit, directly linked to the Prime Minister's Office, and responsible for poverty eradication policies and the implementation of strategies, has been established, the Government of Lebanon has so far adopted the position that the poor will automatically benefit from the trickle down of economic growth. The main tenets of the government's policy of economic reform are currency stabilization and infrastructure reconstruction.

The lack of a defined policy is evident from the absence of any reference text for social policy, let alone for poverty reduction or eradication. Any study of the prevailing policies of the Lebanese government regarding poverty will have to be gleaned from the analysis of existing texts and documents for implicit policies which may have a bearing on poverty and poverty reduction. In fact, Haddad (1995) quotes a Government report to the Social Summit which clearly states that poverty alleviation will come about as a result of economic growth, which is the key to the official social policy. However, for several reasons to be detailed below, a "trickle down" of benefits to the poor has not taken place, and is unlikely to occur anytime in the near future.

Lebanon: Selected Social Economic and Health Indicators
(latest available years)

Indicator	Value	Year
Area (sq. km)	10,452	1997
Population (Legal resident-refugees)(000)	2,993	1996
Population projection for the year 2000 (000)	3,200	1996
Crude Birth Rate (per 1000)	27	1996
Crude Death Rate (per 1000)	7	1996
Rate of natural increase (%)	1.6	1996
Population below 15yrs (%)	29.2	1996
Population above 65yrs	6.9	1996
Dependency ratio	56.5	1996
Total fertility rate	2.5	1996
Urban Population (%)	85	1996
Adult literacy rate (%)	86.4	1996
Male literacy rate (%)	91.0	1996
Female literacy rate (%)	82.0	1996
School enrollment ratio (first level)	115	1990-95
Male school enroll. ratio (first level)	117	1990-95
Female school enroll. ratio (first level)	114	1990-95
School enrollment ratio (second level)	--	--
Male school enroll. ratio (second level)	73	1990-94
Female school enroll. ratio (second level)	78	1990-94
Per capita GNP (USD)	na	--
Per capita GDP	3,300 ^a	1996
Economically active population (15-64yrs)(%)	63.1	1996
Unemployed (%)	15	1995
Life expectancy at birth (total)	68.7	1996
Male life expectancy at birth	66.8	1996
Female life expectancy at birth	70.7	1996
Under 5 mortality rate	32.2	1996
Infant mortality rate	28.0	1996
Maternal mortality rate	104	1996
Pop. for whom health care is available (%)	95.0	1990-95
Urban pop. for whom health care is available (%)	98.0	1990-95
Rural pop. for whom health care is available (%)	85.0	1990-95
Pop. w/ safe drinking water (%)	94.0	1996
Pop. w/ adequate excreta disposal facilities (%)	97.0 ^b	1996
Deliveries attended by trained personnel (%)	87.9	1996
Overall national expenditure on health (USD)	929 - 1,340 million	1996
MoPH expenditure as % GDP	1.2	1996
% GDP spent on health	7 - 10	1996
% MoPH expenditure on Primary Health Care	< 8	1996

Source: Ministry of Public Health/ WHO data sheet compiled in 1997, using estimates of Population and Housing Survey, 1996, PAPChild, 1996 & others.

a: A working estimate provided by the Ministry of Finance

b: Proportion of households with access to public sewage system & private pits (PHS, 1996)

A. The Extent of Poverty in Lebanon

A problem that has hampered the development of poverty alleviation projects the world over is that of deficient or unreliable information and statistics. The World Bank (1991), has emphasized that a poverty profile must be the starting point for any poverty alleviation project. Such a profile should include an investigation into trends in poverty and a clear picture as to the characteristics of the poor: location, demographic characteristics, sources of income, patterns of expenditure, access to social services, etc. Such a profile would provide key inputs into an analysis of the interaction between macro-economics and sectoral policies on the one hand, and the incidence of poverty on the other. Many researcher in the Arab world have found the lack of reliable data a major problem for their work on poverty. (such as Issa, 1994; Haddad, 1995; Solh, 1995).

A distinctive feature of any study on Lebanon is the lack of official statistics. The last population census was carried out in 1932. There have since been some attempts to build a statistical base. The latest efforts being those of the Ministry of Social Affairs and UNFPA resulting in the Population and Housing Survey of 1996, in which approximately 70,000 families were interviewed and studied, estimated to represent a 10% sample of the total resident Lebanese population, and the Pan Arab Project on Childhood (PAPChild) survey of 1996, whic studied a sample of over 6,000 families concentrating on the health status of women and children.

In 1995 Haddad (for ESCWA) attempted to define the poverty lines for Lebanon. Those he placed at between \$ 306 and \$ 372/ month for a family of five members for abject poverty; while the line for absolute poverty was placed at between \$ 618 and \$ 1,027/ month for a family of five. A minimum of \$ 600 was accepted as the cut-off point for absolute poverty.

Based on the results of earlier studies (IRFED 1961 and Semerjian 1994), the ESCWA study estimated that in excess of 40% of agricultural families were surviving under the abject poverty line. 5% of public sector employees and 3% of industrial sector employees , and 1% of families gaining a livelihood from trade and services were also living below the abject poverty line.

The 1995 ESCWA study also concluded the 75% of agricultural families were below the absolute poverty line, while 31% of public sector employees, 26% of industrial workers, and 16% of trade and services sector workers were surviving below the absolute poverty line.

The study went on to conclude that on a national level, 7.25% of Lebanese families fell under the abject poverty line, while 28% fell under the absolute poverty line. Assuming the total Lebanese population size to be close to 3 million persons (PHS, 1996), this in effect means that close to 1 million persons are poor, among whom close to 250,000 face abject poverty, while two thirds of those (approximately 18,000 persons) live in the rural areas representing more than one fourth of the rural population.

The economy of Lebanon, unlike the majority of those in the Region is largely market-oriented and relatively free. The State does intervene in certain areas, but the private sector plays a very important and highly visible role in development and growth. Lebanon presents another special case due to the long civil war which devastated the country and damaged infrastructure between 1975 and 1990. Sharafeddine & Nimah (1995) estimate that the civil war cost the Lebanese economy nearly 25 Billion US Dollars. Using forecasts and predictions they also estimate that in 1992 the GDP was around 40% what it should have been had the war not occurred.

The war also resulted in large numbers of disabled. The Lebanese National Committee (1995) estimates that there are 57,000 disabled individuals in Lebanon, 14,200 of whom are believed to have become disabled as a direct result of the war. Lacking proper services, catered to their needs, and without the means to provide for themselves, these individuals become dependent on relatives or fall into poverty.

Haddad (1995) has found that 75% of families in rural areas whose main breadwinner works in agriculture live in absolute poverty, while 40% live in abject poverty. In urban areas, he estimated that 750,000 individuals live in absolute poverty among whom 100,000 live in abject poverty. He found, furthermore, that two-thirds of all people living in abject poverty live in rural areas and make up more than a quarter of all rural residents. The two following tables illustrate his findings.

Lebanon: Distribution of Families according to Monthly Income & Sector of Employment of Household Head (1994)

Monthly Income (USD)	Agriculture	Industry	Trade	Civil Servants	Other Services
less than \$200	40%	3%	1%	5%	1%
\$200 - \$500	35%	23%	12%	26%	15%
\$500 - \$1,000	11%	32%	33%	48%	30%
\$1,000 - \$1,500	4%	15%	19%	16%	18%
\$1,500 - \$2,000	2%	14%	16%	1%	10%
\$2,000 - \$3,000	2%	4%	12%	1%	11%
more than \$3,000	6%	9%	7%	3%	15%

Source: Haddad (1995) from Semerjian (1994)

Lebanon: Percentage Share of Poor Families by Sector of Employment of Household Head

	Agriculture	Industry	Trade	Civil Servants	Other Services	Total
Under	71.7%	9.5%	1.8%	12.4%	4.6%	100%

Abject Poverty						
Under Absolute Poverty	34.5%	21.1%	6.0%	19.7%	18.7%	100%

Source: Haddad (1995).

Mohammed Bakir in a study on poverty in the ESCWA countries (1995), in which he suggests a model and methodology for the calculation of the poverty line in each country, found that 19% of the population of Lebanon fell under the absolute poverty line - as compared with Haddad's more commonly acknowledged estimate of 28%. The discrepancy in the two figures is probably attributable to the nature of the basket of goods chosen. The higher estimate, although widely contested by the Government when it was first published, is now more widely accepted as closer to reality.

Currently in a joint effort between the Ministry of Social Affairs and UNDP, an attempt is being made to create a poverty mapping for Lebanon, including presence, distribution, socio-economic and demographic status, employment patterns, etc.. The Central Directorate of Statistics is also currently undertaking a national household expenditure survey, the results of which should go some way towards better defining the characteristics of poor families and their spending patterns and priorities.

B. The Causes and Characteristics of Poverty in Lebanon

In February 1997 a UNDP mission to Lebanon charges with formulating a conceptual framework for poverty assessment and strategy in Lebanon, wrote in their report: "the general impression the mission got is that in Lebanon inequality plays a larger role than low productivity in explaining the prevalence of poverty". The report adds, "social infrastructure seems to be quite well developed in areas like water and electricity (not so much in sanitation), but the very low presence of public education and health services, puts a high burden on people's budget and lowers their real income. For the remote rural areas, this factor is a very important one".

Listing the determinants of poverty at the household level as dependent on the availability of the following six sources:

1. current income;
2. rights of access to free or subsidized goods and services;
3. property, or rights of use, of durable goods that provide basic services;
4. knowledge and skills, as expressions of capabilities of understanding and doing;
5. available time for education, entertainment, and domestic tasks;
6. non-basic asset holdings and capability to borrow.

The report of the Mission goes on to speculate that, despite the scarcity of information, it is apparent that in the case of Lebanon, rights of access to free goods and services (source 2) is far less developed than in other countries at the same level of development. In order to compensate, the current income (role of 1) is exacerbated. The almost non-existence of a public transport system, results in the accumulation of private cars. This in turn gives property of durable goods (source 3) higher importance than in other countries with a well distributed, functional public transport system. In the case of Lebanon, much of the satisfaction of basic human needs is highly dependent on private income, which results in people working long hours, thereby reducing the importance of available time (source 5).

Adib Nimah (1997) in a recent newspaper article on the occasion of the International Day of the Eradication of Poverty, outlined the characteristics of poverty in Lebanon, emphasizing that in Lebanon, poverty is different from the images of abject misery conjured up when poverty in Asia and Africa is discussed. Lebanese poverty is characterized by the following:

1. Failure of family incomes to meet their basic needs such as food, housing, education, health care, and transport;
2. The increasing importance of relative impoverishment of social classes; i.e. the growing gap between the poor and the wealthy, coupled with the rapid deterioration of the standards of living of the middle class, and the resulting imbalance created at the social and cultural levels;
3. The geographic distribution of poverty in certain impoverished areas, mainly rural areas and poor neighborhoods and suburbs of the larger cities (Southern suburbs of Beirut, Borj Hammoud, Bab el-Tabbaneh in Tripoli, etc.). Poverty indicators in these areas is reflected in the quality of life, including the availability of public services and infrastructure, an unhealthy environment, overcrowded housing conditions, etc...

4. The presence of certain groups of society with lower incomes. Agricultural workers, public sector employees and the majority of salaried private sector employees earn lower incomes than other groups, due to their lower salaries and the deterioration of the value of their salaries as a result of inflation;
5. A clear relationship between poverty and a lowered educational status and lowered quality of education as well as lowered basic health indicators. While the rate of school enrollment in Lebanon is high, the educational system is very much a two-tiered system: good education for the rich and poor education for the poor. The same applies to health indicators, where some poverty stricken areas may show many fold the rates of IMR of better off areas;
6. Lebanon suffers from the low efficiency of social services and a weakened or even in some cases non-existent social safety net system, both of which if properly functional would offer immediate relief to at risk groups. The elderly, the unemployed, families that have lost their main breadwinner, the disabled, etc. are at higher risk of poverty in its most severe forms, with virtually no protection, or at best deficient protection;
7. The structures and mechanisms of participation in decision making on the political, economic, and social levels, marginalizes the poor. Self-organizations of the poor are restricted, especially labor unions. The same applies in terms of geographic distribution, where the absence of local government structures and local councils, effectively prevents the poor from participating in public life.

Nimah goes on to list the most important causes of poverty in Lebanon:

1. The rapidly deteriorating economic productivity. Even with the improved positive growth of the last few years, GDP remains at 67.5% of what it was in 1974, despite the increase in the size of the population. That is the average share per capita is much lower than it was some twenty years ago;
2. The large discrepancy in income distribution and wealth among social groups. Poverty eradication is not merely a question of assuring extra resources, but involves at the immediate- and medium- term especially the redistribution of available wealth in a more equitable fashion between social groups;
3. The increasing gap between incomes and the cost of living due largely to inflation and the lack of price controls. The prices of goods have continued to rise despite the continuing improvement in the local currency;
4. Limited productive employment opportunities, and low salaries;
5. The decrease in external funds and emergency financing (various aid connected with war years), which has resulted in a decrease of the income families at a time of price and expenditure increases with the return of taxes and public fees, and indirect taxes, all of which takes a disproportionate share of the family budget;
6. The increasing costs of health care, educational services, housing, which constitutes an extra strain on the family budget;
7. The lack of effective social safety nets to cover the poor and vulnerable in times of emergencies.

Nimah continues, that in the face of such realities, it is not enough to rely on strategies promoting growth in the private sector and in granting an increasingly larger role to market forces, even if those measures result in economic growth in the immediate future. Such strategies are insufficient to resolve the problems of poverty in Lebanon as identified,

and special policies of poverty eradication need to be formulated and given priority in the coming few months or years. Concurrently, another newspaper articles by the UNDP Office in Beirut appeared stating that “the discrepancies in income between the various socio-economic groups in Lebanon will not diminish except through the increase of the real income of the poor and through the increase of their capital”.

This is commonly achieved through either employment generating a limited salary income or through free employment. A significant proportion of the poor are unable to get paid employment, or jobs, because of lower educational status and poor skills. The poor, especially women tend, therefore, to work in the informal sector, in micro-projects such as bread making, door to door sales of clothing, sewing, and conservation and preparation of foods (pickling, jam-making, “kishk”, etc.). All of which do not require the availability of large capital as they are mostly based in homes, and the initial investment is small.

According to a report by ESCWA (1997), the most obvious effects of the war on the social front in Lebanon are:

- Thousands of cases of disabled, of orphans and of widows;
- Forced displacement estimated to have affected a quarter of the population, with 82 villages suffering from total destruction and 91 from partial destruction;
- Out-migration, estimated between 1975 and 1991 to have reached 517,000 persons, or roughly 16.2% of the resident population;
- Deterioration in the quantity and quality of public services and social services, especially health, education, transport, electricity, etc.;
- Deterioration of infrastructure and public utilities, such as roads, communications network, water network, etc..
- A high level of unemployment , reaching at best estimates 15% of the labor force, coupled with an increase in the spread of marginal informal sector economic activities with typically low productivity;
- A deterioration in the standard of living of a wide segment of the population due to rising inflation, coupled with a deterioration of the basic minimum wage. This has affected an estimated 65% of the labor force, those that are salaried employees.

The net result of these changes was the collapse of the middle class, the basic pillar of Lebanese society, and a dramatic increase in poverty affecting a wide range of “profiles”: the displaced, the unemployed, small farmers, public sector employees, rural dwellers, urban squatters, widowed females, orphans, the disabled, etc...

ESCWA (Poverty West Asia) identified the main characteristics of poverty in Lebanon as follows:

- Poor households tend to be larger than the national average;
- Poor families have less access to health care, safe water, electricity, etc;
- Educational attainment appears to be negatively correlated with poverty; Overcrowding and unhealthy environmental conditions are common among the poor, especially among the urban poor.

Sharafeddine & Nimah (1995) wrote a study on poverty in Lebanon, concentrating mainly on the impoverishment of the middle classes. They argue that the middle classes are beginning to disappear with the vast majority already living below the poverty line. Sharafeddine & Nimah attribute the deterioration of the middle classes to four main factors:

1. A lowered real income resulting from hyper inflation and the widespread use of the US dollar in the economy. According to their study, real minimum wage in 1992 in fixed 1974 prices dropped by 30%. Prices of consumer goods, however, remained high. Estimating the poverty line at 600 US Dollars, they conclude that nearly 30% of the population is below the poverty line.
2. An imbalance in the housing sector: small property owners/ landlords saw a major decline in their incomes as rents remained fixed in Lebanese Pounds.
3. The deterioration of the public educational sector and services, resulting in a drop in public school enrollment from 42.4% in 1974-1975 to 32.6% in 1991-1992. Families seeking a high standard of education for their children had to pay relatively high tuition fees in private schools.
4. The deterioration of social services, in particular health care: In 1992 out of a total 129 hospitals, only 24 were public. Only 350 beds, or 19% of the total public hospital beds, were actually functional, and of dubious quality. In addition, only a third of the 675 health centers were public and of those only 13 (6%) were fully functional.

1. War

It is a widely held view that poverty in Lebanon is directly related to the war. This is not entirely true as it would tend to mask more fundamental structural problems which must be addressed if poverty is to be eradicated. The wars in Lebanon, both the civil war and continuing Israeli aggressions, have played a detrimental role in exacerbating poverty and in creating "new groups" of poor people: displaced, refugees, war injured, etc.. It has become widely acknowledged and accepted that the incidence of poverty increased as a result of the civil war and of the continuing Israeli aggression in the South. A major contributing event was the large scale Israeli invasion of the country in 1982. The war years resulted in significant human losses as well as damage to the infrastructure, and instability resulting in major reductions of income for large segments of the population. Estimates, in fact, place the financial cost of the war years in Lebanon at around 25 Billion US Dollars.

"The erosion of authority and the loss of business and public confidence caused a sharp decline in government revenues and activity, and in private sector activity and productivity, respectively. The country started to lag behind in technological progress and in managerial techniques" PSHD (54)

Another important by-product of the war was emigration and forced displacements of thousands of persons from their homes, villages, and towns. It is estimated that close to one million Lebanese emigrated during the war period and immediately afterwards as a consequence of deteriorating security and economic conditions, and of lack of employment opportunities and the increasing threat of poverty.

It is also estimated that close to 800,000 persons were displaced during the war. This led to the fragmentation of social structures, where villages and communities were segmented and families were fragmented and dispersed. A 1990 estimate (Feghali 1995 & Kasparian 1995), placed the percentage of poor among the displaced population at more than 75%, with up to 50% having difficulties meeting basic food requirements.

2. Economic

The growing public deficits, rising inflation and deteriorating exchange rate of the mid 1980s led to a near total economic collapse. Incomes and wages were unable to keep up with rising prices leading to the gradual but steady elimination of the country's middle class and a resulting bi-polar society having an increasing number of poor with a small segment of rich persons.

In Lebanon, it is estimated that wage earners constitute two-thirds of the labor force. The interrelationship between poverty and unemployment has been established in countries all over the world. Hence, it becomes alarming to realize that during the last few years the size of the labor force has grown rapidly, from around 900,000 in 1987 to 1.1 million in 1995, and promises to continue rising mainly due to the slow down of emigration and the return of previously migrant workers seeking employment in the Lebanese market. It is furthermore, estimated that 35-40,000 additional persons are seeking employment every year.

A trend has been observed in the last years of a move towards more marginal economic activities such as peddling, household services, and small commerce, concurrent with rising levels and incidence of poverty. Also observed has been a move away from stable employment and experience accumulation to the benefit of disguised unemployment and a high rate of job-turnover. Such changes have been acting to compound the pressure on the labor market and raising rates of overt and disguised unemployment, which are highly correlated with poverty.

The structure of the economy is such that the poor have difficulties accessing banking and financial facilities and loans, which could help them establish micro-, small-, or medium-sized profit-making projects. The structure of banking in Lebanon is concentrated to such an extent that only 0.2% of borrowers obtained 21.4% of total credit during the first quarter of 1993, while 77% of borrowers obtained less than 6.5% of total credit during the same period.

Another economic trend with direct implications on poverty is the amount and size of agricultural holdings. Within this context, it is estimated that between 1961 and 1981, the number of agricultural holdings dropped from 127,000 to 64,000. Meanwhile, the share of the labor force employed in agriculture dropped from 19% in 1970 to 11% by the end of the 1980s.

C. The Situation of Non-Lebanese

1. Palestinian Refugees

Palestinian Refugees:

No studies have yet examined the conditions of poverty of Palestinian refugees, particularly those living in UNRWA camps, as part of the whole resident population. Furthermore, no comparative studies exist as yet highlighting the conditions of the Lebanese poor in the rural and urban areas with those of the Palestinians in the camps. While poverty as an income condition may be confined, the social consequences of it can not be limited within the boundaries of a village or a camp. Hence a Palestinian population suffering from poor hygienic conditions, is likely to have higher incidences of diseases which will in turn affect those in the surrounding areas.

While no data or information exists to compare the two populations, Refugees and non-refugees, anecdotal evidence would appear to suggest that the standard of living and the conditions facing camp dwellers are some of the worst to be found in Lebanon.

A survey carried out by the Palestinian Central Bureau for Statistics and Natural Resources, with Unicef funding and ESCWA technical assistance, in 1996 came out with some rather dramatic facts, which some even considered to present a picture better than reality. The survey estimated the total number of Palestinian refugees in Lebanon at approximately 356,000, of which more than 340,000 live in camps. 40% of the population was found to be under the age of 15 years, while the average age was found to be 20 years.

Fertility rates were found to have dropped from 5.5 in 1980 to 3.8 in 1996, and 42% of married women were using some method of family planning. 20% of deliveries were found to take place in the home with the assistance of a midwife, while more than three fourths of deliveries took place in hospices and clinics. Other evidence suggests, however, that in some camps (such as Ain el Hilweh) a very large number of deliveries are assisted by un-registered midwives.

Infant mortality among the camp dweller Palestinian population was found to be 34/000 rising to 41.7/000 among non-camp dwellers. Immunization rates were found to be 81.7% for TB, 90.2% for DPT, 85.1% for Polio, and 34.3% for Measles.

42% of camp residences were found to be not connected to a sewage disposal network. 43.2% of children under the age of 5 years were found to be suffering from acute respiratory illness, even though the survey had been carried out during the Spring season. Of those more than 25% were found to be living in homes of one room, 45% in homes of two rooms, 16% in homes of three rooms, and 5% in homes of four or more rooms.

The average family monthly income was found to be \$ 228, with a high of \$ 422, while the average monthly income per person was found to be \$ 44. Income from wages constituted 80% of the sources of income for Palestinian families. The labor force constituted 27.1%

of the population. Female participation in the labor force was estimated at 8.7% for camp dwellers compared with 10.8% for Palestinian non-camp dwellers explained mainly as a function of non-dwellers participation in agricultural activities in South Lebanon.

Within the total Palestinian population, industrial and mechanical laborers made up 40% of workers, followed by agricultural workers (approx. 25%). Seasonal laborers and workers constituted more than one third of workers.

The overall educational enrollment rate was found to be 78.2% (slightly higher among males). The drop out rate was found to be 19% among elementary students rising to 30% among intermediate students. UNRWA schools handled 93% of the load of elementary education and 91% of the load of intermediate education.

48% of the total population over 10 years was, however, found to be illiterate or semi-literate; 51% for females and 45% for males. University graduates constituted 4.2% (2.2% for females and 6.4% for males).

At a time when the budget and subsequently the role of UNRWA is on the decline, and at a time when the Lebanese Government is refusing to assume responsibility of the Palestinians, awaiting a solution to their problems as part of a wider Middle East Peace settlement, the situation of the refugees is looking increasingly bleak.

In the meantime, poverty eradication policies and programs should be formulated in order to improve the living conditions of the Refugees.

2. Foreign Workers

The above discourse due to the limitations of the information available, is limited to Lebanese citizens only. Lebanon, however is host to a large non-Lebanese population, mainly Palestinian refugees (mostly in camps), estimated at close to 350,000, and a large number of foreign low-skilled workers. It is widely acknowledged that the Palestinians in Lebanon are living under extremely adverse conditions, in unsuitable housing and lacking in basic health and educational services as well as an extremely high unemployment rate (40%).

The number of foreign workers in the country is difficult to come by and varies widely from source to source. The Ministry of Labor, for example issued close to 42,000 working permits in 1995. This figure, however, is incomplete as it does not include all the foreign workers (as not all obtain legal work permits) and does not include workers of Syrian nationality who are allowed to work in Lebanon without work permits, and who are believed to constitute the majority of foreign labor.

A report by CDR (1992), on the other hand, estimated the number of foreign workers at 250,000 in 1992, of which 200,000 were thought to be Syrian. The General Directorate of Public Security, however, estimated the net inflow of Syrians into Lebanon at 1.6 million between 1993-1995. the number of Syrians leaving the country, however, is not reported.

Other estimates, based on limited surveys and studies estimate the number of foreign workers in Lebanon at the end of 1995 to have been 600,000, of which 450,000 are Syrian single male workers.

In a discussion of poverty in Lebanon, the economic and living conditions of this segment of the resident population is significant. The recently published Profile of Sustainable Human Development in Lebanon report (1997) concludes that foreign workers live under extremely adverse conditions:

- The majority of Asian house-workers (maids, etc..) live and work under difficult circumstances and under varying conditions depending on the whims of their employers.
- Foreign workers working as doormen, janitors, and warehouse workers work under unhealthy conditions and tend to live in unhealthy housing lacking basic hygiene infrastructure and services.
- Construction workers, agricultural workers, garbage collectors, porters, etc.. all work and live under highly unsatisfactory conditions lacking the basic minimum of hygiene. It is significant to note that the majority of the 450,000 Syrian workers in Lebanon are involved in those jobs.

V. LEBANESE GOVERNMENT POLICY AND POVERTY ALLEVIATION

Government social policy in the post-war period is still lacking. Even an agreement on a conceptual definition of poverty for Lebanon, incorporating the income and basic needs dimensions, is still lacking. As of yet there have been few policies formulated to address existing social problems such as poverty, unemployment, and social integration. This is not a reflection of a lack of awareness of these social problems, but appear, rather to be the result of the adoption of the view that priority needs to be placed on economic development and growth and that benefits would ultimately to reach the poor through the invisible hand of market forces, and resolve these social problems.

“There are no specific policies in place designed to combat poverty”(PSHD) Neither economic nor social policies or programs have as yet clear poverty eradication or alleviation objectives that can form the basis of a national program or effort. At best, the Lebanese Government has recognized the symptoms of poverty as an undesirable situation, and has made some fragmented attempts at dealing with these symptoms. No effort has been expended at identifying or tackling the causes and mechanisms of poverty. It is important to note that the desired poverty alleviation result is in most cases a welcome by-product, but not an actual objective of the original plan or policy. The few ad hoc measures that have been taken to relieve the growing pressures of poverty have not really met expectations.

The Lebanese Government considers the question of economic growth as paramount on the national rehabilitation agenda, and as such has set itself the goal of doubling average income per capita from around 2,180 US Dollars to around 4,350 US Dollars between the years 1994 and 2007. The strategy to achieve this growth is two pronged. Focusing on the one hand on rebuilding what infrastructure and institutions were damaged during the war, addressing the various sectors such as transport, health, education, housing, sanitation, etc. ; and on the other hand focusing on achieving financial and economic stability, through strengthening the local currency and decreasing the deficit in the budget, aiming to reach financial surplus. According to the Government’s rational, attaining these two objectives, prepares the way for large scale private sector investments in the country, which would in turn result in growth and social problems would begin to be resolved as a matter of course.

This theory of development has, however, time and again proven to be inadequate. There are many examples the world over of countries with high growth and high levels of poverty and income disparities. It is the pattern of growth which is more important.

The Lebanese Government’s outlook, however, leads to two main conclusions:

- Within this framework of priorities, a comprehensive social policy can not be expected to be formulated and implemented in the near future;
- If the only approach to resolving social problems continues to be through economic growth, then it is likely that the process will take a very long time to show results.

This is not to suggest that no work on resolving social problems has taken place, rather that what is being carried out is done so in the absence of a guiding overall policy or vision and hence appears as a number of fragmented , often overlapping, activities, lacking the unity or clarity of purpose of a plan or a poverty eradication policy.

The main elements of general Government policy in relation to poverty alleviation can be outlined as follows:

A. Employment Policy

In spite of rising unemployment and the increasing numbers of first time job entrants, employment policy, as part of an overall poverty eradication policy, has remained neglected. Policies and programs such as job opportunity creation, the establishment of vocational training programs, and measures to increase productivity, have been largely incidental and have been by and large left to be determined by prevailing market forces. The Government has left the employment market open and largely unregulated. Official documents, such as the 10-year Advancement Plan , make no mention of a defined employment policy. This at a time when the labor force has been growing steadily to reach an estimated 1.1 million in 1993, up from 900,000 in 1987, and is expected to grow even more rapidly due to the declining numbers of emigrants and the increasing numbers of returned workers.

All of which serves to increase the pressure on the labor and employment markets, leading to increases in open-, disguised-, and partial- unemployment rates, all of which lead to increases in poverty.

Measures are needed to create new jobs, to absorb new job seekers, and to rehabilitate those already employed to raise productivity.

B. Wage Policy

Haddad (1995) identifies wage policy as one of the main elements that need to be present in the fight against poverty in Lebanon, based on the estimate that 60% of the total work force in the country are wage earners. With the high levels of inflation that hit the country between 1984 and 1992, reaching 110%, salaries lost a considerable proportion of their value estimated at around 70% over the last twenty years. Furthermore, owing to the application of the wage adjustment rate, which decreases with wage increase, the medium wage has fallen at a faster rate than the minimum wage.

The Government has a set minimum wage which is enforced, and carries out periodic wage correction reviews. As stated earlier, the real value of wages was eroded due to inflation during the war years. Between 1974 and 1990, it is estimated that the real minimum wage lost around 70% of its value. Decline in the mean wage, in the meanwhile, exceeded that in the minimum wage, due to the scale used to correct wages, where the percentage of increase declines as wages rise. This resulted in an increase in the incidence and extent of poverty among wage earners, especially employees of the public sector.

C. Fiscal Policy

Government policy has set as a priority the control of cash-flows, which is considered to be responsible for inflation. Hence, economic reform is proceeding along the assumption that improvements in the standards of living should be achieved indirectly, without the necessity of increasing wages, especially in the public sector which is characterized by "a high number of staff and low productivity".

The Government has reduced income tax to a maximum of 10% and corporate tax to a single rate of 10%, from progressive rates as high as 40%. This has led to an increased reliance on indirect taxes and fees. Pricing of public services has in general been brought to levels comparable to market prices, which has added considerably to the financial burden of households, especially poorer ones. Proposed additional taxes and a revision of existing taxes are currently up for review by the Parliament. The Government argues that should it attempt to raise income taxes for the rich, the rate of tax evasion will increase, and tax collection will drop. A gradual introduction of increase within a progressive income tax system, however, could avoid widespread tax evasion. Critics of the Government's policy suggest that tax policy actually favors holders of capital, and raises the share of the average citizen in the financing of public expenditures.

However, while such measures may serve to reduce budget deficits and public debt, they place a heavy burden on wage earners. It is as a result of this imbalance that during the past 20 years, the share of wage earners of the GDP had dropped from 58 to 22 percent, while that of employers has risen from 42 to 78 percent.

D. Price Policy

During the war years, it is estimated that inflation reached such a point that prices had risen at a rate four times faster than incomes, significantly increasing the incidence of poverty. After 1992, however, the Government succeeded in stabilizing the national currency and even in improving the exchange of the Lebanese pound, and significantly reducing inflation. The implications on purchasing power and poverty are believed to be significant, although due to the structure of the economy, price levels remain high. The Government has been slow to react to the high level of pricing with limited activities such as establishing a public office for popular markets and occasionally activating price supervision mechanisms.

E. Micro and Small Enterprise Development

As discussed earlier, credit facilities for the poor to enable them to establish micro and small enterprises remains difficult to obtain. Those schemes that do exist, are of marginal importance being designed specifically to be available to women and widows, and remain within the scope of work of NGOs and International organizations such as Save the Children Federation (US) and UNIFEM. The banking sector remains largely disinterested in the endeavor, and unconvinced of its profitability.

F. Vocational Education Policy

Technical education and vocational training: The Government has only recently begun to address the issue of vocational and technical training, recognizing that skills development is an important means of empowering the poor to obtain better jobs and raise their incomes. Enrollment rates in vocational programs, however, remain very low at a mere 8.8%.

G. Social Safety Nets

While the Government has in the past realized the importance of safety nets in alleviating the most undesirable effects of poverty, and has concentrated most of its poverty eradication policies in this domain, action has been mainly in the form of direct and temporary transfers, monetary and in kind, rather than the adoption of a welfare state orientation.

During the war the role of the State and of public institutions in the provision of basic services to the population declined dramatically, partially due to its reduced spending power due to the inability to collect taxes or dues on amenities such as water and electricity. Gradually non-governmental organizations (NGO) with various background and socio-political and confessional affiliations emerged and began to take on the role of provider of emergency and relief services and eventually of some other basic services such as health and education and even direct cash transfers.

However, although the State was markedly weakened, it was not altogether absent, and continued to fulfill, to varying degrees, a number of its obligations. Tens of thousands of public sector employees continued to have their salaries paid to them, which served to sustain tens of thousands of families and to alleviate the more adverse effects of poverty. NGOs, on the other hand, concentrated their efforts on meeting the more urgent needs of the population. In this regard it would appear that NGOs acted in much the same way as safety nets, even though it is difficult to assess their role and contribution due to the lack of data and information.

The State, through its various bodies and organizations offers a range of services within the structure of a social security system. The types of services available to Lebanese citizens are of two main distinguishable types: Permanent and Temporary.

1. Permanent Schemes and Programs

Permanent social security institutions in Lebanon are characterized by the following main features:

- Multiplicity of institutions the main ones being the National Social Security Fund (NSSF) and the Cooperative of Public Sector Employees, insurance schemes for the security sectors (army and internal security forces), private insurance companies and schemes for specific professional groups.
- Variations in membership requirements, dues, and extent and types of coverage.

- Overlap in coverage, with members covered by more than one scheme.
- Differences in the benefits offered.
- Failure to have all Lebanese citizens covered. Estimates place the percentage of the population without any health insurance at around 44%.

The following Table outlines the types of services offered and the population covered by the main public institutions:

Social Insurance Institutions, 1996
Categories of population and benefits offered

Institution/ Beneficiaries	Benefits Offered
NSSF <ul style="list-style-type: none"> ◆ Workers & employees of private sector ◆ Workers & employees (inc. contractuels) of public sector & independent offices not governed by the law of employees ◆ Teachers at public schools ◆ Taxi owners & drivers ◆ Journalists ◆ University students ◆ (Fishermen, tobacco farmers, & seasonal workers to be included in future) 	<ul style="list-style-type: none"> ◆ family allowances (20% of min. wage for spouse, 11% for each child- total not to exceed 75% of min. wage) ◆ Sickness & maternity allowances (90% hosp. costs; 80% consultations & medications) ◆ End-of-service indemnity ◆ (Work related accidents & sickness not yet put into effect, despite availability of funds)
CPSE <ul style="list-style-type: none"> ◆ Employees of public sector governed by law of employees 	<ul style="list-style-type: none"> ◆ Hosp. & medical expenses (90% of hosp. costs & 75% of consultations & medications & dental for employee; and 75% and 50% respectively for family members) ◆ Education grants (75% tuition fees for pre university- up to 5 children) ◆ Social allowances: marriage, death, delivery ◆ End-of-service indemnity <i>or</i> pension scheme (thru MoFinance)
Security Sector Insurance <ul style="list-style-type: none"> ◆ Army Medical Brigade ◆ Cooperative of Internal Security Forces 	<ul style="list-style-type: none"> ◆ Hosp. & medical expenses (100% for military, 75% spouse & children, 50% other family members) ◆ Educational Grants (75% of pre-university tuition & 50% of university) ◆ Social allowances: marriage, death, delivery ◆ Military benefit from end-of service indemnity & a pension system (thru MoFinance)
All Military Sectors <ul style="list-style-type: none"> ◆ Army ◆ Internal Security Forces ◆ State Security ◆ Public Security ◆ Customs Officers 	<ul style="list-style-type: none"> ◆ Hosp. & medical expenses (100% for military, 75% spouse & children, 50% other family members) ◆ Educational Grants (75% of pre-university tuition & 50% of university) ◆ Social allowances: marriage, death, delivery ◆ Military benefit from end-of service indemnity & a pension system (thru MoFinance)

From: UNDP, *A Profile of Sustainable Human Development in Lebanon, 1997*

The National Social Security Fund (NSSF):

The NSSF was established in 1963 to be financed from contributions from different parties as follows:

- **Sickness and maternity insurance:** subscriptions equivalent to 15% of salary, of which employers are liable for 12% and employees for 3%. This being applicable up to a maximum limit equivalent to 3 times the minimum wage.
- **Family allowance:** subscriptions equivalent to 15% of salary, with employers liable for 75% of total while employees are liable for 25%.
- **End-of-service indemnity:** subscriptions equivalent to 8.5% of salary, to be paid entirely by the employer. Discussions are underway to shift from the present system to an old age pension scheme.

The bulk of the benefits paid by the NSSF (41%) go towards covering the costs of health care.

According to one estimate (Iskandar, 1995) the real value of the benefits being paid out as end-of-service indemnity has actually declined by two-thirds between 1982 and 1992; from \$16,600 to \$5,000.

The NSSF, however, has been witnessing a decline in the percentage of the labor force covered by its schemes. For whereas the total number of registered establishments has been rising, the percentage of employees registered with the NSSF has actually dropped from 38% of the labor force in 1974 to 28.1% in 1996.

As expected from the concentration of economic and hence employment opportunities in the Beirut and Mount Lebanon areas, the majority of registerees is to be found in these two areas. Coverage in the rural and peripheral areas is much weaker at only 7%, 5.5% and 4.6% in the areas of North Lebanon, South Lebanon, and the Beka'a respectively. And while part of the differential may be explained by the fact that agricultural workers are not include under the scheme, still there appears to be a certain link between social and economic marginalization.

The Cooperative of Public Sector Employees (CPSE):

The CPSE had a total membership of around 55,000 at the end of 1995. The bulk of benefits paid by the CPSE went towards covering the costs of educational benefits (51%) and health care (46%).

While the concentration of beneficiaries is also mainly in the Beirut and Mount Lebanon areas, the degree of concentration is less than that of the NSSF, due mainly to the wider spread of the institutions of the public administration. For while 58% of beneficiaries in 1995 were to be found in Beirut and Mount Lebanon, 19%, 15% and 10% were to be found in North Lebanon, South Lebanon, and the Beka'a areas respectively.

The Security Sectors:

It is estimated that between the Army, the Internal Security Forces and the other security forces, the total number of beneficiaries exceeded 366,000 in 1994 (De Boillet &

Baddoura, 1995). It is not possible to obtain detailed information on the geographical distribution of the beneficiaries from the security forces. The PSHDL report, however, states that direct observations and limited field surveys would appear to suggest that the majority of the membership of the military and of the security forces in general come originally from the remote areas of Akkar, Baalbeck, Hermel and the South. This would suggest that the military establishment has a very significant role to play in the socio-economic development of the most needy parts of the country, both through the provision of employment and through the benefits offered to members and their families.

Private Insurance :

The total number of private insurance companies operating in various insurance field was 81 in 1996, according to the Association of Insurance Companies. It is further estimated that between 7 and 8% of the population were covered by private insurance schemes, mainly concentrated in the urban areas of Beirut and Mount Lebanon.

Membership in private insurance scheme is either on an individual or a group basis, with a large number of professional organizations entering their into group contracts for their members. The share of health insurance, mainly hospitalization, has witnessed a rapid increase in the past few years, relative to other insurance, with the share of hospitalization rising from 7% in 1987 to 21% in 1989 to 43% in 1991 and 51% in 1994.

As elsewhere, the terms and conditions of private insurance schemes are prohibitive for those most in need of it, especially health insurance. We find that the old and retired, the handicapped, those suffering from chronic illnesses are excluded from the schemes of the private sector.

Housing:

The independent Housing Fund, which has the mandate to offer housing loans for families of low incomes, has been recently reactivated. The fund, however, suffers from its limited budget and limited capacities. In 1994, for example, the Fund was able to process only 3,300 loans out of a total of 40,000 applications for funding.

2. Temporary Schemes and Programs

As Lebanon emerges from a prolonged period of civil strife coupled with occupation of a large part of its South, continued aggression, and destroyed infrastructure and a much weakened economy, and as the recovery and rehabilitation process gets underway (economic, social, and reconstruction), the needs of deprived and marginalized poor groups become increasingly pressing. Those include the victims of war, the displaced, and those impoverished during the war or by-passed by the recovery effort.

While considerable gains have been achieved in the past few years, often in spite of the war, the economic recovery program itself in imposing increasing pressure on those most vulnerable segments of the society. This at a time when it is estimated that close to half the population goes without any form of social insurance, and while significant proportion of

the population still suffers from war conditions, limiting their capacity to participate effectively in the economy or the reconstruction drive.

It is under those realities that a system of "social safety nets" is envisaged to be necessary to support those underprivileged groups and tide them over the worst of the economic strains they are currently having to face daily.

The population groups that have been identified as needing special attention and assistance include the following:

- Employees and wage earners with limited incomes
- Rural area dwellers
- The elderly and retired
- The unemployed
- Socially marginalized groups
- The displaced
- Orphans, handicapped persons, chronically ill persons.

It is clear that in order to have effective programs addressing the actual and perceived need of those groups, efforts have to be made to ensure proper targeting of both potential beneficiaries and activities or interventions.

While no explicit policy statement or document exists, there have been several programs aimed at relieving some of the pressures facing the poor in Lebanon. The programs described below fit the more classical notion of safety net, mainly due to their temporary or emergency nature. While not expressed clearly as "safety net" programs, those programs have, for the most part, existed for several years, and are part of the structure of certain ministries.

Ministry of Public Health:

During the war years, the Ministry of Public Health took on the responsibility for covering the health care costs of all Lebanese citizens in emergencies and all those without access to other forms of insurance, in theory the poorest of the poor. The Ministry has become the "insurer of last resort" (PSHDL). This began as a temporary measure but is now one of the cornerstones of the work of the Ministry, although it comes at great expense (often unjustifiable), and has come to be expected as a solid right by the Lebanese.

The Ministry acts as a safety net in that all uninsured persons are currently entitled to coverage by the Ministry of hospital services and other prescribed therapies. This the Ministry achieves through a system of direct funding for the treatment of uninsured patients in private hospitals. The Ministry covers 85% of the cost of all hospitalization, and 100% of the cost of open heart surgery, cancer chemotherapy, and kidney dialysis.

The Ministry also provides subsidized medications for poor patients who are chronically ill, at nominal prices.

The Ministry also offers free health care services through its network of health centers and hospitals. Patients utilizing those facilities are supplied with the medications necessary for

their treatment free of charge- whenever drugs are actually available. Quality is dubious. Often times patients end up paying through the system created during the war and which has become known as "Support Committees" . So, although prices charged are nominal, services are as a matter of fact not entirely free.

The current operating system of the Ministry, however, leaves much room for overlaps, wastage, and abuse. There is no functional system to target the needy population eligible for Ministry coverage, the only requirement being a certificate from the NSSF attesting to non-coverage by them. Due to loop holes and abuse those are often granted to persons not eligible for them. Hence the cost of the more expensive treatments tend to be referred to and borne by the Ministry. Estimates suggest that in excess of 80% of the Ministry's budget goes towards covering the cost of private hospitalization.

Delays by the Ministry to re-imburse hospitals for services and treatment, sometimes extending to more than 18 months, however, results in the private institutions sometimes refusing access and treatment for the poor, who are clearly unable to pay even the 15% share of the bill. This situation came to a head lately with the Syndicate of Private Hospitals announcing its refusal to admit anymore patients insured by the NSSF or covered by the Ministry, before the 400 Billion Lebanese Pound owed to them are paid. Although the Syndicate has given its assurances that persons requiring emergency treatment will not be turned away, the implications for the poor seeking health care are grave.

There are several allegations that hospitals and private physicians often insist on being paid a certain fee "outside" the official bill, as a condition for admission or even for examination and follow-up. This has severe negative implications for the poor if even his rudimentary safety net is unable to supply them with the minimal health care support.

There is an inherent paradox built into this system, however. Since the Ministry will only cover the costs of hospitalization and not of outpatient examinations or treatment this result in one of these two outcomes. Patients present at later stages of their diseases when hospitalization becomes necessary whereas they could have been treated earlier, at the cost of less hassle for them . And the cost for the Ministry is higher than earlier intervention.

It remains however, and in spite of the large number of public and private health insurance organizations, that the bulk of the cost of health care is being paid directly by the citizens. It is estimated that out-of-pocket payments for health are in excess of 34% for hospitalization, 76% for ambulatory care, 74% for laboratory services, and 79% for medications. (De Biollet & Baddoura 1995). In which case it would be reasonable to assume that lower income persons and households spend a larger proportion of their income on health care than those of higher incomes.

The Ministry plays another relief role during the frequent security emergencies facing the country. This the Ministry does through the provision of emergency mobile clinics and ambulances, through the provision of medical staff, and through the provision of medications and urgent medical supplies. During the latest major Israeli aggression on the South of Lebanon in the Spring of 1996, the Minister of Public Health issued a decree

instructing all hospitals to treat all those seeking treatment and then bill the Ministry. The Ministry is still suffering from the burden of the debts incurred.

For more analyses of the health sector, see Annexe 2.

Ministry of Social Affairs:

The Ministry of Social Affairs grew from the Social Development Office which had been established in the early 1960s as a response to growing awareness of the notions of "development" being discussed at the time. Hence its main premise was to work through establishing a network of service and development institutions all over the country with special emphasis on coverage in the rural areas. Its basic philosophy also relied heavily on the notion of cooperation with local communities and organizations through active involvement and participation in the implementation and management of projects.

During the war the role of the Office was diminished and it was first attached to the Ministry of Labor then the Ministry of Public Health, becoming a full fledged Ministry only in 1992.

The Ministry of Social Affairs, as it stands today, acts as the most significant structure for social safety nets, in its most direct sense. the responsibilities of the MoSA cover a wide range of activities, from offering care, to caring for less privileged groups (disabled, widows, etc..) to taking care of urgent needs in rural areas, health and social care networks, operating centers of comprehensive social services, etc... During emergencies, the Ministry also becomes active in relief effort and operations.

The basic network of services of the Ministry of Social Affairs is built around the 87 health and social centers it operates, of which 33 are "comprehensive services centers". Health services make up the bulk of the activity in these centers having accounted for 77% of visits in 1995. Having a largely rural orientation, the Ministry of Social Affairs has the largest number of centers in the South, with only two centers situated in Beirut. The Ministry is currently reviewing proposals for the re-habitation and re-activation of the comprehensive services centers, including the retraining of staff and the re-orientation of activities towards increasing emphasis on empowerment of the local communities.

Ministry of Social Affairs: Social Welfare Contracts by Type and Mohafaza, 1995

Mohafaza	Institutions	Orphans	Social Cases	Sucklings	Elderly	Delinquent Females
Beirut	16	2,075	5,444	454	40	-
Mt. Leb.	66	2,387	10,365	265	185	100
Nr. Leb.	22	857	2,501	80	157	-
Bekaa	17	589	1,890	75	85	-
Sth.Leb	25	966	3,579	205	10	-
Total	146	6,875	23,779	1,079	477	100

Source: PSHDL, 1997 from MoSA Annual Report 1995.

In addition the Ministry enters into contract with social welfare institutions. In 1994 the number of institutions reached 146 with the total number of beneficiaries reaching over 345,000, covering a wide range of activities from caring for orphans and their education, caring for some "acute social cases" (such as extreme poverty, divorce or separation, chronically ill,..., caring for the elderly, and special programs for delinquent females. Beneficiaries came from all regions, but the majority came from the Beirut and Mount Lebanon areas.

In 1994, the Ministry of Social Affairs had entered into 141 (down from 230 in 1993) contracts with civil organizations. The distribution of beneficiaries and the types of activities were, however, very similar. The majority of beneficiaries came from the Beirut and Mount Lebanon areas, and the overwhelming emphasis was placed on health services, and health and social centers.

The Ministry's activities also cover services to over 3,500 handicapped persons, roughly 3% of the total handicapped population of Lebanon. This the Ministry executed through contracts with 36 establishments for the care of the disabled, of which 16 are situated in Mount Lebanon, and 8 in Beirut.

Ministry of the Displaced and Fund for the Displaced:

The Ministry of the Displaced through the Fund for the Displaced offers direct cash support to compensate the evacuation of displaced persons (and those occupying the houses of the displaced), as well as for the repair and reconstruction of housing by the returning displaced.

payments made to displaced families to support their return to original towns and villages have not always resulted in the expected return. Often the cash is used to support the family sustain itself, or to repay debts, and is not spent as intended on helping the family return to its village.

Council for the South:

The Council for the South was established in the 1970s with the purpose of compensating Lebanese citizens for the damages caused by Israeli attacks on their villages, homes, and property. During the civil war years, and after the signing of the Taef Accord in 1989, the role of the Council expanded considerably such that it now operates on two major levels: Offering assistance to individuals and to community projects at the village or town level. The overwhelming majority of payments made to individuals (in excess of 80%) were paid to compensate for material damage, the balance being directed at the families of victims of Israeli attacks and towards the assistance of imprisoned and/ or persons released from Israeli jails. The bulk of project assistance has gone towards infrastructural rehabilitation, mainly to electricity projects, to the repair and rehabilitation of public buildings, and towards the implementation of water projects.

The activities of the Council for the South overlap with many of the mandates of other line ministries, as well as those of municipalities and local councils.

High Relief Committee

The High Relief Committee was established in 1970s with the purpose of meeting emergency and relief needs resulting from the civil war. Since 1993, the Committee has been headed by the Prime Minister, and has as members representatives of line ministries, government agencies, and civil and social organizations who are called upon as required.

Over time, the responsibilities of the Committee have expanded to include the responsibility for dealing with emergency and relief needs arising from natural or other disasters. The Committee is the authority responsible for receiving and distributing external aid in emergencies.

During 1993-1996 the Committee has provided a range of assistance: cash payments to victims of Israeli attacks, cash assistance to those suffering from natural disasters; equipment and other assistance in kind to health centers; assistance for some local infrastructural works.

In 1993 the High Relief Committee gave serious consideration to the establishment of a community development fund to target a number of objectives: widening the geographic and beneficiaries base of the reconstruction process; assisting in the development of rural areas through support to local institutions; assistance to areas and groups in need to enable them to achieve better growth, reducing the negative impacts on job opportunities and incomes. Proposed activities included the rehabilitation and maintenance of water and sewers networks, building local roads, the development and expansion of local health and education institutions, the organization of vocational training in order to improve employment opportunities. So far, however, no decision has been reached as to whether or not the High Relief Committee would proceed with this proposal.

The impact of the activities of the High Relief Committee and extremely difficult to assess due to the lack of available information. The Committee's work, has however, been criticized for being "uncoordinated , reflecting perhaps the nature and variety of the needs to which the Committee caters".

In 1996, the Committee prepared, with UNDP assistance, a national disaster preparedness and management plan, for which the involvement and input of public institutions and NGOs was sought.

VI. CURRENT UN PROGRAMS IN LEBANON

According to UNDP staff the Lebanon Office is quite active in the implementation of a Poverty Strategy Initiative. Work and programs on poverty alleviation is proceeding along three main lines;

Data and Information: There is a lack of accurate data and information on poverty in Lebanon: its incidence, prevalence, and characteristics. UNDP have been placing considerable effort and resources to redress this situation through the support of the following on-going projects:

1. The design and implementation of an Income/ Expenditure national survey to be carried out by the General Directorate for Central Statistics. So far, data has been collected, and analysis is under way. Preliminary results are expected by the end of the year.
2. National Living Standards Survey. The data has been collected and is currently being processed
3. Poverty Mapping. This is being executed through the Ministry of Social Affairs based on the analysis of the 1996 Population and Housing Survey. The project aims to identify the poor groups in society based on an innovative technique relying on the identification of their unsatisfied basic needs (housing, education, indirect income, etc..) Analysis is underway and preliminary results are expected at the end of the year.
4. A Manpower-Labor Survey being carried out by the General Directorate for Central Statistics. Result expected by the end of the year.
5. The Pan Arab Project for Childhood (PAPChild) Study which assessed the health of women and children. result were published in Mid-1996.
6. A Gender/ Poverty profile for the Baalbeck and Hermel regions within the structure of the Integrated Rural Development Project for Baalbeck and Hermel.
7. A Public expenditure analysis study is planned in conjunction with the Ministry of Finance.

Programs: The UNDP is involved in a number of projects and programmed aimed at raising the standard of living of their target populations.

1. The Baalbeck-Hermel Integrated Rural Development Project, which is now in its second phase. The Project Document of this project, states the eradication of poverty as one of its main objectives. The Project includes the provision of basic health and educational services to the population of the two regions, as well as income generating opportunities and improvements in agricultural techniques.
2. An Integrated Rural Development Project for South Lebanon. Based to a large extent on the same principles as the Baalbeck-Hermel project.
3. Strengthening the capacities of women through the former UNIFEM program, by linking women with NGOs that offer them easy credit and loans to enable them to carry out income generating projects.
4. Credit programs: Those are still rudimentary and are integrated within other ongoing larger programs such as, the Baalbeck-Hermel project, the Aidoun project for the return for the Displaced, credit facilities to women, and a program of technical assistance to NGOs enabling them to implement solid credit programs of their own.

5. Aidoun: A program of assistance to help the displaced return to their villages of origin, including the provision of assistance in housing reconstruction, health and educational services, community services, etc..
6. Basic Education Support through the rehabilitation of existing educational facilities around the country, through technical assistance to review the national curricula , and through the training of teachers.

Advocacy: For real sustainable change to take place, decision makers must be convinced of the principles that are being put forward and ready to support the implementation for programs in support of these principles. While the UNDP has no one program of advocacy for poverty eradication, the issue is being actively integrated within other ongoing activities such that poverty is seen as the over-riding principle in the following:

- The various Interagency Task Forces in place;
- The Sustainable Employment and Sustainable Livelihood group;
- The Sustainable Environment group;
- The Sustainable Human Development network set up in conjunction with ESCWA and the Ministry of Social Affairs.

VII. RECOMMENDATIONS

- I. The socio-economic policy currently adopted by the Lebanese Government needs to be revised in light of the changing priorities. The main goal should be to incorporate the current on-going plan for economic reconstruction within an overall framework of socio-economic development, which has among its objectives reducing poverty and increasing equity at the same time as economic growth and stability.
- II. Programs of employment creation need to be established, creating incentives for the protection of the labor market and creating new job opportunities aimed at the re-integration of the unemployed, the absorption of young first time job seekers, and the retaining of workers by increasing productivity. "Such action would restore the balance between sectors in order to strengthen existing small enterprises and encourage the establishment of new ones, since they have a greater capability to create jobs in short and medium terms and to restore esteem to jobs considered marginal and left today for foreign workers" (Haddad , 1995).
- III. The Agricultural sector promises possibilities for both vertical and horizontal expansion which would be capable of helping in the creation of new job opportunities in the rural areas. Lebanese industry has also demonstrated remarkable resilience in the face of the destruction of the war, and the industrial sector can play an extremely effective role in achieving economic growth and increasing job opportunities. Both these sectors, Agriculture and Industry, should be supported and strengthened in terms of financing, infrastructural support, and the appropriate training of workers. The Services sector, on the other hand appears to have remained stable throughout the war years, suggesting that it is probably saturated and would, therefore, have limited impact in terms of job opportunity creation.
- IV. Some degree of encouragement for the establishment of small enterprises can be witnessed in Lebanon, primarily through a few measures taken in terms of lending. Those, however, do not constitute a plan in any sense, and lending to small enterprises remains marginal, with the main lenders concentrated in the international development organizations or the Ministry of Social Affairs. The banking sector, in the meanwhile, continues to lack the guarantees and incentives for lending policies benefiting small and medium enterprises. The experiences of the few credit programs for micro and small enterprises should be closely examined in order to learn from their successes and failures. The establishment of small credit programs for the poor should be encouraged, and more effort needs to be expended in selling the concept to private financiers.
- V. Vocational training has been in a state of decline, with the number of students enrolled in vocational programs dropping to 13% of the total, while ideally it should not fall below 20%. Signs of imbalance are also evident from the dominance of private vocational training institutions over public ones, the failure of government education to respond to the emerging needs of the labor market, and the lack of programs to re-train workers. The Government, however, appears to have acknowledged that

vocational training is a means of enhancing abilities to obtain productive employment. This is apparent from the recent establishment of a specialized ministry, Ministry of Vocational Training, and the comprehensive study which has been commissioned to review the needs of the labor market, linking them to the educational system. Catering training programs and curricula to the needs of the market, and assuring high quality training, are essential steps in assuring employment opportunities for the poor.

VI. During the war years the gap between incomes and prices grew dramatically. One way of redressing this imbalance which has led to increasing impoverishment, is the control of prices and reductions in costs of living. Starting in 1992, the Government managed to stabilize the currency, to improve the local currency exchange rate against the US Dollar, and to reduce inflation to around 12%. The Government also took limited steps in terms of imposing occasional price controls on certain items. Some, however, directed criticism at the Government for interfering in what is essentially a free economy. While all these achievements are worthy in themselves, they, unfortunately, had a very limited impact on actual prices, which remained at their previous levels. The Government should strive to identify a number of essential items for subsidy, such that the target of price controls is actually the poor.

VII. In terms of taxation, it does not appear that the Government is planning to include any social dimension in tax policy. This became apparent with the adoption of the new standardized income and profit taxes reaching a maximum of 10%, and the increasing reliance on indirect taxes and fees, which are set to become even higher by the end of 1997, with the adoption of the Government's new proposals. Prices of some services are also set at higher rates than their actual production costs, such as those for electricity, apparently in an attempt to achieve funding surplus. Large companies and enterprises, and the Tourism sector, in contrast, have been granted very large tax exemptions. Such measures serve to increase citizens' share of the financing of the reconstruction effort and the treasury. The Government needs to re-assess its tax reforms within the context of social benefits. Creative and innovative means of revenue collection, which do not place a heavy burden on the poor, are urgently needed.

VIII. The Lebanese Government does not support the notion of the "welfare state". Preference appears to be for "immediate, circumstantial, and temporary financial or real transfers rather than establishing permanent transfer mechanisms entrusted with an "empowerment" and "real development" role". The Government, nonetheless, needs to identify a number of permanent welfare-type interventions that are needed to support the most needy and vulnerable of the population, such as guaranteed free education and health. Raising the level of spending on social sectors within the overall budget to no less than 30% of expenditure should be a priority consideration. Identifying the poor in Lebanon and subsequently redirecting efforts in the various sectors (health, education, housing, etc..) in such a way that they primarily target those same groups would be a step in the direction of eventual poverty eradication.

IX. Current infrastructural programs need to be prioritized with the view to maintaining the most urgent and delaying the rest. The funds liberated could then be directed at the

creation of productive employment opportunities, particularly small- and medium-sized projects, of more benefit to the poorer segments of the population.

- X. Reactivation, development, and modernization of the social safety networks already in place, especially the National Social Security Fund, is in order, especially in such a way that their scope of activities is increased to include those marginalized by the system such as small farmers, artisanal workers, and fishermen, all of whom are currently without any form of social security. Social safety networks targeting as a priority those segments of society that have suffered the most from the effects of the war: the disabled, orphans, widowed females, displaced families, etc... need also to be established.
- XI. Coordination between and among the various line Ministries, the International organizations, and the non-governmental organizations is needed. Coordination should include, in addition, to policies, strategies, and programs on the ground, the collection and dissemination of data and information, such that all base themselves on the same national indicators, and speak a common language.
- XII. Policy makers need to be trained in the formulation of policies, strategies and programs aimed at the alleviation and eradication of poverty. They also need to be trained on the principles of identification of target populations, the setting of realistic objectives, the identification and assessment of available resources, the management of the implementation of interventions, and the monitoring and evaluation of projects and programs.
- XIII. The linkages between NGOs, civil society, Government, local government, and the private sector need to be forged and strengthened in order to avoid duplication and join forces and resources in a national fight against poverty.

VIII. CONCLUSION

On December 22, 1995, the General Assembly of the United Nations adopted resolution 50/107 declaring the year 1996 as the International Year for the Eradication of Poverty and the start of the first United Nations Decade for the Eradication of Poverty. In this resolution, the General Assembly called on all Governments, the International community, and the United Nations to conceive, implement, and monitor programs and projects aimed at fighting the spread of poverty, in partnership with the people living below the poverty line. The resolution also called for the creation of employment and the improvement of access to the resources and opportunities required in order to escape and avoid poverty. This resolution also recommended that each country rapidly formulates national policies and strategies geared towards the immediate struggle against poverty.

Lebanon is signatory to this resolution. In Lebanon, however, and although there is growing realization and concern that poverty needs to be tackled, little in the way of structured policy formulation and long-term planning has taken place in the way of poverty eradication.

The response to the call for concerted action in the fight against poverty has been modest, resulting more from private and community endeavors, and from the concern of the International organizations, rather than from a clear commitment on behalf of the Government.

LIST OF REFERENCES

_____, *As-Safir*, Oct. 17, 1997.

_____, Demographic and Social Characteristics of Palestinian Refugees in Lebanon, *As-Safir*, Jan. 30, 1997.

Bakir, M. 1995. Measuring Poverty in Western Asia, ESCWA. (Arabic)

Bernstein, B. & J. Boughton, 1994. "Adjusting to development: The IMF and the Poor". Finance and Development, Sept 1994.

Chambers, R. 1995. "The professionals and the powerless: Whose reality counts", Choices, April 1995, 14-15.

Cornia, G., R. Jolly, & F. Stewart, 1987. Adjustment With a Human Face, UNICEF, Clarendon Press, UK.

Dasgupta, P. (1995). "Population, poverty, and the local environment". Scientific American, Feb. 1995.

ESCWA, 1997. Education and Poverty in Lebanon, forthcoming. (Arabic)

ESCWA, 1997. Social Policy in Lebanon, forthcoming. (Arabic)

ESCWA, 1996. Poverty in Western Asia: A social perspective, E/ESCWA/SD/1995/8/Rev.1

Fields, G. (1995). "Poverty Changes in developing Countries", in R. van Hoven & R. Anker (eds). Poverty Monitoring: An International Concern, New York, St. Martin's Press.

Haddad, A. (1995). Poverty in Lebanon, ESCWA. (Arabic)

Hamdan K. and A. Nimah, 1997. The Health Sector and Poverty in Lebanon, forthcoming. (Arabic)

Hemmer, H., 1994. "Towards a new policy on poverty reduction". D+C, 5/6/1994.

Issa, N. (1994). Poverty in the Arab World, ESCWA. E/ESCWA/SD/1994/WG.2/5. (Arabic)

Jazairy, I., M. Alamgir, & T. Panuccio, 1992. The State of World Rural Poverty, IFAD, New York Univ. Press.

Jenstch, G., 1994. "Reducing poverty as the sole aim of development policy". D+C, 5/6/1994.

Khalidi, R., 1995. Poverty in the Mashreq Region: A literature review 1987-1995.

Kossaifi, G. (1996). Poverty in Weatern Asia: A socio-political perspective, ESCWA. (Arabic).

Mawson & Whiting (eds), 1963. Roget's Thesaurus, Scholastic Book Services, London.

Midgely, J. & D. Piachaud, 1984. "Social indicators and social planning" in Midgely, J & D. Piachaud (eds). The Fields and Methods of Social Planning, HEB, London.

Ministry of Public Health, 1997. Data Sheet.

Ministry of Public Health & League of Arab States, 1996. PAPChild: Preliminary results of survey of maternal and child health in Lebanon. (Arabic).

Ministry of Social Affairs & UNFPA, 1996. Population and Housing Survey: Preliminary tables.

Nimah, A. , 1997. "Controversies over Poverty...", An-Nahar, Oct. 17, 1997. (Arabic)

Sandstorm, S., 1994. "Poverty reduction: Learning the lessons of experience". Finance and Development, Sept. 1994.

Sharaffeddine, F. & A.Nimah (1995). Social Integration in Lebanon in the Aftermath of the War, ESCWA. (Arabic).

Solh, C., 1994. Women and Poverty in the ESCWA Region: Issues and concerns, ESCWA.

United Nations, 1995. The Copenhagen Declaration and Programmes of Action: World Summit for Social Development, United Nations.

UNDP, 1997. "Income disparities and credit in Lebanon", An-Nahar, Oct. 17, 1997. (Arabic).

UNDP, 1997. "Mission Report: Conceptual Framework for Poverty Assessment and Strategy in Lebanon", UNDP, Beirut.

UNDP, 1997. Preventing and Eradicating Poverty: Main elements of a strategy to eradicate poverty in the Arab States, UNDP, New York.

UNDP, 1997. A Profile of Sustainable Human Development in Lebanon, UNDP, Beirut.

UNDP, 1996. Preventing and Eradicating Poverty: Report on the experts' meeting on poverty alleviation and sustainable livelihoods in the Arab States, UNDP, New York.

UNRISD, 1995. Adjustment, Globalization, and Social Development, UNRISD, Geneva.

van der Hoeven, R., 1994. "Can safety nets and compensatory programmes be used for povert alleviation?", in van der Hoeven, R. & R.Anker (eds). Poverty Monitoring: An international concern, St. Martin's Press, New York.

Watkins, K., 1995. The Oxfam Poverty Report, OXFAM, Oxford.

World Bank, 1991. Assistance Strategies to Reduce Poverty. World Bank Policy Paper, World Bank, Washington D.C.

World Bank, 1990. World Development Report: Poverty, Oxford Univ. Press, Oxford.

ANNEXE 1: POVERTY AND EDUCATION

The relationship between poverty and education is complex and multi-dimensional. Lowered educational opportunities in one of the characteristics of poverty, on the one hand. On the other hand, good quality education offers social mobility opportunities, which leads to the lessening of poverty and the increase in the possibility of social integration.

The ESCWA commissioned a study which attempt to highlight the linkages between poverty and education in Lebanon, the main results of which are discussed below.⁴ The study attempts to answer three questions:

1. Are there any differences in educational opportunities between the poor and non-poor in terms of both quantity and quality?
2. What educational problems do the poor face?
3. What are the Government's plans and projects to improve the educational opportunities of the poor, both in terms of quantity and quality?

Due to the lack of accurate data and information, the study relies on signs and trends rather than on accurate indicators which are not available.

1. Educational Opportunities:

The last, and only, national survey of educational status in Lebanon was carried out in 1973. The results of that survey showed that Lebanon had a relatively high level of enrollment at all levels. The rate of elementary school enrollment was found to be 93.7% at the time when the average for the Arab countries stood at 62% for 1970 and 73% for 1975. The rate of secondary school enrollment had during the same period reached 58.3%, while the average rate for the Arab countries was 20% and 28% for the years 1970 and 1975 respectively.

As for distribution among public, charitable and private institutions, the 1973 study found that 59% of the students in public institutions were children of laborers, small farmers, and agricultural workers, while the children of those engaged in liberal professions made up only 3% of the students in public schools. In private schools, the picture was different with the children of laborers, small farmers, and agricultural workers making up 24.5% while the children of those engaged in liberal professions made up 16% of the total. The enrollment ratios in private-charitable institutions was closer to that of the public schools with 55.5% and 2.65% respectively.

Since the early 1970s the socio-political and economic situation in the country has changed significantly. The war led to large scale displacement of the population with one estimate suggesting that more than two million persons underwent some form of displacement (if total moves are taken into account). The war also led to extensive infrastructural damage to school buildings, that in addition to being subjected to bombardment as elsewhere, often served as shelter for hundreds of displaced families over

⁴ . For a full review see ESCWA, 1997. Education and Poverty in Lebanon, ESCWA publication, forthcoming (Arabic).

the long war years. Public schools suffered more damage in this respect, with their facilities being used more to shelter the displaced and refugees. In addition to infrastructural damage, the use of buildings and facilities as shelter led to the destruction and theft of many fixtures and items of furniture.

In a 1987 report, the Ministry of Education published the following figures:

During the early war years, and of a total of 1380 public schools, 50 were totally destroyed, 35 were partially destroyed, and virtually all lost educational supplies ranging from desks and chairs to laboratory equipment. The destruction came in waves, with every new disturbance of the peace in 1978 and again in 1982.

Between 1983-1985, public schools in more than 100 villages in the Qadas of Baabda, Aleih, Chouf, Saida, Jizzine, and Nabatieh were destroyed.

Private schools were less harmed by the war, with the exception of those schools situated in the "green line" areas.

Hence, it is concluded that in addition to the poorer groups being the most severely affected by forces displacement, the schools of the poor suffered the worse of the war. This is assumed to have had a negative effect on their educational opportunities.

Enrollment in education has been researched through a few small scale studies. The various estimates put forward appear in the table below:

Enrollment Rates: various estimates, various years

Source	Area	Year	Sex	Pre-Elem %	Elem %	Inter %	Second %
MASS	Greater Beirut	1986	M	62-97	94-97	72-92	62*
			F	64-97	95-96	74-91	64
Kasparian	Lebanon	1987	M	-	96.8**	90.3**	59.1
			F	-	96.6	88.9***	55.7
			Ave	-	96.6	89.6***	57.4
CDR	Lebanon	1993	Ave	43	96	89	59

Source: ESCWA 1997, from:

- MASS, 1988. Population et conditions de vie dans la region metropolitaine de Beyrouth
- Kasparian, R. 1992. The War Displaced in Lebanon 1975-1987. USJ. (Arabic)
- CDR, 1993. Plan 2000 for Development and Reconstruction, Annex 7: Educatiaon

*: 16 yrs only; **:age grp 5-9;***: age grp 10-14.

While the initial impression is of improving enrollment, the figures hide wide discrepancies both in terms of geographic distribution of services and of the types of education. Large numbers of students moved from the public to the private schools leading to the share of public schools of students dropping from 45.7% in 1972-3 to 31.6% in 1992-3. A large proportion of students from poorer families shifted to private-charitable institutions such that while the numbers of students in the public sector dropped by 20% between 1973 and 1994, the numbers in private education increased by 14.5%, while those of private-charitable schools rose by 56.9%. While the quality of education in these private-charitable

institutions is dubious, their availability has meant that the poor have had a continued access to educational opportunities.

A small scale study (A.Facour, 1991) which was carried out among the settlers of squatter areas around the capital Beirut showed the following results. Elementary school enrollment was as low as 41% rising to 68%, intermediate school enrollment was as low as 11% rising to 30%, and secondary school enrollment was as low as zero rising to only 17%. While the accuracy of the quoted figures remains to be verified, they nonetheless point clearly to a trend of lowered standard of living in such settlements.

Illiteracy:

Since the early 1970s, overall literacy rates have witnessed a steady improvement. Illiteracy has dropped from 31% (M:21% & F:42%) in 1970 to 15% (M:10% & F:20%) in recent years.

Illiteracy Rates (Age>10yrs)

Source	Area	Year	Males	Females	Total
MASS	Grt.Beirut	1986	11.54	19.2	15.32
National Cttee	Lebanon	1993			7.37
Kasparian	Lebanon	1987	10.5	20.5	15.8

Source: ESCWA 1997, from :

- MASS, 1988. Population et conditions de vie dans la region metropolitaine de Beyrouth
- National Unesco Committee, 1993. Illiteracy in Lebanon: A filed survey.
- Kasparian, R. 1992. The War Displaced in Lebanon 1975-1987, USJ. (Arabic)

Again the improvements in the literacy rates hide discrepancies. Kasparian (1992), for example, found that illiteracy increased among groups of lower economic status with rates reaching 35% among agricultural workers, 17.6% among workers in the private sector, 14.7% among workers in the public sector, and 37% among housemaids and janitors. Combined, those groups were found to account for 63% of the total illiteracy in the country, while constituting 31% of residents.

Another recent study (1995) among 1085 students in the Fifth Elementary class in Beirut and its Suburbs, found that 7.8% of fathers and 8.7% of mothers were illiterate. These rates were found to increase to 19.9% and 21.5% among students in public schools, dropping to 9% and 15% in private-charitable schools, and 3.1% and 2.4% in private schools.

Drop-out rates:

Overall drop-out rates also exhibit remarkable improvement since the 1970s. Again, however, these improvements hide discrepancies between population groups. Drop-out rates have been found to be higher among the displaced and among the poorer segments of society.

Quality of Education: Educational Services

As outlined above, public institutions, the schools to which the poor send their children, were hard hit by the war, losing buildings, furniture and equipment.

Recovery in that respect has been steady, with most public school building now repaired. Trust in the public educational system, however, remains low. This is due to a number of problems faced by the system:

1. Although repaired, most schools are not purpose-built and are, therefore, not suitable to be used as schools. Equipment, facilities, computers, even stationary items, are in chronic short supply.
2. Human resources in terms of both the teaching staff and the administrative staff. In fact official figures show that the numbers of teachers in on the increase at the same time that the number of students is on the decline.
3. The poor efficiency in the utilization of human resources allocated to the public educational sector, is but a symptom of a deeper problem; that of the organization of the sector within a framework that belongs to the 1960s and that has been debilitated by the civil war.

As for private-charitable schools, those are of two types the first belongs to the system which was established in the 1950s such that the institutions receive a certain amount of funding from the government, based on the total number of students enrolled, to operate the schools. The quality of education offered by those schools has been declining rapidly. Over the years, the persons or agencies running the schools have tried to maximize their margin of profit at the expense of quality, but hiring unqualified teachers and saving on the purchase of furniture, materials, and equipment.

The second type of private-charitable schools are those run by the larger NGOs, which by their nature are committed to a certain degree of social welfare. As profit is not the primary goal, the quality of education in those schools is on the whole very good. In such institutions, children from poor families have a real opportunity to gain a high-quality education which will be a major asset to them in later life.

Educational Policies:

In the absence of a clear educational policy, the report critically analyzed a number of general policy documents in an attempt to glean a government stand on the issues related to education. The analysis centered on three issues. Firstly, the presence of intentions or special programs for the target poorer groups, such as street children, working children, the illiterates, and the semi-literates. Secondly, the presence of intent to control the private-charitable educational sector, and improve its quality. Thirdly, the presence of a commitment to improve the quality of public sector education. The documents which were reviewed are:

- The Taef Accord: Education is one of the five issues that the Taef Accord addressed for reform, a clear indication of the importance accorded to the sector. The text advocates the principles outlined above: education for all and improving the quality of public sector education. There is, however, no mention of targeting the groups at highest risk and with the highest need. There is also no mention of private-charitable education.
- Ministerial Programs 1990-1997: Four out of a total of five Programs were reviewed. Those to large degree reiterated the principles found in the Taef Accord (Education

for all, improving the quality of public education, rehabilitation of teaching staff, establishment of a Ministry for Higher Education, establishment of a Ministry of Vocational and Technical Education, etc.) with varying degrees of attention to various details, depending on the agenda of the particular government. Again, however, there was no mention of targeting special groups:

- Ministry of Education budget, 1995: The 1995 budget of the Ministry constituted 5.7% of the total government budget. If the budgets of the Ministries of Higher Education and of Vocational and Technical training are included, the figure rises to 8.3%. This figure is down from earlier years : 12.5% in 1992, 16.9% in 1986, and between 16 and 22% before the war. This is an indication of the mismatch between expressed priorities and actual allocations for the realization of these priorities. Of the actual budget, it is estimated that 91.7% is spent on salaries, running expenditures receive 4.9%, and 3.4% is allocated for investments (the majority of which went to the Plan for Educational Rehabilitation). The budget is a clear reflection of the fact that the Ministry of Education is continuing to function as before, with little or no reform based on a change in priorities evident.

It is interesting to note that the cost of a pupil in the public sector was estimated at 6 times that of a pupil in the private-charitable schools. This at a time when the trend seems to be for families to move away from the public school. The budget does not reflect any special attention to targeting the poorer groups.

- Plan 2000 for Development and Reconstruction: The Plan has two aims, to increase enrollment in the public schools by between 40-50% in the period 1992-2001, and the improvement of the quality of education and the rehabilitation of teachers. While the Plan is ambitious, involving projects in 19 different sectors, 90% of expenditures are targeted at infrastructure, including buildings and equipment. One program within the Plan has the objective of "raising the level of teaching programs" which includes reassessing the curricula, making available teaching materials and equipment, and the training of teachers. Again there is no targeting of special needs groups.
- Plan for Educational Rehabilitation: This Plan was approved by the Council of Ministers in 1994 and is aimed mainly at the support of the Center of Educational Research and Development whose functions include: School administration and management, curricula, text books, educational materials, teacher training, school buildings, special education, youth and sports activities, educational services, and educational information and publicity. The Plan is concerned only with public sector education. The major drawbacks of this ambitious plan is its technical weakness, as it is not actually based on any situational analysis or "diagnosis", and the vagueness of its stated objectives. Which leads the report to conclude that the objective of improving quality is by no means assured in the Plan as it stands. Again there is no clear attempt to reach the target poor.
- Plan for Vocational and Technical Education Rehabilitation: the problems faced by vocational education are many. This is especially worrying as vocational training is utilized more by the poorer segments of society as a means of earning a skill to enable them to enter a competitive job market. The main objective of this Plan is also the improvement of quality. Yet of the 45million US Dollars budgeted for the Plan, 35million US Dollars are allocated for buildings and equipment. The actual

mechanisms of implementation for the Plan are also quite vague, which leave some doubts as to its feasibility.

- Rehabilitation of the Lebanese University: There are no plans for the rehabilitation of the national University except for the 125million USDollar project to rebuild the facilities in Hadath destroyed during the war.

In general educational policies in Lebanon exhibit the following trends:

- Continued declaration of intent, at various political levels, to support and upgrade the public educational system.
- On-going activity in the construction sector, mainly a function of the activities of CDR.
- On- going activity in terms of the formulation of plans, which remain weak in terms of the mechanisms of their implementation.

The report concludes by making a number of recommendations.

1. Information on the poor and the incidence and characteristics and distribution of poverty should be collected on a national basis, and as an on-going effort, especially with reference to the poor's educational opportunities and attainment.
2. Political acknowledgment of the existing discrepancies and disparities between social and geographic groups needs to occur. On the basis of which proper targeting of the poor for support would be undertaken.
3. Plans to redress the existing imbalances need to be prepared, including realistic and achievable goals and feasible implementation mechanisms.
4. A General Law for Eductaion needs to be formulated, to be the guideline for educational policies and strategies. Such a law would be independent of the agendas of successive Ministries.
5. Putting in place educational plans targeting the poor, the vulnerable and the marginalized segments of society. These would include residents of remote rural areas, urban squatters, females, etc..
6. Re-thinking of the role of the free private-charitable establishments. Specifically the putting forward of guidelines for evaluation of the work of these establishment to ensure a certain quality of service.
7. Putting together a general educational plan to include all the various plans and programs which exist today.
8. Modernization of educational administration to enable it to play its role in problem identification, planning, prioritization, implementation, and monitoring and evaluation.
9. Ensuring the existing plans are technically sound and the mechanisms of implementation are clear and feasible.
10. Ensuring compatibility and cohesiveness between the programs of the three Ministries as well as within each Ministry.
11. Re-evaluation of the system of National Examinations and the systems of school examinations.

ANNEXE 2: POVERTY AND HEALTH

Health as a total state of well being, has been acknowledged time and again by the International community as a fundamental human right. Furthermore, the relationship between health and poverty is complex in nature: poverty leads to ill health and ill health leads to lowered productivity, and ultimately to poverty.

Health indicators in Lebanon, an index for the development of health status in the country, have continued to show steady progress even throughout the war years (see table...). Health indicators, on the whole, are among the best in the region. Wide social and geographic discrepancies exist, however, between the health conditions and status of various groups within the country. Various studies have shown health status in the poor rural areas and the poor urban slums to be worse than that of the population living under better circumstances.

ESCWA (1997) commissioned a study to look into the linkages between poverty and the health sector in Lebanon. To follow is a brief discussion of the main findings of this study.⁵

As mentioned before and on several occasions, all research in Lebanon is hampered by the lack of reliable data and an information base. In the case of health, however, two main studies which were carried out during 1996 (Population and Housing Survey & PAPChild Survey) supplied a considerable amount of data and information on a relatively large sample, which allowed, for the first time, the identification of certain indicators to a significant degree of accuracy.

The most striking result of these surveys was the differences in health status between geographic areas and socio-economic groups. It was found for example that 60% of infant deaths occurred in the two Mohafazas of the Beka'a and North Lebanon, which only have 25% of the infants in the age group.

Women with lower educational status (proxy for poor) were found to have 3.5 times higher than those with secondary education or more.

Infant Mortality Rate by Mohafaza (1996)

Mohafaza	IMR (per 000)
Beirut	19.6
Mount Lebanon	27.6
South Lebanon	27.2
Beka'a	39.8
North Lebanon	48.1
National Average	27.9

Source: PAPChild, 1996, from Hamdan & Nimah (1997) forthcoming

⁵ . For a full review see K.Hamdan & A.Nimah, 1997. The Health Sector and Poverty in Lebanon, ESCWA publication, forthcoming (Arabic).

Infant Mortality Rate and the Mother's Educational Level (1996)

Mother's Education	IMR (per 000)
Illiterate	54.5
Read & write	51.1
Elementary	29.6
Intermediate	30.5
Secondary +	14.8
National Average	27.9

Source: PAPChild, 1996, from Hamdan & Nimah (1997) forthcoming

The health sector in Lebanon exhibits three main characteristics:

1. Lebanon is currently undergoing demographic and health transitions, with lowered fertility, higher life expectancy and the prevalence of chronic and behavioral diseases along side communicable diseases;
2. A great share of the sector is under the control of the private sector to the detriment of the public sector;
3. The almost total absence of a planning process, and the resulting escalating costs of health care services.

The problems resulting from this situation being more acute in the poorer underprivileged areas of the country.

The health problems found in Lebanon vary from those usually associated with the least developed countries to those usually associated with the more industrialized nations. Some of the most common health problems are:

- Infectious diseases, especially water-borne diseases and zoonosis;
- The re-emergence of some diseases such as Malaria and a few cases of Polio;
- The re-emergence of tuberculosis;
- Relatively high incidence of cardiovascular diseases;
- Relatively high incidence of cancers;
- Large incidence of accidents;
- Prevalence of obesity and tobacco smoking;
- Large numbers of disabled, estimated at between 7-9% of the population;
- Emergence of AIDS/ HIV;
- Significant numbers of genetic disorders, due in large part to cousin marriages.

The prevailing health delivery system suffers from the same problems highlighted above. Those are, firstly, the dominance of the private sector coupled with the diminished regulatory role of the Government; secondly, the discrepancy in the distribution of health care facilities, with concentration of the high technology services in a few hospitals in the Beirut and Mount Lebanon areas; thirdly the dominance of curative services while preventive and promotive services remain very weak; fourthly, the extremely high cost of health care, making health care a major burden for families; and fifthly, the presence of several "players" resulting in duplication of effort and discrepancies in health care costs.

Hospitals & Hospitalization

The hospitalization sector is almost entirely dominated by the private sector with an 88.7% share of all hospital beds in the country (excluding long-stay beds). During the war, the role of the Ministry of Public Health in the provision of hospitalization services gradually diminished due to the destruction of its hospitals and the leaving of staff in search of acceptable incomes.

The distribution of hospitals and hospital beds again reflect the geographic discrepancies outlined above, with 60% of hospitals and 62% of hospital beds located in the Beirut and Mount Lebanon areas.

Distribution of Hospitals and Hospital Beds by Mohafaza

Mohafaza	Public beds	Private beds	Total beds	beds/000 pop
Beirut	117	2,351	2,468	6.05
Mount Lebanon	135	2,480	2,615	0.23
North Lebanon	250	1,003	1,193	1.78
South Leb. & Nabat	378	1,191	1,569	3.21
Beka'a	175	773	948	2.37
Total	995	7,798	8,793	2.82

Source: PHS & Syndicate of Private Hospitals, from Hamdan & Nimah 1997, forthcoming

Over the last few years the cost of hospitalization has sky-rocketed, due in large part to the over-utilization of expensive high-technology equipment. There are also several allegations of mis-use by private physicians and hospitals, in terms of prescribing unnecessary tests and procedures in order to have a profitable return on the investment made on such equipment.

The war years in Lebanon resulted in several negative effects of overall health conditions. As a direct result of the war, the country witnessed an increase in war-related injuries and disabilities, along with increasing incidence of diseases due to the deteriorating public health situation. Public hospitals were unable to cope with the extra load presenting itself, especially that many facilities were damaged and staff were demoralized. In addition, the collapse of the Lebanese pound and the ensuing high inflation meant that large segments of the population were now unable to purchase their own health care from the private sector.

As an exceptional measure, contractual agreement between the private sector and the Ministry of Public Health were entered into. This in effect translated in the Ministry of Public Health "reserving" beds in private hospitals for those patients not covered by any other insurance scheme (currently estimated at between 40-44% of the population), such that the Ministry bore the expenses of their treatment. As public hospitals are still largely non-functional, the system is still in operation although it suffers occasional hiccups, usually due to the long delays that hospitals have to endure before their bills are settled (sometimes extending for period of two years). This results in hospitals raising their costs in order to compensate for lost interest and inflation.

The NGO sector is also involved in the provision of hospital services on two level. First through the provision of the service themselves, such as Makassed, Islamic Hospital, etc.. Unfortunately information does not exist about the functioning of those hospitals. And second, through the allocation of partial or total financial aid to patients unable to pay for services.

Health Centers & Primary Health Care:

During the war the number of health centers (of various sizes and functions) reached over 760 distributed around the country. The majority of those were owned and run by NGOs (80%), while the rest belonged to the Ministry of Public Health. That number has since dropped, due to the curtailment of foreign and developmental aid to Lebanon, and many of the smaller "shops" affiliated to different warring factions, found themselves out of business. The distribution of health centers reflects the nature of their target population, the poor. The majority of health centers are to be found in the South, while Beirut has the lowest number of facilities. Furthermore, NGOs appear to concentrate their activities in the rural areas, while the urban poor areas are still somewhat neglected.

Distribution of Health Centers by Mohafazas, 1991

Mohafaza	Public	NGO	Total
Beirut & Mt. Lebanon	68	192	260
North Lebanon	45	100	145
South Lebanon	40	139	179
Beka'a	16	80	96
Total	169	511	680

Source: Hamdan & Nimah, 1997, forthcoming

Unfortunately, a significant proportion of health centers are hardly worth the name, being very small or offering very limited services. On the whole, the majority of health services rely on nurse aids, whose training is in many cases of dubious quality.

There is, furthermore, no system of referral in place between the first level services and secondary and tertiary care centers.

The Ministry of Public Health is currently undertaking the rehabilitation of its health centers and has had a number of new ones built recently, with external funding. The Ministry is also engaged in an experimental relationship with the NGO sector in an attempt to pool resources, whereby the Ministry offers the NGO health centers financial and technical support, in exchange for them applying the national Primary Health Care package being formulated.

Private Practitioners:

Lebanon has an abundance of physicians, estimated at between 25.5 to 30.7 per 10,000 population. The majority, however, are specialist, and the country has a shortage of primary care physicians. The distribution of physicians is also biased in favor of the more

urban and financially better-off areas, with 75.5% of physicians estimated to be in the areas of Beirut and Mount Lebanon.

Preventive & Promotive Services:

These aspects of health care, in spite of their importance and impact of the improvement of health, have been largely ignored. The most significant public health campaign is the yearly immunization campaign carried out in collaboration between the Ministry of Public Health, NGOs, the armed forces, and Unicef. There is a definite and critical shortage of nursing and paramedical staff, including health education specialists, in the country able to carry such work forwards.

Health Insurance Schemes and Programs

Health care in Lebanon is costly, and constitutes a major drain on family resources. A number of public/ semi-public institutions exist, that offer various forms of health insurance coverage to the poorer segments of the population. The main health insurance institutions in Lebanon are the National Social Security Fund, the Armed Forces, the Cooperative of Public Sector Employees, and the Ministry of Public Health. These institutions and their functions were explored in detail above.

The cost of health care is very high in Lebanon. This is true for the cost of an out-patient consultation, hospitalization, and medications. In 1994 it was estimated that one day of hospitalization cost on average 305 USDollars, as compared with the basic minimum wage for the same year which stood at 119 USDollars. The high cost of services constitutes a main determinant of the health status of the poorer population, for whom illness can become a real nightmare. Unexpected illness or injuries easily become a major drain on a family's resources and savings, in many cases leading to the temporary or permanent impoverishment of the family.

This high cost has its repercussions on the health seeking behavior of the poor in Lebanon. This manifests itself in a number of ways ranging from forgoing routine checkups, to delays in consulting a physician's in case of illness, to following treatments suggested by pharmacists, and usually ending in late hospitalization at a time when often it is too late to cure the illness. An indication of this can be gleaned from the results of a study carried out in 1993, which estimated that the cost of hospitalization for second and third class patients was far higher than that of first class patients despite the significant differences in prices. This leads to the conclusion that the poor choose to present at a later stage to hospital, when complications are more likely, in an attempt to delay or put-off the expense of treatment.

The expected results Family Expenditure Survey undertaken by the General Directorate of Central Statistics should become available by the end of the current year. Those would give us a clear indication of the proportion of expenditure going on health care. A few small scale studies are available in the meantime which may be useful, though by no means comprehensive. The GDCS's survey of Family Expenditure of 1966 concluded that

families allocated 6.06% of their budget to health care. This grew to 9.98% according to a family expenditure survey commissioned by the Labor Union in 1985. However, a small sample survey in the Baalbeck and Hermel areas carried out in 1995, concluded that average spending on health care reached 21.98%, bearing in mind that the two areas are among the most impoverished in the country.

**Expenditure on Health Care
Baalbeck and Hermel, 1995**

% of Total expenditure	Number of families	% of families
no answer	15	3.70
0 - 10%	80	19.80
11 - 20%	170	42
21 - 40%	119	29
41 -60%	17	4.20
61 - 80%	4	1
Total	405	100

Source: Institute for Research and Consultancy, forthcoming, from Hamdan & Nimah, 1997.

Conclusions:

Despite recent stated commitments by the Ministry of Public Health to the principle of “health as a public right” and to the provision of “the appropriate basket of health services for all citizen” as well as to the principle that “the poor have the right to have access to appropriate health services, the same as all other citizens”, there is still a long way before affordable, good quality health care is available to the poor.

At present the Government’s plan for the health sector is proceeding along four main lines, which were elaborated in a letter by the Minister of Health to the President of the World Bank in 1994:

1. Support of the Ministry of Public Health to enable it to play the leading role in terms of regulation of the sector. This involves the Ministry assuming responsibility for planning and priority setting, as well as for monitoring and evaluation of health sector activities. It is also projected that the public health sector will assume the responsibility for preventive and promotive programs, and primary health care, especially targeting the underprivileged areas.
2. Improving the quality of care in both public and private facilities.
3. rehabilitation of public hospitals and the building of new ones with external financial assistance. This is supposed to result in affordable good quality care to the poor as well as in the reduction of the private hospitalization bill, as more patient are directed to public facilities.