FACTSHEET

Libyan Population Poverty Analysis MSNA 2022

June 2023
Libya

KEY MESSAGES

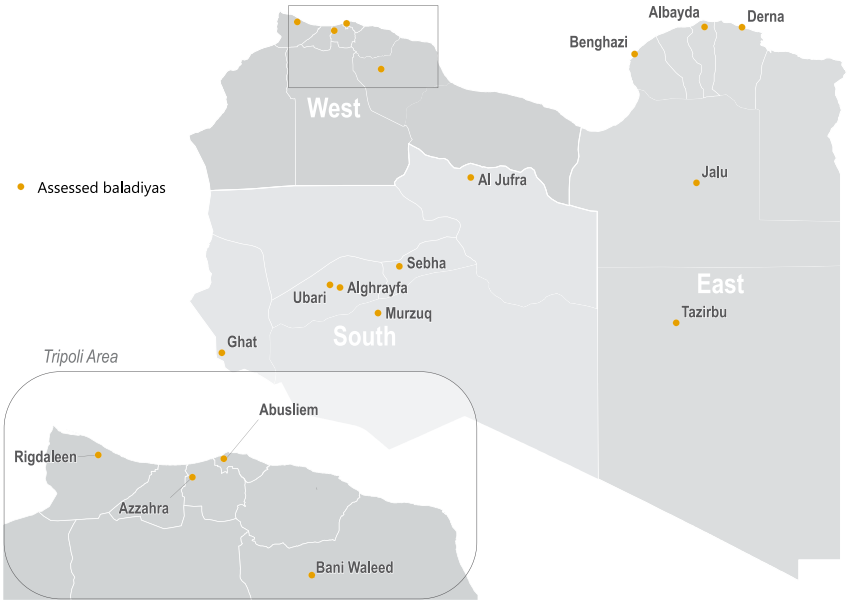
7% **of households whose reported total income was found to be lower than the international poverty line**

13% **of households whose reported total income was found to be lower than the cost of the MEB of their baladiya**

RELEVANCE

The 2022 Multi-Sector Needs Assessment (MSNA) highlighted that financial barriers are a significant factor driving sectoral needs in Libya. Almost half of the surveyed households (46%) were unable to meet their basic needs in the 30 days prior to data collection, in particular health (29%) and food (16%) needs. The South and East regions had the highest proportion of households struggling to cover their basic needs comparing to the West.
Furthermore, more than half of households (55%) reported not having access to sufficient cash, and 54% of them reported access to cash as a priority need. A majority of households (61%) used crisis and emergency coping strategies in the 30 days prior to data collection, with taking on additional work (51%) and reducing health expenses (22%) being the most common coping mechanisms.

Coverage map



[1] WorldBank Libya Overview, World Bank (April 2023)
[2] Humanitarian Needs Overview (HNO) 2022, UNOCHA Libya (December 2021)
[3] IDP and Returnee Report, Libya DTM Round 42, IOM (May-June 2022)
[4] Libyan Population MSNA Results Tables 2022, REACH (November 2022)

CONTEXT

Despite efforts towards peace-building and stabilization in 2021,[1] poverty continues to be a significant issue in Libya. The country's prolonged conflict not only leads to the loss of national income but also disrupts basic services, contributing to the push of people into poverty.

Several factors exacerbate the economic challenges faced by Libya. Firstly, the complex socio-political landscape makes it harder to address the root causes of poverty. Additionally, persistent liquidity issues in the South and East regions hinder economic growth and worsen the poverty situation.[2]

It is important to highlight the impact of these challenges on the population in need. The United Nations estimated that in 2021, 1.3 million people in Libya required humanitarian assistance. Among those affected, poverty levels were particularly high among internally displaced persons, returnees, and host communities.[3]

ASSESSMENT OVERVIEW

This factsheet provides an overview of the economic condition of Libyan households by examining their expenditure and income.[4] The analysis focuses on determining the percentage of households falling below the poverty line by comparing their income with both the World Bank poverty line and the cost of the Minimum Expenditure Basket (MEB).

The analysis outlines the proportion of households considered to be under the poverty line based on comparing households income with first the World Bank poverty line and second the cost of the Minimum Expenditure Basket (MEB).

See **Annex 1** for a list of definitions used.

METHODOLOGY

To perform the analysis, the income and expenditure data from the 2022 MSNA were subjected to various manipulations to enable comparison. Since MSNA data pertains to households of varying sizes, while the median cost of MEB is computed for a standard five-person household, the square root equivalence scale was chosen to adjust all data to one-person households to minimize the removal of absolute outliers. The decision to use the square-root equivalence scale in the Libyan context was made after REACH conducted the 2021 poverty analysis, which indicated that this scale was the most precise and reliable.

To ensure data accuracy and eliminate illogical outliers, separate data frames were created for income and expenditure data, and coherence checks were conducted against various socio-economic variables. The resulting analysis yielded median income and expenditure values per baladiya, which were then compared to the corresponding median cost of MEB per baladiya. In order to determine the proportion of households under the international poverty line of the World Bank, the reference of $2.15 per day per capita was converted to the local currency using an average of the formal and informal exchange rates of June 2022.

The final output is a summary of the proportion of households with income below the World Bank poverty line and the proportion of households with income below the median cost of MEB for their baladiya, expressed as normalized figures for one-person households. The methodology annex provides a detailed description of all the steps involved in this analysis.

DATA SOURCES

This factsheet presents the results of a secondary analysis that combines the income and expenditure data from the 2022 Libyan population MSNA with the average cost of the Minimum Expenditure Basket (MEB) from the Joint Market Monitoring Initiative (JMMI) conducted in June, July, and August 2022. The MSNA survey involved 3,757 household-level interviews that assessed three sub-groups of the Libyan population (non-displaced, returnee, and internally displaced persons) across 15 selected baladiyas. The findings of the MSNA survey are generalizable at the baladiya and population group level, with a 95% confidence interval and a margin of error of 10%, except for the internally displaced population in Azzahra, where the findings are indicative.

The cost of the MEB was calculated on a monthly basis through the JMMI, which recorded the prices of basic food and non-food items (NFIs) from different local shops and markets in key urban areas in Libya. The MEB includes the minimum set of items required to support a five-person Libyan household for one month, and its cost can be used as a proxy for the financial burdens on households. For the five baladiyas that were not covered by the JMMI, the cost of the MEB for the nearest neighboring baladiya, or the average cost of the MEB for the two nearest baladiyas (within the same mantika), were used.

All publications related to the 2022 Libyan population MSNA and the JMMI can be found at the provided links.

ASSESSMENT SAMPLES, TIMINGS AND KEY FIGURES

Number of baladiyas assessed in MSNA:	**15 (out of 101)**
# MSNA surveys for income analysis:	**3 052**
# MSNA surveys for expenditure analysis:	**3 004**
Data collection MSNA:	**July 4th- October 4th, 2022**
Number of (relevant) baladiyas covered by JMMI:	**10 (out of 15)**
Data collection JMMI:	**July, August, and September 2022**

LIMITATIONS

The analysis performed on the 15 baladiyas under the 2022 MSNA was conducted based on a set of criteria that aimed to capture those areas that were most likely to suffer from deprivation due to displacement and other related factors. It is important to note that the selection of these baladiyas means that the findings cannot be generalized to the Libyan population across the entire country.

Furthermore, the analysis relied on data related to income and expenditure, which is known to be sensitive and susceptible to underreporting. As a result, the absolute results of this analysis may overestimate the prevalence of poverty.

The estimates were based on MSNA data collection tools aimed at understanding humanitarian vulnerabilities, often in displacement affected regions/localities. These tools may lack the kind of detailed household and consumption level information. However, the tools do give an understanding of certain vulnerabilities as reported by respondents, which are used to derive as close an approximation of poverty as possible. The data used for estimating poverty in this case was household self-reported income.

Despite excluding absolute outliers and illogicalities from the analysis, the outcomes highlight that working with self-reported income and expenditure data in humanitarian contexts remains a precarious endeavor. Therefore, it is crucial to view the analysis as an input for further discussions on measuring poverty in Libya, rather than a definitive conclusion.

In addition, it is worth noting that the two poverty lines used in the analysis may not be directly comparable. The poverty line used in the analysis was based on the cost of the MEB. However, the international poverty line set by the World Bank is based on a global standard and may not reflect the unique economic conditions of a particular country. This means that poverty rates based on international poverty lines may differ significantly from those based on national poverty lines.

Overall, it is essential to recognize that poverty is a complex and multifaceted issue that cannot be fully captured by a single analysis. Instead, a comprehensive analysis that considers various socioeconomic factors and context-specific conditions is necessary to providing insights for effective livelihood interventions.

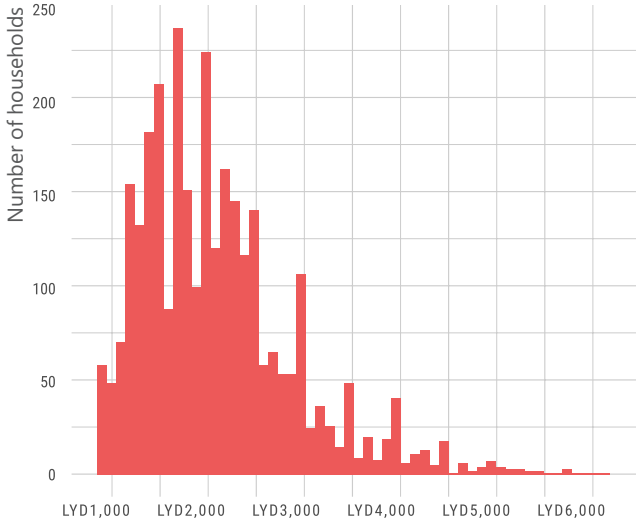
DATA OVERVIEW AND STANDARDISATION

Before calculating the proportions of households living under poverty lines, it is important to have a thorough understanding of the data distribution and assess its quality.

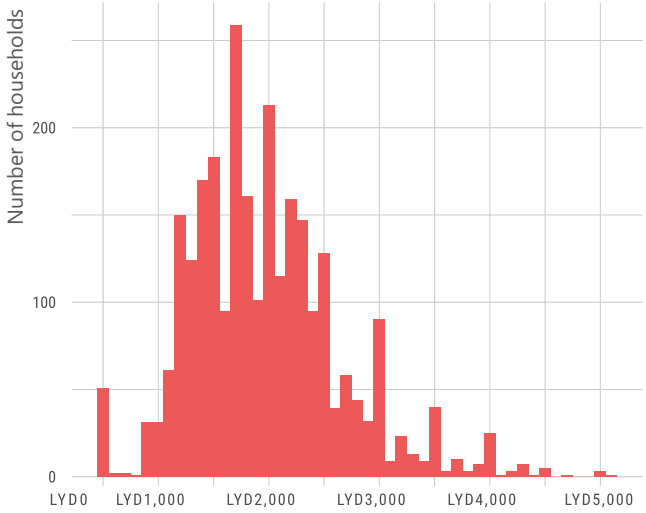
The analysis differentiates two definitions of income. The first comprises the total sum of the reported income per source by the households surveyed during the MSNA. The second is a sum of reported income from sustainable sources (Salaries, Remittances and Government subsidies) to consider the vulnerability of households' income. On the other hand, the expenditure data collected in the MSNA is categorized per consumption category, and the calculation of the total expenditure per household in the 30 days prior to data collection includes the MEB Key elements namely food, hygiene items, and fuel.

INCOME AND EXPENDITURE DISTRIBUTION

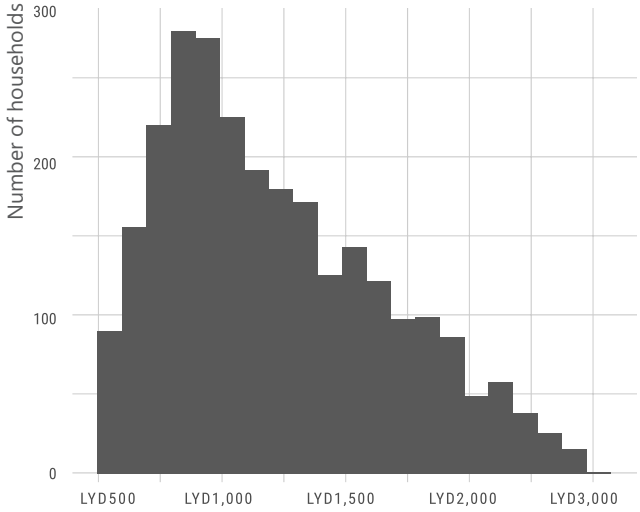
Total income distribution



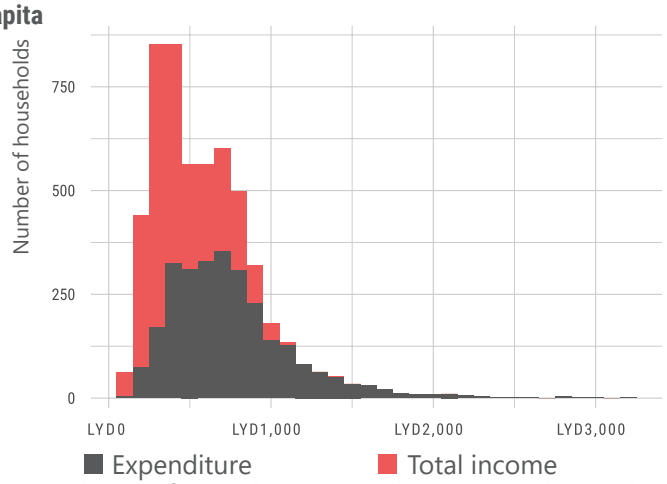
Sustainable income distribution



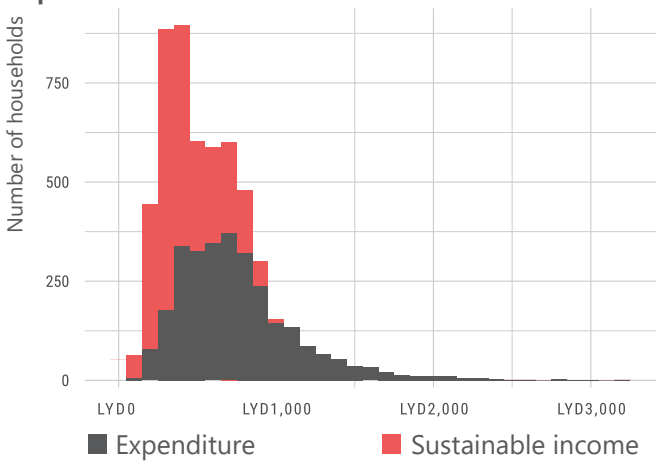
Expenditure distribution



The distribution of equivalent total income and expenditure per capita



The distribution of equivalent sustainable income and expenditure per capita



AVERAGE COST OF MEB

The average cost of MEB per baladiya in LYD

Region	Baladiya	Cost of MEB	Cost of MEB per capita
West	Abusliem	910	407
	Azzahra	798	357
	Bani Waleed	749	335
	Rigdaleen	966	432
East	Jalu	893	399
	Tazirbu	937	419
	Benghazi	948	424
	Albayda	788	352
	Derna	811	363
South	Murzuq	1 000	447
	Ghat	1 052	470
	Ubari	920	412
	Alghrayfa	920	412
	Sebha	926	414
	Aljufra	914	409

PROPORTION OF HOUSEHOLDS UNDER THE INTERNATIONAL POVERTY LINE

7% **of households whose reported total income was found to be lower than the international poverty line**

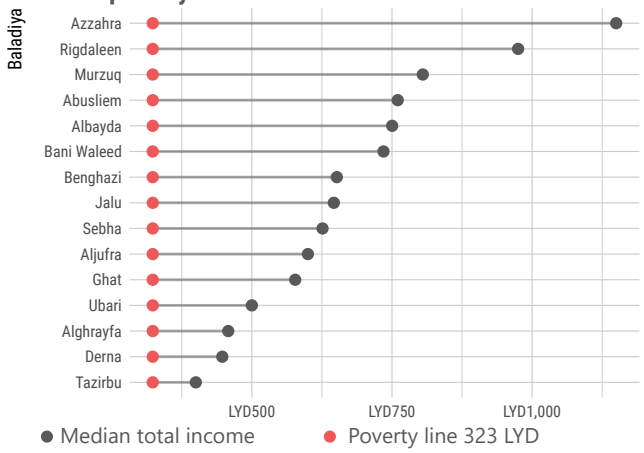
(Using the 2.15$ per capita per day poverty line and the average of formal and informal exchange rate)

Despite being classified as an upper-middle income country by the World Bank,[5] this analysis uses a lower poverty line of $2.15 per capita per day instead of the standard $6.85 for this income category.[6] **When measured by the upper-middle income poverty line, 86% of assessed households live in poverty**. These findings highlight the need to reevaluate Libya's classification and address its significant poverty challenges.

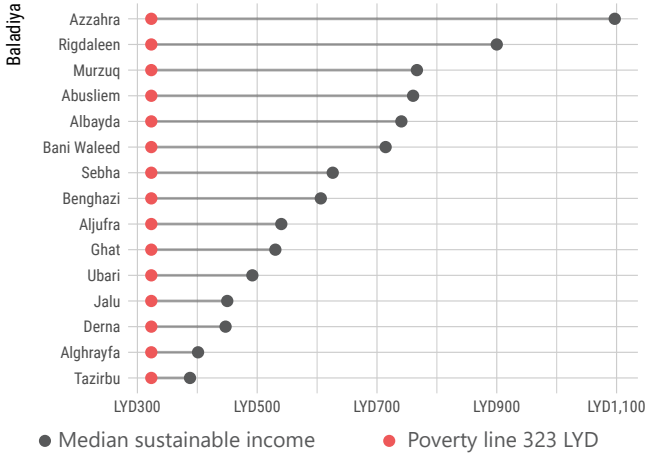
Top 5 baladiyas per % of households whose reported total income was found to be lower than the international poverty line

Bottom 5 baladiyas per % of households whose reported total income was found to be lower than the international poverty line

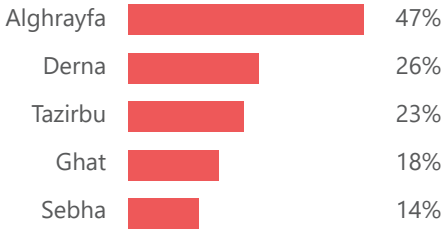
Difference between baladiyas' median total income and the international poverty line



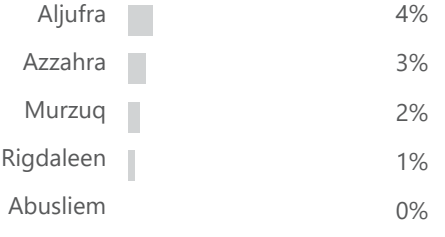
Difference between baladiyas' median sustainable income and the international poverty line



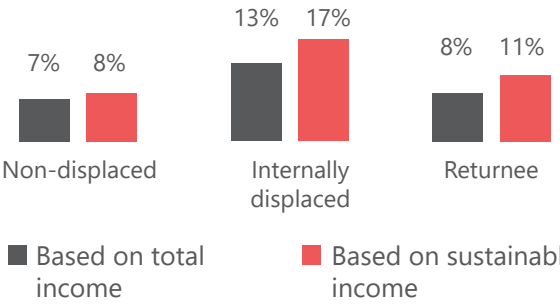
Top 5 baladiyas per % of households whose reported sustainable income was found to be lower than the international poverty line



Bottom 5 baladiyas per % of households whose reported sustainable income was found to be lower than the international poverty line



Proportion of households whose reported total income was found to be lower than the international poverty line per displacement group



A higher proportion of households in the **East and the South were found to be living under the international poverty line** compared to the West which suggests regional disparities in economic opportunities and development. It implies that these regions face greater challenges in terms of poverty reduction, economic growth, and access to resources. This could be due to various factors such as lower salaries in these regions compared to the West (in the East and South regions, 28% estimated their incomes between 950 and 1349 LYD while 38% in the West reported incomes between 1550 and 1949 LYD).

Comparing population groups, **a larger proportion of internally displaced households were found to live under the international poverty line** indicating the impact of displacement on their economic situation. It implies that IDPs often face greater challenges in accessing basic resources and opportunities for income generation. Their displacement disrupts their livelihoods and access to essential services,[7] making them more vulnerable to deprivation.

[5] Country ranking, middle income countries 2023 World Population Review (2023)
[6] WorldBank Open Data, World Bank (2022)
[7] Humanitarian Needs Overview (HNO) 2022, UNOCHA Libya (December 2021)

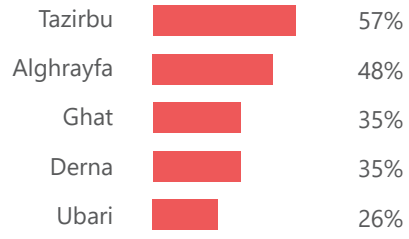
PROPORTION OF HOUSEHOLDS UNDER THE MEB POVERTY LINE

13% **of households whose reported total income was found to be lower than the cost of the MEB**

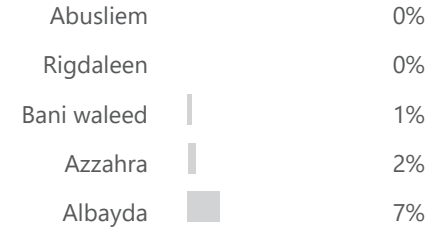
It is worth noting that there are two different approaches to categorize households found to live under a poverty line based on the cost of the MEB. In this factsheet, we are using the first approach which is to compare household's income to the cost of the MEB of their baladiya.

The second approach is to calculate the median cost of the MEB (national poverty line) among the assessed baladiyas and then compare household's income to this national threshold. **When using this methodology, an overall of 14% of households were found to be living under the average national MEB poverty line.**

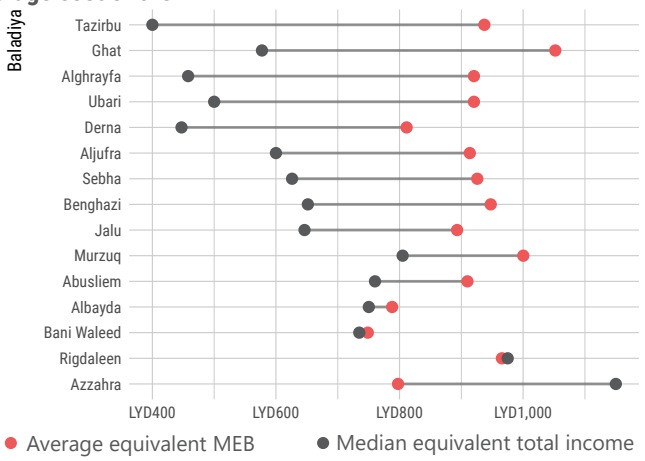
Top 5 baladiyas per % of households whose reported total income was found to be lower than the average cost of the MEB of their baladiya



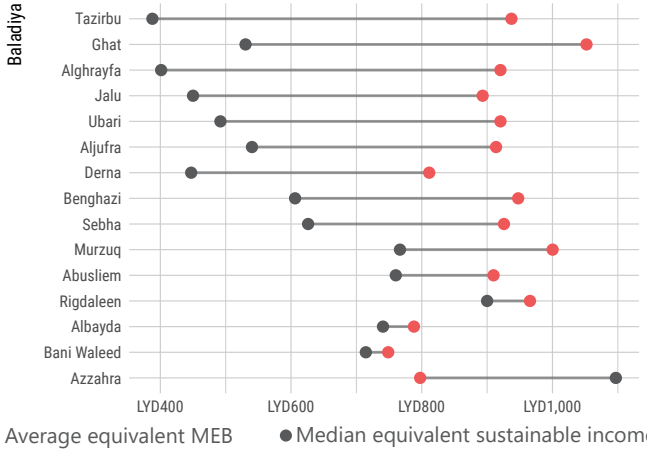
Bottom 5 baladiyas per % of households whose reported total income was found to be lower than the average cost of the MEB of



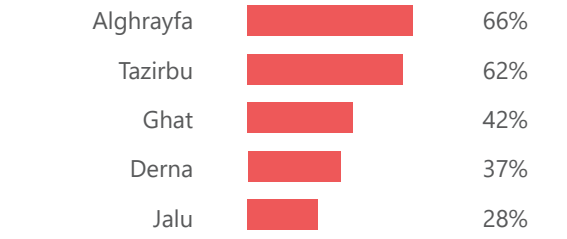
Difference between baladiyas' median total income and the average cost of the MEB



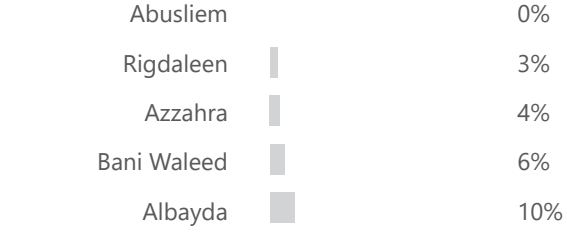
Difference between baladiyas' median sustainable income and the average cost of the MEB



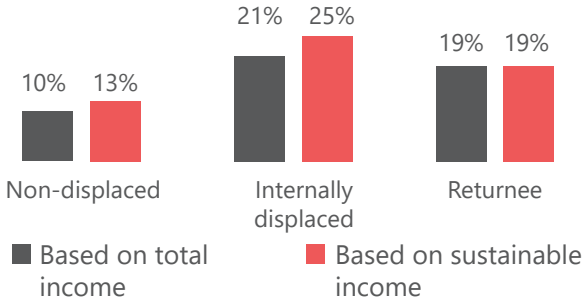
Top 5 baladiyas per % of households whose reported sustainable income was found to be lower than the average cost of the MEB of their baladiya



Bottom 5 baladiyas per % of households whose reported sustainable income was found to be lower than the average cost of the MEB of



Proportion of households whose reported total and sustainable income found to be lower than the average cost of the MEB of their baladiya per displacement group



The analysis revealed that in the **East and South, baladiyas had a higher proportion of households living below the cost of the MEB** compared to the West. Additionally, **internally displaced households had a higher number of households living below the poverty line compared to other population groups.**

Economic vulnerabilities, as outlined in the MSNA factsheet,[10] can arise from factors like low income, limited employment opportunities, inadequate social protection, insufficient infrastructure, high living costs, and other economic hardships. **Such vulnerabilities contribute to higher poverty rates, increased susceptibility to shocks and crises, and difficulties in accessing essential services and resources.** This is particularly true for households living below the MEB threshold indicating that households lacks the resources to afford these vital necessities.

[10] Libyan MSNA key findings factsheet, REACH (March 2023)

ANNEX 1: TERMINOLOGY

Equivalence scale

The equivalence scale is a method used to adjust the available or spent resources to match the standardized size of a one-person household. It takes into account the number and age of household members. This approach is preferable to calculating income or expenditure **per capita (in this case, a one-individual household)** because it recognize that a household of five does not consume five times the amount of one person.

The analysis involves comparing income and expenditure with the cost of the Minimum Expenditure Basket (MEB). However, the MEB does not account for household composition (age of individuals). Therefore, the equivalence scale used to standardize the income and expenditure data is the square root scale. Unlike other equivalence scales, the square root scale do not take into consideration the age of the different individuals in the household.

Cost of the MEB

Every month, the Joint Market Monitoring Initiative (JMMI) conducts an evaluation to monitor price levels and other market indicators in Libya. The data is obtained through key informant interviews (KIIs) conducted in 34 baladiyas. The KII data is then combined to estimate changes in prices for all assessed items and calculate the cost of the Minimum Expenditure Basket (MEB).

The MEB includes the minimum essential items, such as food, hygiene items, and fuel, required to support a five-person Libyan household for one month. The cost of the MEB represents the amount that an average five-person household is expected to spend on these basic needs monthly.

Cost of the MEB per baladiya

For this analysis, the cost of the MEB per baladiya is determined as the average of the cost of the MEB calculated for the months of July, August, and September per baladiya. In cases where a baladiya is covered by the MSNA but not the JMMI, the matching of baladiyas is done based on proximity and whether they are in the same mantika. If there are two baladiyas that are equally close to the baladiya not covered by the JMMI and are in the same mantika, the cost of the MEB for those two baladiyas is averaged after averaging the MEB for the three months.

The equivalent cost of the MEB represents the cost of the MEB per baladiya calculated for a single individual household or the MEB per capita per month using the square root equivalence scale.

National cost of the MEB

The cost of the MEB to be used as the national poverty line is the median of the equivalent costs of the MEB of the assessed baladiyas.

Total expenditure

The expenditure data collected in the MSNA is categorized by consumption category. The calculation of the total expenditure per household in the 30 days prior to data collection includes the key elements of the MEB (food, hygiene items, and fuel).

Equivalent total expenditure represents the total expenditure calculated for a single individual household or the total income per capita per month using the square root equivalence scale.

Total income

The 2022 MSNA data includes household self-reported income per categories (salaries, remittances, government subsidies, humanitarian assistance, loans, and savings). The total income is the sum of these reported amounts.

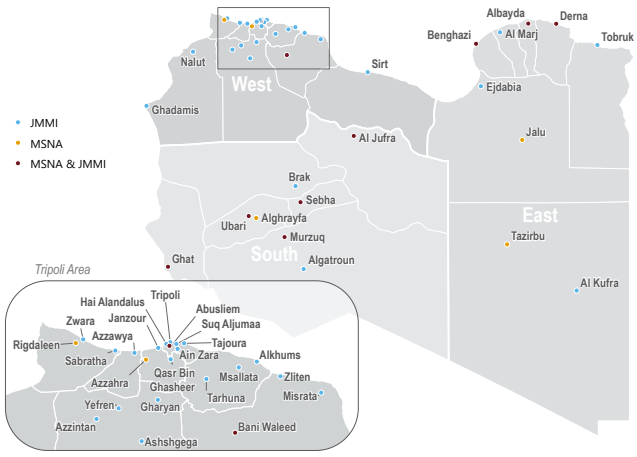
Equivalent total income represents the total income calculated for a single individual household or the total income per capita per month using the square root equivalence scale.

Sustainable income

The income categories reported in the MSNA include sustainable sources such as the salaries, remittances, and government subsidies. The other sources are considered unsustainable since they are not regular and not guaranteed (humanitarian assistance, loans, and savings).

Equivalent sustainability income is the sustainable income calculated for a one individual household or the sustainable income per capita per month using the square root equivalence scale.

Coverage map of JMMI and MSNA



For more details on the methodology, calculation steps and the analysis results, please refer to the Terms of Reference.

ANNEX 2: METHODOLOGY

Step 1: MSNA Data processing and standardisation:

In the first step of the analysis, the raw data for income and expenditure was processed and standardized. The income data used was the total sum reported per source by households assessed during the MSNA, while the expenditure data was gathered per consumption category. The removal of absolute outliers from the data was performed over the entire dataset by removing the top and bottom 1% quantiles of the total expenditure and income data. Additionally, 'N/A' values were also removed.

After processing and standardizing the data, the distribution of income and expenditure was mapped and compared across assessed households in the MSNA. The weighted medians were then calculated at the national level and for each baladiya, with weights used to correct for the over-sampling of IDP and returnee households in the MSNA. Using the square root equivalence scale, the MSNA data was adjusted for household size to calculate per capita total and sustainable income and expenditure.

Step 2: MEB Data processing and standardisation:

The cost of the Minimum Expenditure Basket (MEB) was based on data collected on a monthly basis, and the cost per location and at the national level was averaged for July, August, and September 2022. In cases where not all baladiyas covered by the MSNA were covered by the JMMI, they were matched with nearby baladiyas that were covered by the JMMI. The final adjustment made to the cost of the MEB was for household size, using the square root equivalence scale in order to calculate the cost of the MEB per capita.

Step 3: Calculate the proportion of households under poverty line as defined by the Worlds Bank:

In this step of the analysis, the proportion of households under the poverty line defined by the World Bank was calculated, using the poverty line multiplied by the average formal and informal exchange rate of June 2022 and for 30 days.

Step 4: Calculate the proportion of households under poverty line as defined by the cost of MEB

The proportion of households whose income and/or expenditure were below the cost of the MEB at the baladiya level was calculated. Income data was considered a stronger indicator of poverty.

Sample sizes of MSNA household-level interviews per baladiya and per displacement status

Region	Baladiya	Non-displaced	Internally displaced	Returnee	Total
West	Abusliem	124	94	101	319
	Azzahra	124	80	90	294
	Bani Waleed	120	90	0	210
	Rigdaleen	124	0	80	204
East	Jalu	128	55	0	183
	Tazirbu	136	0	0	136
	Benghazi	120	100	101	321
	Albayda	124	86	0	210
	Derna	124	79	101	304
South	Murzuq	132	87	57	276
	Ghat	128	86	0	214
	Ubari	120	75	100	295
	Alghrayfa	128	84	0	212
	Sebha	120	92	93	305
	Aljufra	123	92	59	275
Total		1876	1100	782	3757

JMMI's average cost of the MEB and equivalent cost of the MEB per baladiya

Region	Baladiya	Cost of MEB	Equivalent cost of MEB
West	Abusliem	910	407
	Azzahra	798	357
	Bani Waleed	749	335
	Rigdaleen	966	432
East	Jalu	893	399
	Tazirbu	937	419
	Benghazi	948	424
	Albayda	788	352
	Derna	811	363
South	Murzuq	1 000	447
	Ghat	1 052	470
	Ubari	920	412
	Alghrayfa	920	412
	Sebha	926	414
	Aljufra	914	409

ANNEX 2: RESULTS TABLE

International poverty line results table

				2.15$		3.65$		6.85$	
Region	Baladiya	Median total income	Median sustainable income	% HH total income under 2.15$	% HH sustainable income under 2.15$	% HH total income under 3.65$	% HH sustainable income under 3.65$	% HH total income under 6.85$	% HH sustainable income under 6.85$
East	Albayda	750	737	4%	7%	26%	32%	83%	86%
	Benghazi	693	650	9%	11%	30%	36%	86%	88%
	Derna	448	447	24%	26%	72%	74%	95%	96%
	Jalu	671	453	4%	10%	34%	76%	86%	100%
	Tazirbu	396	388	17%	23%	78%	85%	97%	99%
South	Alghrayfa	455	401	27%	47%	70%	87%	89%	100%
	Aljufra	604	544	2%	4%	39%	61%	92%	99%
	Ghat	558	502	15%	18%	43%	50%	76%	87%
	Murzuq	849	805	1%	2%	18%	19%	71%	77%
	Sebha	671	653	13%	14%	31%	33%	89%	95%
	Ubari	500	492	9%	10%	64%	67%	96%	98%
West	Abusliem	758	758	0%	0%	0%	0%	93%	93%
	Azzahra	1155	1097	1%	3%	3%	5%	38%	47%
	Bani Waleed	728	714	1%	6%	7%	12%	90%	96%
	Rigdaleen	970	900	0%	1%	3%	5%	51%	55%

Poverty line based on the cost of the MEB

							MEB per baladiya Poverty line		National MEB Poverty line	
Region	Baladiya	Median total income	Median sustainable income	Median	Median MEB	Equivalent Median MEB	% HH total income under MEB	% HH sustainable income under MEB	% HH total income under MEB	% HH sustainable income under MEB
East	Albayda	750	737	306	788	352	7%	10%	16%	20%
	Benghazi	693	650	327	948	424	15%	16%	15%	16%
	Derna	448	447	301	811	363	35%	37%	48%	49%
	Jalu	671	453	377	893	399	10%	28%	14%	34%
	Tazirbu	396	388	327	937	419	57%	62%	56%	61%
South	Alghrayfa	455	401	304	920	412	48%	66%	48%	66%
	Aljufra	604	544	295	914	409	12%	20%	12%	20%
	Ghat	558	502	405	1052	470	35%	42%	29%	36%
	Murzuq	849	805	383	1000	447	10%	11%	6%	7%
	Sebha	671	653	395	926	414	20%	22%	20%	22%
	Ubari	500	492	292	920	412	26%	27%	26%	27%
West	Abusliem	758	758	680	910	407	0%	0%	0%	0%
	Azzahra	1155	1097	760	798	357	2%	4%	3%	5%
	Bani Waleed	728	714	656	749	335	1%	6%	1%	6%
	Rigdaleen	970	900	748	966	432	1%	3%	1%	3%

Proportion of households under poverty lines per displacement status

	International poverty line			MEB Poverty line	
	International poverty line 2.15$	International poverty line 3.65$	International poverty line 6.85$	MEB per baladiya poverty line	National MEB poverty line
Non-displaced	7%	23%	84%	10%	12%
Internally displaced	13%	33%	80%	21%	22%
Returnee	8%	36%	90%	19%	20%

ACKNOWLEDGEMENTS

THE 2022 LIBYAN POPULATION MULTI-SECTOR NEEDS ASSESSMENT WAS:

Conducted in the framework of:

LIBYA INTER-SECTOR COORDINATION GROUP

Funded by:

USAID FROM THE AMERICAN PEOPLE

Co-funded by European Union Humanitarian Aid

In partnership with:

OCHA Office for the Coordination of Humanitarian Affairs

THE LIBYA JOINT MARKET MONITORING INITIATIVE (JMMI) WAS:

Funded by:

UNHCR The UN Refugee Agency

ABOUT REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT).