

## **Lebanon: UN poverty expert says Government fails population**

BEIRUT (12 November 2021) – The Lebanese authorities’ destruction of the national currency, political deadlock, and reinforcement of long-standing inequalities have plunged the country into abject poverty, a UN human rights expert said today.

“Lebanon is not a failed State yet, but it is a failing State, with a government failing its population,” the UN Special Rapporteur on extreme poverty and human rights, Olivier De Schutter, said at the end of a 12-day visit to the country. “It was once considered a beacon of inspiration in the region, with high levels of human development and capacity.

“The destruction of the Lebanese lira has devastated lives and impoverished millions,” said De Schutter. “The Government’s inaction in the face of this unprecedented crisis has inflicted great misery on the population, especially on children, women, stateless and undocumented individuals, and people with disabilities who were already marginalized.”

The UN expert said the “manufactured crisis” had ruined the lives of the population and condemned many to poverty for generations. “While the population is trying to survive day-to-day, the Government wastes precious time evading accountability and scapegoating refugees from the comfort of their offices,” he said.

“Inequality has remained at unacceptable levels for years in Lebanon. Even before the crisis, the richest 10 percent received five times more income than the bottom 50 percent. This outrageous level of inequality is furthered by a tax system that rewards the banking sector, encourages tax evasion and concentrates wealth in the hands of the few. In the meantime, the population is subject to regressive taxes that hit the poorest most. This is a human-made disaster that was long in the making.

“Worryingly, political leadership seems unwilling to see the relationship between tax reform and poverty alleviation and underestimates the benefits of social protection systems for rebuilding the economy, especially in times of crisis. Unfortunately, I heard no credible poverty alleviation plan from the Government that does not rely on international donors and non-governmental organizations.”

De Schutter said dependence on international aid is not sustainable and in fact it weakens State institutions. “During my visit, I met with people who depend on international and non-governmental organizations for their daily survival, young children whose sole dream is to leave the country as soon as possible, women who withstand domestic abuse and cut their meals to protect their children, and young adults with no life prospects,” he said.

“These people need credible solutions today, and I am deeply concerned that the Government is not taking their plight seriously.”

It is well-known that Lebanon has high levels of debt but, on their own, high debt-to-GDP ratios do not lead to a debt crisis, the UN expert said. “The question is what political leaders spent the resources on. For decades, Lebanon ignored the need for social policies, including strong welfare

programmes and public service infrastructure, and instead focused on unproductive sectors like banking, continuously expanding public debt and devoting those resources to debt servicing,” De Schutter said.

“The dereliction of responsibility at top levels of political leadership is astonishing. While I met with dedicated officials at lower levels of Government, I was shocked by the disconnect between the political establishment and the reality of those in poverty on the ground.

“Children are forced to leave school and work in unsafe conditions, refugees and Lebanese in both urban and rural areas lack access to safe drinking water and electricity, and public hospital and school staff are now impoverished and leaving the country.”

Lebanon lacks a comprehensive welfare system that would have cushioned the effects of the crisis and the majority of the population was left unprotected when the crisis began, he said.

“The Government must prioritize developing strong universal social protection floors, including unemployment insurance, child benefits, old-age and disability pensions, and sickness and maternity or paternity benefits, all of which would have protected workers during COVID-19 lockdowns,” the expert said.

“Lebanon has an opportunity to rethink its economic model. Continuing to incentivize a failed model based on rentierism, inequality, and sectarianism will only sink the population further into destitution. Until a credible plan is proposed for how to transform the economy, address inequality, ensure tax justice, and prevent further political stalemates, the international community will not take its reforms seriously.

“The entanglement of political elites with the banking sector remains deeply worrisome. The Government must lead by example and publicly disclose all income, shares, and financial interests, and dedicate resources to real accountability mechanisms. Only with serious transparency will the international community believe the Government’s commitments to reform.

“The donor community is running out of patience with the Lebanese Government. After losing US\$240 million to the scam of arbitrary and unfavorable exchange rates, they need to see that the Government is serious about transparency and accountability, and a rights-based approach can guide Government’s efforts in this process.”

The Special Rapporteur visited Beirut, Tripoli, the Akkar region, and the Bekaa valley between 1 and 12 November. He met with Prime Minister Mikati as well as with eight cabinet ministers, the Governor of the Central Bank and the Speaker of Parliament, after speaking with people affected by poverty, civil society organizations, the donor community and UN agencies, as well as municipalities.

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