Inequality in the Arab region
Crisis upon crisis

Key Messages
In 2022, 52 per cent of people in the Arab region believed that economic conditions were getting worse.

The Arab region is the only region in the world where poverty rates are increasing, leading to high inequality rates.

The richest 10 per cent of people in the Arab region hold on average 44 times as much wealth per person as the poorest 40 per cent.

After falling in the preceding decade, wealth inequality has risen sharply in the Arab region since 2020. In 2020, the aggregate proportion of wealth held by the richest 1 per cent was 43 per cent; in 2022, this rose to 44 per cent.
Wealth inequality has increased in low- and middle-income countries.

The number of people in the Arab region living in extreme poverty increased by 42 million between 2015 and 2023.

The region has 150 million people living in poverty. Of these, 85 million live in extreme poverty.

Multi-dimensional inequality has reduced in terms of access to finance, health, education and technology, and gender inequality.

Food inequality increased between 2015 and 2021 in all country groupings in the Arab region.

Youth inequality increased between 2015 and 2021 in 18 countries in the Arab region.
From 2015 to 2022, the risk of polycrisis increased in two thirds of countries in the Arab region.

No high-income country in the Arab region was at high risk of polycrisis in the 2015-2022 period. By contrast, every single low-income and conflict-affected country in the Arab region was at high risk of polycrisis by 2022.

Climate-associated risk is currently the fastest-growing risk in the Arab region.

Economic risk rose between 2021 and 2022. This increase was driven in part by increases in inflation and debt, as well as by slow gross domestic product (GDP) growth.
In the Arab region, there was a **minimal reduction** in multidimensional **inequality** between 2015 and 2021, but a significant **increase** in the **risk of polycrisis**.

Low-income, least developed, and **conflict-affected countries** in the region combined are home to **39 per cent** of the region’s population. These countries have experienced the most significant increases in both the risks of **polycrisis** and **multidimensional inequality**.

Middle-income countries, which are home to **62 per cent** of the region’s population, have made some progress in **reducing multidimensional inequality**, but their exposure to the **risk of polycrisis** has **increased**.

High-income countries, which are home to only **13 per cent** of the region’s population, have made progress in **reducing multidimensional inequality** despite a small uptick in the risk of **polycrisis**. Nevertheless, the risk of **polycrisis** in high-income countries is **low**.
In 2023, the Arab region was home to 25 per cent of the global population in need of humanitarian assistance. But it received only 32 per cent of the necessary humanitarian financing. This demonstrates a significant gap in support, despite escalating needs.

Short-term crisis responses undermine long-term development investments and environmental sustainability, perpetuating cycles of vulnerability.

Polycrises have a disproportionate impact on vulnerable families, forcing them to compromise on essentials such as meals, healthcare, and education. This exacerbates inequalities.

Poor nutrition outcomes from polycrises have lasting repercussions on health and cognitive development, perpetuating intergenerational poverty.

Key messages
In recent years, the Arab region has experienced a string of successive, overlapping and reinforcing crises, known as a polycrisis. Environmental, economic, institutional and conflict-related crises have interacted with each other to a devastating degree, resulting in detrimental effects on people’s access to social and economic services and opportunities. Not everyone, however, has been affected equally. Those who were already at risk of being left behind find themselves further behind their peers, as crises have accentuated inequality in all its forms and eroded the potential of social mobility.

This third edition of the Arab Inequality Report presents the growing risk of polycrisis in the Arab region since 2015. It introduces a novel way to capture inequality in all its forms, through a new multidimensional inequality framework. It also highlights the positive correlation between multidimensional inequality and the risk of polycrisis. Yet, polycrises and high multidimensional inequality are not inevitable. The report concludes with concrete and practical policy recommendations for countries to protect equality in times of crisis. In particular, the report calls for immediate humanitarian assistance in the face of crises, without political implications, and innovative financing mechanisms that enable more vulnerable countries to pursue sustainable socioeconomic development and leave no one behind.