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HOUSEHOLD INCOME AND EXPENDITURE

IN

AL-KURA, LEBANON.

by

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at the American University of Beirut, Lebanon,
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A C K N O W L E D G E M E N T

I will be overlooking a duty if I do not present due acknowledgement and thanks to those who have contributed to making this study possible.

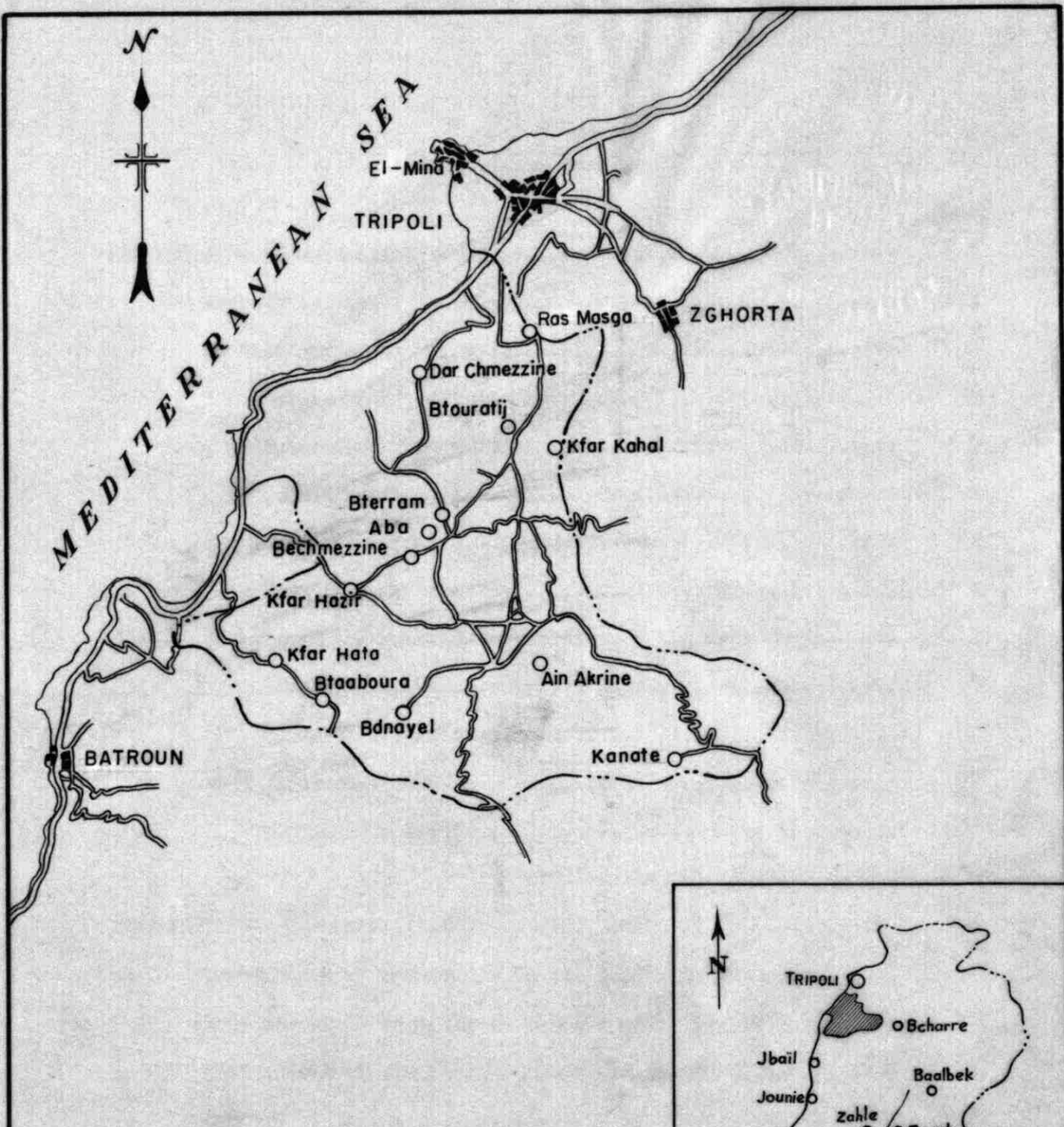
My deepest thanks are due to Professor Charles W. Churchill, who has been my advisor, for his valuable advice and guidance.

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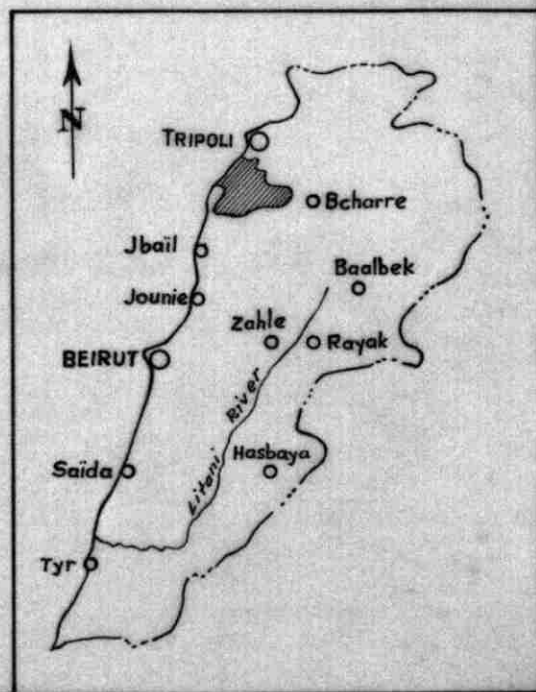
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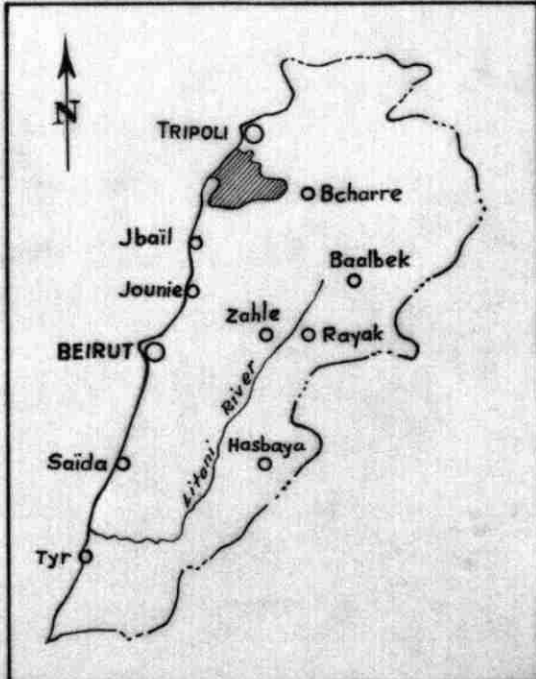
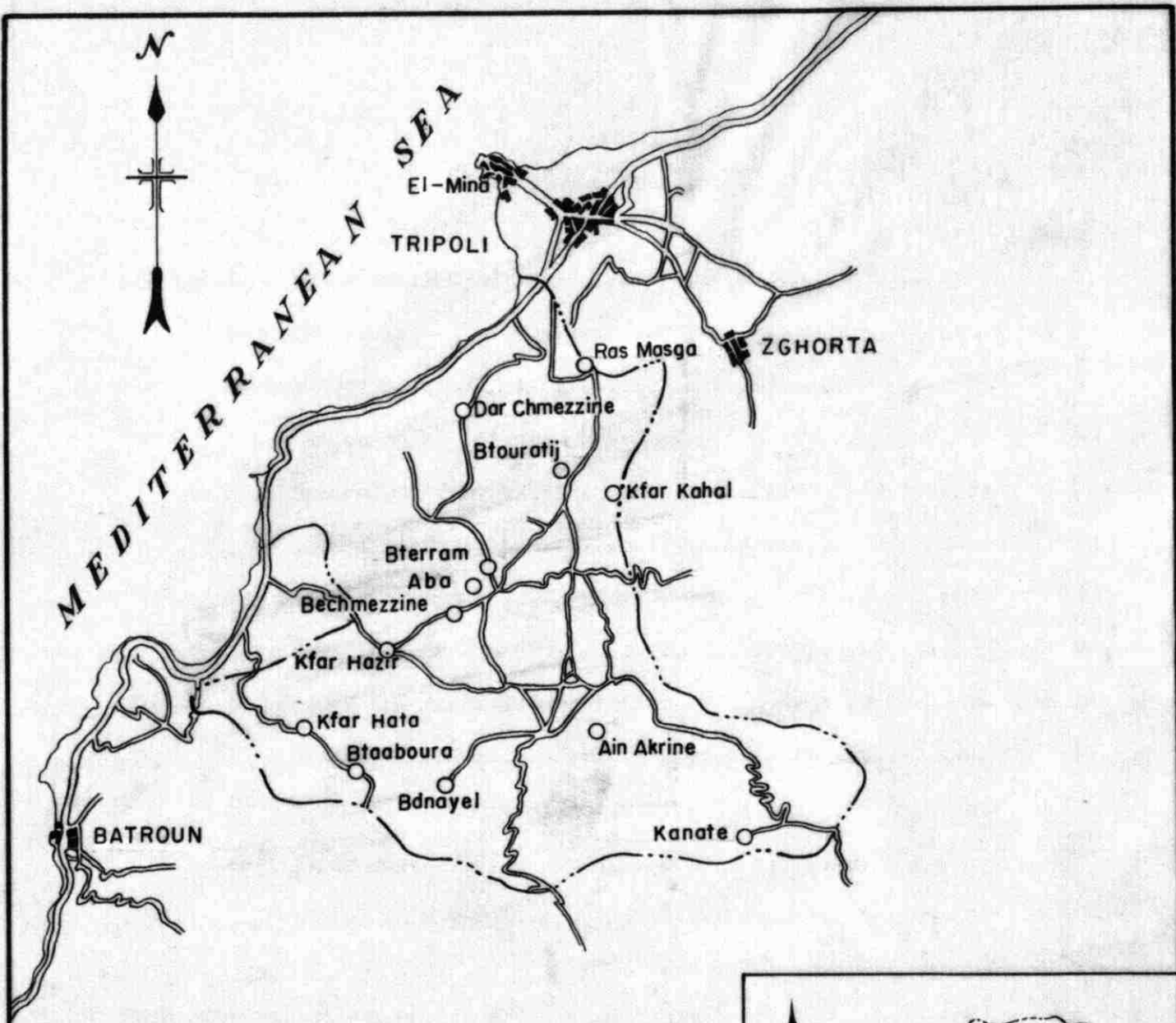
Beirut, March 1953.



MAP OF AL-KURA

Showing 13 villages selected as representative sample.





MAP OF AL-KURA
 Showing 13 villages selected as
 representative sample.

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"An Abstract"

HOUSEHOLD INCOME AND EXPENDITURE
IN AL-KURA,
LEBANON.

BY

SALAH M. SAWAYA

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HOUSEHOLD INCOME AND EXPENDITURE

The purpose of the thesis is to determine income and its sources, and expenditure patterns of the households in the Al-Kura regions. Other pertinent information is also included.

The scarcity of literature on this subject and the lack of reliable statistical data on income in Lebanon made the compilation of data by field work an unavoidable necessity.

All the data included in the study is original. It was collected by direct personal interviews with members of the household concerned.

Area included in the study

Al-Kura is one of the five kadaas of North Lebanon. It covers an area of about 450 squar kilometers. From the south to the north stretches from kadaa Al-Batroun to Tripoli; a distance of thirty kilometers.

Al-Kura is almost entirely a plateau. The geographical features of the region, notwithstanding the rise in altitude, do not vary greatly. There are fifty-two villages scattered over the region. These villages vary in size from a minimum of sixty-two inhabitants to a maximum of 2673.

Al-Kura, like the rest of Lebanon has a mediteranean climate.

Collection of data

The data was collected by a sample survey. The fifty-two villages in the region were grouped into three arbitrary population size categories. Thirty percent of each group was taken as a sample; and thirteen villages were selected as a representative sample of the region. This insured that the number of villages selected for the study represented the varying population size categories of the various villages.

Fifteen percent of the households of each of the thirteen villages was decided upon as reasonable proportion to be taken as a sample.

In order to avoid a biosed result a method was devised to attain a random sample in each of the income categories.

The household of the sample were stratified into six income categories. These categories are the following:

1. 000 - 500
2. 501 - 1000
3. 1001 - 2000
4. 2001 - 4000
5. 4001 - 8000
6. 8001 - and up.

By using random tables 144 household were selected to be interviewed. Out of this number eleven had to be discarded, because either the information was incomplete or deemed untrustworthy. Thus 135 household were left in the sample.

Questionnaire Used

Since all our data had to be compiled by direct contact with the household concerned a uniform and comprehensive questionnaire was prepared for obtaining the necessary information.

Mean income of household in the different villages

The mean income of households in the different villages was computed for each village separately according to the devised income categories. The mean income of the household was also determined for each village regardless of income categories.

Some villages have an income higher or lower than others, while the sample used is believed to be sufficient for the whole region, yet it is probably highly unreliable in the case of individual villages if isolated from the rest of the villages in the region. This unreliability is due to the small size of sample in each separate village.

Mean income of the average household in the region

The main objective of chapter II is the determination of the mean income of the average household in the region.

Taking the 133 households as a valid sample of the whole region the mean income of the average household is LL. 3,260 per year with a standard error of LL. 349. If the average household is composed of 5.2 persons the per capita income would be LL. 615.

Sources of income

The 133 household have a total income of LL. 433,660. This income is derived from various sources which were grouped under five major headings.

The five sources of income are:

1. Income from services with capital and land negligible.
2. Income from services and capital.
3. Income from farming and ownership of land.
4. Income from abroad.
5. Income from other sources.

The following table shows the total income from each source.

Sources of Income.

Source	Gross Income	Proportion of
	by Source	total income
	LL.	by Source
		Per cent
1. Income from ownership and operation of land	188,759	44
2. Income from services	153,098	35
3. Income from services with capital	51,655	12
4. Income from abroad	24,650	6
5. Income from other sources	<u>15,498</u>	<u>3</u>
TOTAL	433,660	100

Household Savings

For the purpose of the study the word saving was taken to mean that part of income which is not used for household consumption or farm operation.

For a better economic understanding savings was divided into two kinds, deflationary savings and non-deflationary savings. Also saving was divided according to income categories.

We found that 20% or twenty-seven households out of a total of 133, which is our representative sample for the region, have an average of LL. 302 per year. This amounts to 9% of the average household income in the region. As was mentioned above savings were divided into deflationary and non-deflationary savings. Non deflationary savings for the whole region turned out to be ninety-three pounds or 31% of the total saving. The deflationary savings are LL. 209 or 69% of savings.

Household debts

Our study revealed that twenty-five out of 133 households or 19% were in debts of LL. 219 to a mean yearly income of LL. 3,260 which amounted to 7% .

Expenditure

Chapter III of the study treats household expenditure, or the different ways in which the income of the household was spent. It also contains a relative study showing the percentage of income spent on the different household needs.

The nine main categories of expenditure are:

1. Expenditure on food
2. expenditure on clothing
3. expenditure on furniture and household equipment
4. expenditure on medical care
5. farm costs
6. expenditure on schooling
7. expenditure on recreation and leisure
8. payment of direct taxes, fees and other liabilities
9. other expenditure

Average household expenditures in some of the categories were determined for an average week or month which might be equal to any other week or month over the period of a year, or in other words, the expenditure in each category was determined according to a representative unit of the year. 1/52 of the year (One week) is believed to be reasonable time period over which the expenditure on food could be recalled. 1/12 of a year (one month) is believed to be a reasonable time period over which expenditures on clothing, furniture, medical care, recreation and leisure, and other expenditures could be recalled. At the same time one month is believed to be a long enough period for such expenditures to manifest themselves with an ample intensity and frequency in our representative sample. Thus we think it possible to have a fairly accurate account of them. Expenditure on farm costs, expenditure on schooling, expenditure on direct taxes, and fees and other liabilities were directly determined per year.

The following table shows the percentage of the household income spent ~~of the~~ each of the nine expenditure categories.

Expenditure categories	percent to mean income (3260)
1. expenditure on food	53
2. expenditure on clothing	8
3. expenditure on furniture and household equipments	6
4. expenditure on medical care	4
5. farm costs	14
6. expenditure on schooling	5
7. expenditure on recreation and leisure	3
8. payment of direct taxes, fees and other liabilities	1
9. other expenditure	2

Salah Sawaya
Salah Sawaya

C H A P T E R I

INTRODUCTION

Purpose

The purpose of this study is to determine income and its sources, and expenditure patterns of the households¹ in the Al-Kura region. Other pertinent information is also included.

No doubt this study would have been more significant and valuable if the whole of Lebanon could have been taken as the field of study. But due to time limitation and the fact that it was a one man job the study had to be restricted to one small region. The selection of Al-Kura region as the field of study was motivated by the author's personal preference and familiarity with the region.

Although statistical methods were used as a means it should be pointed out that this is not a theoretical study in the field of statistics.

The scarcity of literature on this subject and the lack of reliable statistical data on income in Lebanon made the compilation of data by field work an unavoidable necessity. Thus all the data included in this study is original; since it was collected by direct personal interviews with members of the households concerned.

¹A household is defined as a consumption unit, i.e. people who live together, eat together from a common budget at a common table, and pool their income together. The two terms of household and family are used synonymously in this study. A household is calculated to comprise 5.2 persons by computing the mean of the number of persons in the households of our representative sample. See Table I, on the following page.

Table I - Number of Persons in a Household, Al-Kura, Lebanon.

Village	Number of Samples	Total of Persons in Samples	Mean
Bechmezzine	20	109	5.5
Kfar Hazir	27	118	4.4
Btarram	13	81	6.2
Kfar Hata	10	50	5.0
Kanate	10	45	4.5
Btaaboura	8	36	4.5
Btouratij	7	41	5.8
Aba	6	39	6.5
Ain Akrine	10	60	6.0
Ras Masga	8	53	6.6
Dar Chmezzine	5	25	5.0
Rdnayel	5	29	5.8
Kfar Kahal	4	17	4.3
The Region	133	703	5.2

METHODOLOGY

Selection of Villages

The first problem encountered was the selection of a number of villages which would be representative of the whole region. Several methods suggested themselves.

The first was to divide the region into different sub-divisions and select a representative village for each of these sub-divisions. This was not resorted to, because the whole region under study was relatively small and any further segmentation would be unnecessary.

The second possibility was to group the villages into economic categories: rich, medium and poor. Lack of any economic data about the villages ruled this out.

The third possibility was to group the villages into categories according to the number of people in each village.

The third alternative was adopted. The fifty-two villages in the region were grouped into three arbitrary population size categories: above 712 inhabitants, between 335 and 712 inhabitants, and below 335 inhabitants. Thirty percent of each group was taken as a sample. This insured that the number of villages selected for this study represented the varying population size categories of the various villages. The table on the following page shows the thirteen villages selected as the sample presented in order of their size.

Selection of Households

After selecting the villages, the second major problem encountered was to determine the number of the households to be interviewed in each of

Table II - Population, Households and Number of Representative Sample by Income Categories in the Thirteen Representative Villages.

Village	Population	Households	000-500 : 501-1000 : 1001-2000 : 2001-4000 : 4001-8000 : Above 8000												
			House Sample 15%	House Sample 15%	House Sample 15%	House Sample 15%	House Sample 15%	House Sample 15%	House Sample 15%	House Sample 15%	House Sample 15%	House Sample 15%	House Sample 15%	House Sample 15%	
Bachmezzine	998	180	15	2	15	2	50	7	36	5	32	4	32	3	
Kfar Hazir	917	168	10	2	32	5	78	12	30	5	16	2	2	1	
Btarram	739	75	6	1	12	3	23	3	24	4	5	1	5	1	
Kfar Hata	590	64	10	1	9	1	19	3	21	3	2	1	3	1	
Kanate	412	46	37	4	3	1	1	1	2	3	2	1	1	1	
Btaaboura	350	36	2	1	2	1	6	2	16	2	3	1	7	1	
Btourati	289	32	1	1	12	1	8	1	5	1	4	1	2	1	
Aba	288	31	9	1	7	1	6	1	7	1	2	1	0	0	
Ain Akrine	242	36	0	0	30	5	12	2	2	1	0	0	2	1	
Res Masga	251	40	0	0	13	2	18	3	4	1	3	1	2	1	
Dar Chmezzins	133	30	2	1	7	1	10	1	11	1	0	0	0	0	
Bhmayel	129	29	6	1	4	1	14	2	5	1	0	0	0	0	
Kfar Kahal	69	24	11	1	5	1	3	1	5	1	0	0	0	0	

the selected villages. Since it is a sample survey, a certain percentage had to be taken. Fifteen percent of the households was decided upon as a reasonable proportion in view of the time and cost limitations. This same problem manifested itself at another stage, namely the method which should be used in the selection of the sample households. An arbitrary choice of these samples was likely to result in a biased sample which might include households which present either high or low income brackets to the exclusion of others. In order to avoid such a biased result a method was devised to attain a random sample in each of the income categories.

There were 144 households in the original sample; of these six refused any information at all. Two of these six households were in the income category, 000-500 LL. in Bechmezzine; one was in the income category 501-1000 LL. in Kfar Hata; two were in the income category 2001-4000 LL. in Ain Akrine; and the sixth was in the income category 4001-8000 LL. in Aba.

Three of the 144 original sample were discarded because the information was thought to be untrustworthy. These were, one in the income category 501-1000 LL. in Ain Akrine, and two in Btouratij in the income category 000-500 LL.

Also two households of the original sample did not answer all the questions, particularly income questions. There was one of these in the income category 8000 and up LL. in Bechmezzine and one in the category 1001-2000 LL. in Btaaboura. We thus were left with 133 households as our sample.

It is believed that the eleven households which had to be discarded from the sample did not alter the results appreciably, because they were in different villages and in different income categories.

The next step was to set up a small number of income categories which reflected the differences in income.

The first consideration was to set the first income group at a level that would be meaningful and would represent the very low income segment of the population. Once this first category was determined the problem was to make succeeding categories progressively larger since it was necessary to limit the number of categories to what would be manageable in the field and in the office.

Two methods of obtaining progressively larger categories presented themselves:

1) to arbitrarily select categories that would satisfy the above conditions,

2) to use a geometrical progression making each succeeding category larger by either the size of the category before, or to double the interval used in the first category decided upon.

The method selected was a geometrical progression of the original interval except for the second interval. Arithmetical progression was ruled out because it did not allow for progressively larger intervals. The first interval in this case was 500 LL.² The next interval was set at 501-1000 LL. because a high incidence was expected here. The third interval started a geometrical progression which continued up to 8000 LL. The last category was set at 8001 and up because there were very few incomes above LL. 8000 in the sample.

By using the progression described above it was possible to rank

²All figures in this study are in Lebanese Pounds (LL.).

all families in the village in accordance with income categories which reflected in part differences in the level of living possible for each.

The following categories were set up:

1. 000 - 500
2. 501 - 1000
3. 1001 - 2000
4. 2001 - 4000
5. 4001 - 8000
6. 8001 - and up.

After deciding on the income categories a serious difficulty was encountered. Since the aim of this study was to determine the income of the household, how could we classify the households according to the above income categories, when no figures about their incomes were available? The way out of this dilemma was to personally visit each village and carry out a pilot study of the individual income of the households in order to group them in the corresponding categories.

A number of people in the village, usually including the Mukhtar, were requested to supply us with the numbers and names of all the households in the village, and to give an estimate of the income of each individual household.³ After securing the name and estimated income of each household in all the villages fifteen percent out of each category were selected by using random tables. Table II shows the number of households in each

³After the determination of the actual income of each household it was found that 14 out of the 133 households interviewed were classified in a different income category than the one originally estimated in the pilot study.

village according to income categories.⁴

Questionnaire Used

Since all our data had to be compiled by direct contact with the households concerned a uniform and comprehensive questionnaire was prepared for obtaining the necessary information (see appendix).

Formulae Used

Since this study is mainly concerned with averages (means), it is very important that the "Standard Deviation" of every distribution be computed and the standard error of every mean determined. The formula used was

$$\sigma = \sqrt{\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2}$$

where X equals the original items and N the population of the sample.⁵

Standard Error of the Mean⁶

The standard error of the mean ($\sigma \bar{X}$) was determined by the use of the formula $\sigma \bar{X} = \frac{\sigma_{\text{sample}}}{\sqrt{N - 1}}$.

Rounding Off Numbers

The orthodox method of rounding off numbers was used, that is adding one to the last digit when the fraction was above .50, and dropping it if below. If the fraction was exactly .50 it was disregarded in case the number was even and rounded if the number was odd.

⁴Supra p. 4.

⁵D. Paden, and E. Lindquist, Statistics for Economics and Business (New York: McGraw Hill, 1951), 95.

⁶Ibid., p. 141.

BACKGROUND AND GENERAL DESCRIPTION OF THE AREA

Geography

Al-Kura is one of the five Kadaas⁷ of north Lebanon. It covers an area of about 450 square kilometers. From south to north it stretches from Kadaa al-Batrun to Tripoli, a distance of thirty kilometers. From the seashore on the west across to the eastern side the width of the region varies from five to twenty-five kilometers. There is a gradual rise from sea level to a maximum height of 600 meters on the eastern side where it borders the region of al-Zawia.⁸

As al-Kura is almost entirely a plateau the geographical features of the region, notwithstanding the rise in altitude, do not vary greatly except for a narrow strip bordering the sea and another strip on the eastern side abounding in cliffs and small hills. There are fifty-two villages scattered over the region.⁹ Of these villages only one, Anfeh, is at sea level. It is on the main highway between Beirut and Tripoli.

These villages vary in size from a minimum of sixty-two inhabitants in the case of Kalbata to a maximum of 2673 in the case of Anyoun which is the capital and center of local government. Only four of the fifty-two villages in the region have a population of over one-thousand inhabitants. Al-Kura, like the rest of Lebanon, has a Mediterranean climate. Some difference in climate is noticeable between the eastern and the western sides, because of the difference in elevation.

⁷The Kadaa is a subdivision of an administrative unit (Mouhafaza). There are five Mouhafazas in Lebanon.

⁸See map.

⁹See Table III on the following page.

Table III - Population of the Fifty-Two Villages of al-Kura Region.

Amyoun	2673	Btouratij	289
Kousba	1732	Aba	288
Anfeh	1447	Afsadik	286
Kfar Akka	1196	Ibdeen	283
Bechmezzine	998	Ras Masga	251
Dedde	985	Ain Akrine	242
Kfar Hazir	917	Ijd Ibreen	233
Tarza	765	Rachdebbine	225
Bsarma	739	Matreet	204
Bterram	739	Kaftoun	200
Dar Bishtar	680	Haret Khazaa	199
Kfar Hata	590	Majdel	185
Barsa	575	Nakhle	167
Fee'	491	Boulaa Mfarr	162
Kifriya	474	Yahbouche	160
Kulhat	447	Barghoun & Bdeehoun	156
Batroumeen	430	Beit Mender	143
Kanate	412	Dar Chmezzine	133
Kafraya	369	Bdnayel	129
Btaaboura	350	Bnehran	123
Bziza	348	Mazra'at Assaf	113
Dar Habboun	338	Mazra'at Abi Saad	94
Bdauba	335	Zakroun	85
Kfar-saroun	298	Zgharta al-Matawili	82
Dahr al-Ain	295	Kfar-Kahal	69
Dar-bulla	294	Kalbara	62

Source: by courtesy of the Rural Statistical Surveys Office, a cooperative project between the Lebanese Ministry of National Economy and the United States Technical Cooperation Services in Lebanon. This data is not published.

Almost all the villages are tied together by a network of public roads. A considerable number of them are being asphalted. Two main highways traverse the region, one starting from Tripoli, and the other from Shikka. Both roads meet at Bechmezzine where they form one highway.

Products of the Region

Al-Kura is completely a dry farming area with the exception of a small strip on the northeastern side. The Abou-Ali river, which separates al-Kura from al-Zawia region, irrigates a part of the northeastern side and runs through a deep and narrow rocky valley. At present, without any irrigation project, the utilization of its water supply is negligible.

Until a few years after the first World War, silk manufacturing was the leading agricultural industry in this district. When Japanese artificial silk started flowing into the Lebanese market, prices tumbled and the Lebanese silk industry failed to stand the competition. As a result silk factories were liquidated and mulberry orchards were uprooted to be gradually replaced by olive trees. The olive tree is well adapted to the climate and soil of the region, and olives are its major product. Usually and with not much investment or care it gives a good crop every year. The activities involved in the olive oil industry make up part of the social life of the inhabitants. Very minor and insignificant efforts were made to modernize the production and processing of olives and olive oil. Oil mills are found in all villages. After the extraction of oil, it is stored in big containers awaiting customers who visit the villages and buy the oil supplies. Oil canning and grading is completely neglected. This neglect in addition to the lack of an oil refining industry account for an important

loss in the region's income.

Another plant, equally adapted to the soil and climate of the region, is the grape vine. The grape crop ranks second to that of the olive, although in terms of returns the difference is very considerable, as the grape crop income is meagre. Wine, arak, and vinegar which are extracted from grapes are mainly used for home consumption. Some of the fresh grapes are marketed in the nearby city of Tripoli.

The tobacco plant flourishes in the southern part of the region, namely in Kfar Hata, Btaaboura,¹⁰ Kaftoune, and Kifriya. It ranks third after olives and grapes in the whole region, and first in this district.

As olives, grapes, and tobacco occupy almost all of the area of cultivable land in the region, only a small sector is left for cereal crops.

Cattle and sheep raising is almost completely absent from the economic activities of the region due to the lack of pasture lands. However, there are a few oxen and domestic animals used by farmers for plowing the groves.

Fishing and sea salt industries are now becoming a more important factor in the economy of one village in the region, Anfeh. However primitive and antiquated methods are used.

Industries

If we exclude olive oil mills, some flour mills, salt mills, and arak distilleries, industrial activity is all but absent in the region. There are, however, three industrial enterprises which are not in the region

¹⁰These two villages are included in the 13 villages selected as the sample for this study.

but within accessible distance. These are the Chekka Cement Factory, the Arida factory at the entrance of Tripoli, and the hydro-electric plant above the eastern limits of al-Kura. These industries provide employment opportunities for a good number of people from the region. It should be also kept in mind that the good means of transportation which link the region with the rapidly growing city of Tripoli afford another opportunity for employment for the people of al-Kura.

Social Life

The region is dominantly Christian with the Greek Orthodox sect forming the majority of the population. However, this region is not unlike the rest of Lebanon in that it includes some other religious groups.¹¹ This division into religious sects is reflected in almost all the villages of the region. However the Maronites are concentrated in the eastern and northeastern parts of the region and the Moslems, on the other hand, occupy mainly the northern villages in the vicinity of Tripoli.

Socio-economic conditions are quite uniform all over the region. Although some economic difference is noticeable, it is not reflected in the social setup of the region. The population forms one class with respect to interpersonal relations.

Practically all families own their houses. They are uniform throughout the region in form and style. Houses are stone built.

Six out of fifty-two villages have electricity which is used for lighting purposes. The rest of the villages get along with kerosene lamps.

¹¹"Ad-Dastour Newspaper", Beirut, No. 26, Nov. 8, 1952: Greek Orthodox inhabitants 21327; Maronites 9898; and Moslems 3194.

On the whole, the population of the region enjoys a high standard of literacy. There are elementary government schools in almost every village. There are two secondary high schools located in the central part of the region. This is the most densely populated part.¹²

If a subjective opinion may be given we believe that on the whole the region enjoys a relatively higher standard of living than many other parts of Lebanon. Social, educational and sanitary conditions are relatively satisfactory. No one part of the region seems to suffer intensely from a lack of the minimum necessities of life.

¹²Bechmezzine and Aba High Schools.

C H A P T E R II

INCOME

This chapter deals with the mean income of the households and its various sources and with household savings and debts. In trying to determine the income of every household in the region under study, five questions were asked in order to find out all the different incomes - in money and in kind - accruing to the household. The questions are the following:¹³

1. What is the income that you receive for your work?
2. What is the income that you receive from farming?
3. What is the income you receive from property other than land?
4. What is the income you receive from abroad?
5. What is the income you receive from any other source?

The first question is meant to include all income accruing to the household in return for the personal services of all its members.

The second question is to determine the income, in cash or in kind, which accrues to the households from the ownership and/or operation of land. This includes all the products of land whether they are for private consumption or for the market.

The third question includes all incomes which the household receives from the ownership of property, other than land.

¹³The questions were intended to ascertain the income of all the members of the household, and not the respondent only.

The fourth question aims at determining the amount of money coming to the household from outside the country.

The last question covers all other incomes which might accrue to the household and which could not be covered by the above four questions, i.e., income from pensions, gifts, and interest.

In the case of the second question people in each household were asked to state the amount of money received for selling the produce of their land or its rent if it were leased.

If, however, part of this product was kept for home consumption or future sale its value was determined by taking the unit price for which part of it was sold and multiplying it by the amount kept. If no part of the produce were sold the price per unit was determined by asking five people in the neighborhood as to the prevailing price of that product at that particular time and taking the mean of their answers.¹⁴

This method was used in order to determine the value of the produce at that particular time when the household could have had an income equal to the value of the produce if sold then. In using any other price we might either overvalue or undervalue the imputed income.

This information made possible the determination of the income of the household from all sources.

¹⁴All calculations were made on the spot.

Mean Income of Households in the Different Villages

The mean income of households in the different villages was computed for each village separately according to the devised income categories. The mean income of the households was also determined for each village regardless of income categories.

Tables IVa to IVm inclusive on the following pages show the mean income of every income category in every village and the standard error. Table V shows the relative mean income, regardless of income categories, of the thirteen villages.¹⁵

Some villages have an income higher or lower than others (see Table V). While the sample used is believed to be sufficient for the whole region, yet it is probably highly unreliable in the case of individual villages if isolated from the rest of the villages in the region. This unreliability is due to the small size of sample in each separate village. It should be kept in mind that the sample was selected to represent the region as a whole and not its particular component parts.

Table IVa - Mean Income of Households in Bechmezzine .

Income Category	N	N Income	ΣX^2	$\frac{\Sigma X^2}{N}$	ΣX	$\left(\frac{\Sigma X}{N}\right)^2$	$\frac{\Sigma X^2}{N} - \left(\frac{\Sigma X}{N}\right)^2$	σ	$\sigma \bar{X}$	Mean L.L.
00-500	1	420								420
501-1000	2	780 945	1501425	750712	1725	743044	7668	88	88	863
1001-2000	6	1500 1050 1700 1740 1200 1300	12400100	2066683	8490	1442225	624458	790	353	1415
2001-4000	5	2900 2545 2885 2300 3600	41160250	8292050	14230	8099716	192334	438	219	2846
4001-8000	4	4809 5080 4300 4900	91432881	22858220	19089	22771984	86236	294	169	4772
8001 and up	2	12350 16500	424772500	212386250	28850	208080625	4305625	2075	2075	14425

Table IVb - Mean Income of Households in Kfar Hazir.

Income Category	N	N Income	$\sum X^2$	$\frac{\sum X^2}{N}$	$\sum X$	$\left(\frac{\sum X}{N}\right)^2$	$\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2$	σ^2	$\sigma - \bar{X}$	Mean L.L.
00-500	2	500	500							500
501-1000	5	1000	3922500	784500	4350	756900	27600	166	83	870
1001-2000	12	1850	26469556	2205796	17366	2093809	111987	335	101	1447
2001-4000	5	2700	48640484	9428096	15278	9333025	395071	629	314	3055
4001-8000	2	5600	67360000	33680000	11600	33640000	40000	200	200	5800
8001 and up	1	24800								24800

Table IVc - Mean Income of Households in Bterram.

Income Category	N	N Income	ΣX^2	$\frac{\Sigma X^2}{N}$	ΣX	$\left(\frac{\Sigma X}{N}\right)^2$	$\frac{\Sigma X^2}{N} - \left(\frac{\Sigma X}{N}\right)^2$	σ	σ^2	\bar{X}	Mean L.L.
00-500	1	420									420
501-1000	3	800 810 900	2106100	702033	2510	700569	1464	38	27	837	
1001-2000	3	1684 1640 1280	7163856	2387952	4604	2353156	34796	187	132	1535	
2001-4000	4	2100 3940 3610 3844	47712036	11935509	13494	11377129	558380	747	431	3374	
4001-8000	1	4180									4180
8001 and up	1	15000									15000

Table IVd - Mean Income of Households in Kfar Hata.

Income Category	N	$\sum X^2$	$\frac{\sum X^2}{N}$	$\sum X$	$\left(\frac{\sum X}{N}\right)^2$	$\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2$	σ	$\sigma \bar{X}$	Mean L.L.	
00-500	1	369							369	
501-1000	1	1000							1000	
1001-2000	3	1900 1920 1300	8986400	2995467	5120	2913849	81618	286	202	1707
2001-4000	3	3000 2400 2500	21010000	7003333	7900	6932689	70644	266	188	2633
4001-8000	1	5000							5000	
8001 and up	1	10000							10000	

Table IVe - Mean Income of Households in Kanate.

Income Category	N	N Income	ΣX^2	$\frac{\Sigma X^2}{N}$	ΣX	$\left(\frac{\Sigma X}{N}\right)^2$	$\frac{\Sigma X^2}{N} - \left(\frac{\Sigma X}{N}\right)^2$	σ	$\sigma \bar{X}$	Mean L.L.
00-500	4	250 500 400 90	516600	129150	1240	96100	33050	182	105	310
501-1000	1	1000								1000
1001-2000	1	1700								1700
2001-4000	3	2900 2200 4000	29250000	9750000	9100	9199089	550911	742	525	3033
4001-8000	-									
8001 and up	1	9600								9600

Table IVF - Mean Income of Households in Btaaboura.

Income Category	N	$\sum X^2$	$\frac{\sum X^2}{N}$	$\sum X$	$\left(\frac{\sum X}{N}\right)^2$	$\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2$	σ^2	$\sigma \bar{X}$	Mean L.L.
00-500	1	400							400
501-1000	-								
1001-2000	2	1800	7240000	3620000	3800	3610000	10000	100	1900
2001-4000	2	2400	13882500	6941250	5250	6890625	50625	225	2625
4001-8000	1	5000							5000
8001 and up:	2	9000	191250000	95625000	19500	95062500	562500	750	9750

Table IVg - Mean Income of Households in Btaurati.j.

Income Category	N	N Income	ΣX^2	$\frac{\Sigma X^2}{N}$	ΣX	$\left(\frac{\Sigma X}{N}\right)^2$	$\frac{\Sigma X^2}{N} - \left(\frac{\Sigma X}{N}\right)^2$	σ	$\sigma_{\bar{X}}$	Mean L.L.
00-500	-									
501-1000	-									
1001-2000	1	1900								1900
2001-4,000	3	2350 2500 3000	237772500	79241167	7850	6848689	75478	275	194	2617
4,001-8000	2	5000 8000	89000000	44500000	13000	42250000	2250000	1500	1500	6500
8001 and up	1	22000								22000

Table IVi - Mean Income of Households in Ain Arjin.

Income Category	N	$\sum X^2$	$\frac{\sum X^2}{N}$	$\sum X$	$\left(\frac{\sum X}{N}\right)^2$	$\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2$	σ	$\sigma \bar{X}$	Mean L.L.		
00-500	-										
501-1000	3	900	1660000	553333	2200	537289	16044	127	90	733	
1001-2000	4	1100	1400	7718125	1937031	5425	1838736	98295	314	281	1356
2001-4000	2	2650	3000	16022500	8011250	5650	7980625	30625	175	175	2825
4001-8000	-										
8001 and up	1	9000								9000	

Table IVj - Mean Income of Households in Ras Masga.

Income Category	N	$\sum X^2$	$\frac{\sum X^2}{N}$	$\sum X$	$\left(\frac{\sum X}{N}\right)^2$	$\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2$	σ	$\sigma \bar{X}$	Mean L.L.	
00-500	-									
501-1000	-									
1001-2000	2	3250000	1625000	2500	1562500	62500	250	250	1250	
2001-4000	2	19240000	9620000	6200	9610000	10000	100	100	3100	
4001-8000	3	5200	82842500	27614167	15750	27562500	51667	227	161	5250
8001 and up	1	20000							20000	

Table IVK - Mean Income of Households in Darchmezzine.

Income Category	N	$\sum X^2$	$\frac{\sum X^2}{N}$	$\sum X$	$\left(\frac{\sum X}{N}\right)^2$	$\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2$	σ	$\sigma \bar{X}$	Mean L.L.	
00-500	1	500							500	
501-1000	-									
1001-2000	3	1250 1400 1950	7325000	2441667	4600	2350089	91578	303	214	1533
2001-4000	-									
4001-8000	1	5900							5900	
8001 and up:	-									

Table IVI - Mean Income of Households in Binyel.

Income Category	N	N Income	$\sum X^2$	$\frac{\sum X^2}{N}$	$\sum X$	$\left(\frac{\sum X}{N}\right)^2$	$\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2$	σ	$\sigma \bar{X}$	Mean L.L.
00-500	1	400								400
501-1000	-									
1001-2000	3	1500	6750000	2250000	4500	2250000	0	0	0	3600
2001-4000	1	3600								3600
4001-8000	-									
8001 and up	-									

Table IVm - Mean Income of Households in Kfar Kahal.

Income Category	N	N Income	$\sum X^2$	$\frac{\sum X^2}{N}$	$\sum X$	$\left(\frac{\sum X}{N}\right)^2$	$\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2$	σ	$\sigma - \bar{X}$	Mean L.L.
00-500	-									
501-1000	3	1000 1000 700	2490000	830000	2400	810000	20000	141	100	900
1001-2000	1	2000								2000
2001-4000	-									
4001-8000	-									
8000 and up	-									

Table V - Mean Income in the Thirties Representative Villages
Regardless of Income Category.

Village	N	ΣX^2	$\frac{\Sigma X^2}{N}$	ΣX	$(\frac{\Sigma X}{N})^2$	$\frac{\Sigma X^2}{N} - (\frac{\Sigma X}{N})^2$	σ	σ^2	\bar{X}	Mean I.L.
Bechmezzine	20	571743556	28587177	72804	13249600	15337571	3916	898	3640	3640
Kfar Hazir	27	761922844	28219364	74394	7590025	20629339	4542	891	2755	2755
Bterram	13	299660792	23050830	40208	9560464	13490366	3673	1060	3093	3093
Kfar Hata	10	156132561	15613256	29389	8637721	6975535	2641	880	2939	2939
Kanate	10	125780600	12578060	22640	5125696	7452364	2730	910	2264	2264
Btaaboura	8	237532500	29691562	33950	18003049	11688513	3419	1292	4244	4244
Btaurati	7	597382500	85340357	44750	40857664	44482693	6669	2723	6393	6393
Abba	6	136000000	22666666	24600	16810000	5856666	2421	1083	4100	4100
Ain Alcrin	10	106430625	10643062	22275	4959529	5683533	2384	795	2228	2228
Ras Masga	8	505332500	63166562	44450	30869136	32297426	5683	2148	5556	5556
Darchmezzine	5	4238000	8477000	11000	8440000	37000	192	96	2200	2200
Bdnayel	5	19870000	3974000	8500	2890000	1084000	1041	521	1700	1700
Kfar Kahal	4	6490000	1622500	4700	1380625	241875	492	284	1175	1175

Mean Income in Each Income Category for the Whole Region

The mean income of the households with respect to income categories was determined by using the same method of calculation and the same formula. This step was a necessary one for two reasons. First, such a breakdown serves as a basis for a more advanced and comprehensive study which could come later. Second, although one aim of this study is to ascertain the mean income of the average household in the whole region, such a step helps in finding out the reliability of the samples used in each income category. As shown in Table VI the result is a practically uniform relative error for the income categories except the first and last.¹⁶ The first interval would naturally have a larger error because we would expect the incomes in this category to group near the upper limit. In the last interval the range of incomes is so great that a larger error would be anticipated.

Table VI - Mean Income of All Villages by Income Category.

Income Category	N	$\sum X^2$	$\frac{\sum X^2}{N}$	$\sum X$	$\left(\frac{\sum X}{N}\right)^2$	$\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2$	σ	$\sigma \bar{X}$	Mean L.L.
00-500	12	2099561	169963	4749	156310	29105	171	51	396
501-1000	18	13680025	760001	15485	740116	19885	141	34	860
1001-2000	43	100485038	2336861	46305	2236401	100461	317	48	1495
2001-4000	31	279980270	9031622	89552	8344588	887034	829	149	2889
4001-8000	18	557267781	30959321	98819	301390	820319	906	220	5490
8001 and up	11	2613222500	237565682	158750	208276851	29288831	5412	1711	14432

Mean Income of the Average Household in the Region

As was often mentioned before, the main objective of this chapter is the determination of the mean income of the average household in the region.

Taking the 133 households as a valid sample of the whole region the mean income of the average household is LL. 3,260 per year¹⁷ with a standard error of LL. 349. If the average household is composed of 5.2 persons¹⁸ the per capita income would be LL. 615. The following table shows the mean income and its standard error.

¹⁷This is not the net income since it includes the farm cost which is LL. 451. See Chapter III, p. 52.

¹⁸See Table I, page 2.

Table VII - Mean Income of the Average Household in al-Kura, Lebanon.

	N	$\sum X^2$	$\frac{\sum X^2}{N}$	$\sum X$	$\left(\frac{\sum X}{N}\right)^2$	$\frac{\sum X^2}{N} - \left(\frac{\sum X}{N}\right)^2$	σ	σ	\bar{X}	Mean L_1, L_0
	133	3566663478	26817019	433660	10631512	16185506	4023		349	3260

Sources of Income

The 133 households have a total income of LL. 433,660. This income is derived from various sources which were grouped under five major headings. Although this division of sources of income may not fit exactly, yet under the existing limitations it was felt to be fairly representative for our purpose. It should be noted that since there is no sharp line of demarcation which separates these sources of income, personal discretion was often resorted to in allocating income to a category. Many of the questions included in our questionnaire were of great help in the classification of the different incomes under one heading or another (see Appendix).

The five sources of income are:

- 1) Income from services with capital and ~~the~~ land negligible.

In this category the incomes fall which accrue to the households from the direct or indirect selling of the personal services of their members. Employed people with salaries, professional people selling their services with no capital involved in the process, taxi drivers who do not own their vehicles, barbers in a region where the capital involved is negligible, doctors who own no hospital or expensive clinic but having their incomes accruing from selling their services, and the like are some examples.

In other words, this category is composed of incomes derived from services rendered. It amounted to a total of LL. 153,098 or 35% of the total income of the 133 households.¹⁹

¹⁹ For total income see Table VIII, p. 39.

2) Income from services and capital.

When both factors of services and capital are combined together it becomes very difficult, if not impossible, to differentiate between the income which results from services alone and the income which is the result of a combination of services and capital. Such a procedure, although conceivable in theory, is not a feasible one in practice because of the difficulty involved in determining the opportunity cost of the factors rendering the services, and those owning the capital. Therefore, whenever services and capital were combined, the accruing income was included under this heading, namely, income from services and capital. Examples of this are: income from businesses (incomes of shopowners), incomes of taxi drivers who own the vehicles they operate, and incomes of doctors who operate their own hospitals or clinics.

The total income of the 133 households in this category amounted to LL. 51,655 or 12% of the total income.

Due to the overlapping of the first and second categories, and due to the fact that very often personal discretion had to be invoked in classifying certain incomes, it could as well be argued that these two categories be put together under the one heading: income from work. If this were done the result would have been a total income of LL. 204,753 which is 47% of the total income. This high percentage figure is striking at first glance, but when it is realized that 101 of the 133 households have one or more of their members working in the cities or as salaried people, it is more understandable.

This result was made possible by the geographical location of al-Kura and its nearness to Tripoli, a rapidly growing city, which affords opportunities

of work for a great number of people from the region. This was facilitated by the easy and cheap means of transportation between al-Kura and Tripoli.²⁰

3) Income from farming and ownership of land.

This category includes all incomes accruing to the household from the ownership and/or operation of farms. All incomes, in money or in kind, which are directly or indirectly the result of land exploitation are covered by this category. The various incomes from land formed a total of LL.188,759 which is 44% of the total income. Some might contend that this percentage figure should be a higher one for a region like al-Kura which might be considered as an agricultural region. But in spite of the fact that eighty-three out of the 133 households interviewed derived some income from land, it should not be overlooked that the olive groves, grape vines, and tobacco growing are the major sources of income in this category. It is not argued that these products do not render high returns, but that their production is mostly undertaken by women and children and as a result consumes a very small percentage of the time of the men who can then devote their time to other employment.

4) Income from abroad.

Income received by the members of the household from emigrants abroad reaches a total of LL. 24,650 or 6% of the total income. Some might argue that this percentage is low, especially in al-Kura district, which is dominantly Christian and where a relatively large percentage of the population have emigrated. But if we notice that the income coming from abroad

²⁰The rate of transportation from Tripoli to al-Kura varies between 50 and 150 piasters per passenger in a taxi depending on the distance.

is one-half of the income coming from the use of capital and services, we can realize that it is a rather high fraction of the total income.

5) Income from other sources.

This category covers the various incomes which could not be classified under any one of the above four headings. Old age pensions, interest, rent of buildings, gifts and the like, incomes derived from titles and rights, etc. are some examples. The figure in this category amounted to LL. 15,498 or 3% of the total income.

The income from these various sources would result in a total of LL. 433,660.

The following table and graph show the above mentioned results.

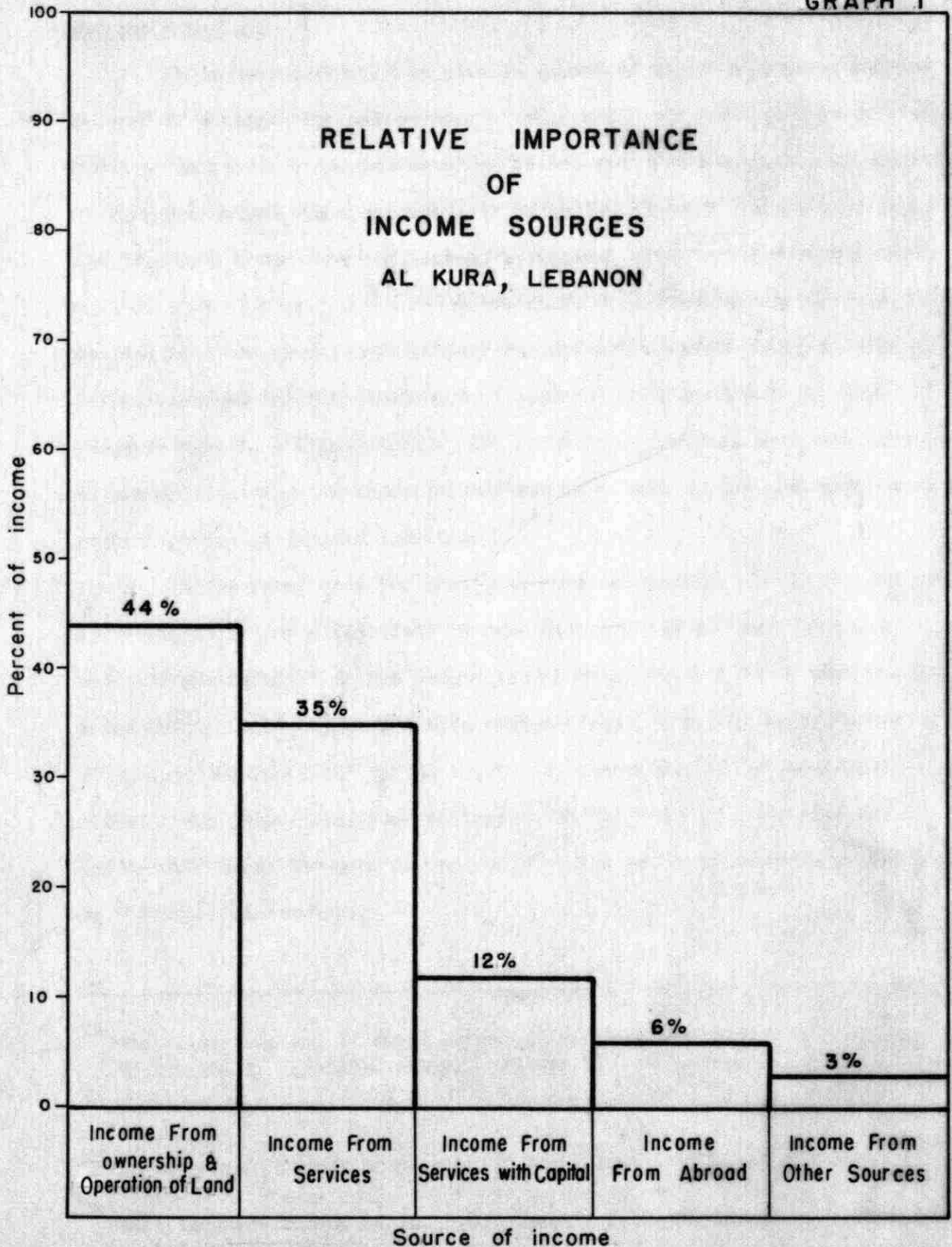
Table VIII - Sources of Income.

Source	Gross Income by Source <u>LL.</u>	Proportion of Total Income by Source <u>Per cent</u>
1. Income from ownership and operation of land	188,759	44
2. Income from services	153,098	35
3. Income from services with capital	51,655	12
4. Income from abroad	24,650	6
5. Income from other sources	15,498	3
Total ²¹	433,660	100

²¹Total income of the 133 household interviewed.

GRAPH 1

RELATIVE IMPORTANCE
OF
INCOME SOURCES
AL KURA, LEBANON



Household Savings

It is very difficult to give an exact and rigid definition for the concept of saving. For the purpose of this study the word saving was taken to mean that part of the income which is not used for household consumption or farm operation. In other words it is that portion of the income which the household either hoarded, loaned to someone else, or used to buy some sort of capital good. For a better economic understanding savings was divided into two kinds, deflationary savings and non deflationary savings.²² Deflationary savings are that part of household savings which are kept ready at hand in a liquid form. Non deflationary savings are that part of household savings which are either put in a bank or used in buying some capital goods, or in farm operation.²³

It was found that for practical purposes savings had to be divided according to income categories. Income category (0-500) saves nothing, which is reasonable. In the second income category (501-1000) two households out of eighteen, or 11% have some savings.²⁴ In the third income category (1001-2000) 14% of the total in this group, or six households out of forty-three, have some savings. In the fourth income category (2001-4000) where the mean income falls²⁵ nine out of thirty-one households, or 29% show some savings.

²²John B. Lansing and E. Scott Maynes, "Inflation and Saving by Consumers", The Journal of Political Economy, Volume LX, October 1952, No. 5, p. 383.

²³Farm cost is treated as one of the expenditure categories, Chapter III, p. 52.

²⁴For the amount of saving of each of the income categories see Table IX, p. 43.

²⁵Since the mean income is LL. 3,260 thus it falls in income category (2001-4000).

In the fifth income category four out of eighteen households or 22% were found to save some money. Up to this point savings increased with the increase in income, namely, a rise from 0 to 11% to 14% to 29%. Then there was a drop to 22% in the fifth income category.

This drop might be explained by the new category being at a level in which income is sufficient to form a class change. The awareness of such a shift brings with it a change in the way of life and as a result a change in the standard of living. We can say that we are dealing here with a qualitative psychological change as well as a quantitative one. In the first four groups the change was merely quantitative. (The same phenomena is exhibited in the case of the percentage of households which are in debt. See below).

The sixth income category (8000 and up) includes households with an income relatively much higher than the mean, and shows a very high percentage of savings, namely 55% or six out of eleven households. This phenomenon is explained by the fact that these people live in the same region and have limited possibilities to live at very much above the mean standard of living in the region. They thus save involuntarily.

We found that 20% or twenty-seven households out of a total of 133, which is our representative sample for the region, have an average saving of LL. 302 per year. This amounts to 9% of the average household income in the region. As was mentioned above savings were divided into hoarded and invested savings. Invested savings for the whole region turned out to be ninety-three pounds or 31% of the total saving. The hoarded saving is LL. 209 or 69% of saving.

Table IX - Saving by Income Categories in IL.

Income Categories	Sample	Number of Household Saving	Sample Saving	Total of Invested Saving	Total of Deflationary Saving	Total Saving	Mean Saving per Household
00 - 500	12	0	0	0	0	0	0
501 - 1000	18	2	11	0	400	400	22
1001 - 2000	43	6	14	1268	950	2218	52
2001 - 4000	31	9	29	832	7430	8262	267
4001 - 8000	18	4	22	2300	3400	5700	316
8001 and up	11	6	55	7550	16000	23550	2140
Totals	133	27	20	11950	28180	40130	302

²⁶Farm cost is not included.

Household Debts

One cannot make expenditures unless he has an income or some claim to income. There are always some families which are compelled to spend more than the income they earn. In such cases they have to resort either to dissaving, or to going into debt.

Question sixteen in our questionnaire (see appendix) was especially devised to help in the determination of the mean debt. Our study of this problem correlated with our income category revealed that in the first income category six out of twelve or 50% of the households were in debt. This is a reasonable result to expect from those in the lowest income bracket. Households in this group have an average debt amounting to LL. 366 which is approximately as high as the mean income in this group,²⁷ namely LL. 395.

It was also found that as we moved up toward higher income brackets the percentage of households which were in debt decreased.

In our second income category 44% of the total number of households were in debt with an average debt of LL. 418 per year. This was less than half their average yearly income, namely LL. 860.

The third and fourth income categories showed a further decrease in the percentage of households which were in debt. In the third category five out of forty-three or 12% were in debt with a relatively small average of debt per year, namely LL. 212. This compares with a yearly mean income of LL. 1,495.

The fourth income category had only three out of thirty-one

²⁷

For the mean income of every income category see Table VI, p. 33.

households or 9% in debt with an average debt of LL. 105 per year compared to their average yearly income of LL. 2,888.

The fifth income category showed an increase in the percentage of households which were in debt as compared with the previous two categories. As was explained in the preceding section²⁸ when referring to the percentage of savings of this group, this change helped to verify our thesis that in the fifth income category there was a slightly different group whose awareness of their slightly higher than subsistence income made them lead a different life requiring higher expenditures. This group had three households out of eighteen or seventeen percent incurring debts, at a mean average of LL. 289, compared to 202 and 105 in the two previous categories respectively. However, this average debt is a small one compared to the mean yearly income of LL. 5,489.

In the last income category which includes the higher brackets of income none of the eleven representative households incurred any debt. This was expected because of their high mean income of LL. 14,431.

Since our interest has always been in the average family representing the whole region as a single entity, our aim is to determine the mean debt of the households per year. The calculations made revealed that twenty-five out of the 133 households or 19% were in debt. This gave us a mean yearly debt of LL. 219 plus or minus a standard error of twelve compared to a mean yearly income of LL. 3,260 which amounted to 7%.

Some might argue that a comparison should be made between the savings and debt figures. However, the scope of this study was not intended to cover this problem. Twenty percent of the interviewed house-

²⁸ See p. 42.

holds save a mean average of LL. 302 per year, while 19% of the households do incur a mean debt of LL. 219 per year. Table IX, and Table X below, show savings and debt figures respectively.²⁹

Table X - Debt by Income Categories in LL.

Income Categories	Sample	Number of Households in Debt	Households in Debt Per cent	Total Debt	Mean Debt
00 - 500	12	6	50	4394	366
501 - 1000	18	8	44	7537	418
1001 - 2000	43	5	12	8702	202
2001 - 4000	31	3	9	3280	105
4001 - 8000	18	3	17	5200	289
8001 and up	11	0	0	0	0
Total	133	25	19	29113	219

²⁹ For Table IX see p. 43.

C H A P T E R III

EXPENDITURE

Expenditure Categories

The previous chapter dealt with income accruing to the average family, and the different sources from which it was derived. It also dealt with savings, which is defined as that part of income which is not spent on consumption or farm costs.

This chapter treats the second major part of this work, namely the problem of expenditure, or the different ways in which the income of households was spent. It also contains a relative study showing the percentage of income spent on the different household needs.

The writer believes that this work would have been more valuable and enlightening if it had been possible to make this same study on the basis of income categories. This was not possible.³⁰

While most, if not all, of the householders could give a somewhat accurate account of their income and its different sources over a period of one year, it would be a very difficult if not impossible for the householders to recall all the different, and very often minute items of expenditures. Income usually comes from definite sources at definite periods of time, and also at somewhat uniform rates, i.e. monthly salaries of employees, daily pay rates of workers, the produce of land harvested at regular periods, and it is thus easier to give either the amount of the produce or its value.

³⁰Income categories do not give sufficient samples and time periods. See argument on the following page.

In the case of expenditures, however, it is very difficult to recall the various amounts of money spent irregularly and intermittently on various items of consumption. Thus it was found that the most practical method to adopt is one which is indirect and involves some assumptions and generalizations.

The five months in which the information was amassed is a time period long enough to represent a large portion of the year and include different seasonal aspects in which variable expenditures might be necessary.

Since the information was gathered at different intervals of time with an average of seven to ten interviews per week, and since it was shown in a previous chapter that the 133 households represent the whole region,³¹ it is presumed that, if there are seasonal variations concerning expenditure of the households in different parts of the year, this long period of interviewing would reduce their effects very much if not rendering them negligible. The writer believes that if these two facts are combined we can reach a fairly accurate result for household expenditures in each one of the categories.

Since there are no definite and universal category classifications upon which economists will agree and which can be taken as standard for this kind of work, household expenditures were broken down into nine main categories which are believed to serve fairly well. Also for practical purposes we could not take a uniform period of time as a basis for the determination of expenditure in the different categories. The year, the month and the week were used depending upon what was believed to be a

³¹Supra p. 3.

reasonable period of time regarding each particular category and a reasonable period for a person to recall his expenditure during it.

The nine main categories of expenditure are:

- 1) expenditure on food,
- 2) expenditure on clothing,
- 3) expenditure on furniture and household equipment,
- 4) expenditure on medical care,
- 5) farm costs,
- 6) expenditure on schooling,
- 7) expenditure on recreation and leisure,
- 8) payment of direct taxes, fees and other liabilities,
- 9) other expenditures.

Average household expenditures in some of the categories were determined for an average week or month which might be equal to any other week or month over the period of a year, or in other words, the expenditure in each category was determined according to a representative unit of the year. $1/52$ of the year (one week) is believed to be a reasonable time period over which the expenditure on food could be recalled. $1/12$ of a year (one month) is believed to be a reasonable time period over which expenditures on clothing, furniture, medical care, recreation and leisure, and other expenditures could be recalled. At the same time one month is believed to be a long enough period for such expenditures to manifest themselves with an ample intensity and frequency in our representative sample. Thus we think it possible to have a fairly accurate account of them. Expenditure on farm costs, expenditure on schooling, expenditure on direct taxes, and fees and other liabilities were directly determined per year.

1) Expenditure on food

Since it was very difficult to get an accurate account of a family's various items of expenditures over a period of one year, it was necessary to ask two sets of questions to determine the expenditure on food for the household per week. The first set of questions were after the money expenditure made by the household on food over the period of the last seven days. The second set were after the value of food used last week which the family itself produced.

The average expenditure on food of the average family was determined for a period of one week. It was found that a mean of twenty-two pounds was spent for buying food, plus an average of eleven pounds which was the value of food produced and consumed by the family itself. Expenditure on food per one week or $1/52$ of the year is therefore thirty-three pounds which amounts to LL. 1,716 per year. Compared to the average income of a household per year which is LL. 3,260, the amount spent on food, LL. 1,716, will be 53% of the average income.³²

2) Expenditure on clothing

The time period used as a basis here was taken as one month, rather than one year.

The household was asked a direct question as to the items of clothing which they bought during the last thirty days period and the cost of each item. The mean expenditure on clothing per month was

³² The writer is conscious of the dangers of statistical inference, but believes from other sources that the figures derived are fairly valid. It should also be pointed out that if farm cost is excluded from the mean income the percentage of expenditure on food will rise to 61.

found to be twenty-two LL. This gives us a total of LL. 264 which would be the total expenditure on clothing of the average household. Expressing this result in a percentage, the average household spends 8% of its income for buying the clothing its members need for the whole year.

3) Expenditure on furniture and household equipment

A similar method was followed with regard to furniture and household equipments taking the same time period as a basis. The result was a mean of sixteen pounds per month. An average of sixteen pounds was spent on buying all that they need of furniture and household equipments. This gave us a total of LL. 195 or 6% of the household income.

4) Expenditure on medical care

The expenditures on medical care had to be determined over a period of one month. It was obviously easier to remember the number of sick persons and the cost incurred over this period rather than for one year or any longer period. It was found that the average family incurs a mean expenditure of eleven pounds per month, which gave a yearly mean of LL. 132.

5) Farm cost

At this point it should be made clear that though farm cost is a non-deflationary saving,³³ yet it is a different and separate item from that part of non-deflationary saving treated in chapter II.

Non-deflationary saving as used in chapter II is the amount of money which a family willingly and voluntarily saves and invests with the

³³Supra p. 41.

intention of getting more returns on their present income, while farm cost is a necessary expenditure which the family is compelled to make in order to keep its land intact and replace capital depreciation.

However, it should be noted that there is no sharp line of demarcation which separates the two categories of expenditure, and as a result we might find some overlapping between the two.

This, however, should not prevent us from making the above distinction which for our purpose is a useful one.

Expenditure on land (farm cost) includes all the different expenditures for farm operation, and all the other expenses incurred by land owners in the process of getting income from land.

The farm cost, which was determined on a yearly basis, also amounted to LL. 451 per year.³⁴ Bearing in mind that the average family income was LL. 3,260 per year with 44% of it coming from land, we found that the average family would be spending 14% of its income from land and getting 44%. At the first glance this seem a fantastic rate of return, but we should note that the main agricultural produce in the region is olive oil, whose production involves a minimum of expenditures, other than the work imputed labor costs.³⁵ This figure also might be incorrect, because very often expenditures incurred are paid in kind rather than in money. This expenditure in kind, if it could be figured, might drive the percentage of expenditure up somewhat. The writer argues that this is negligible, because payment in kind might have effects in

³⁴See Table XI, p. 55.

³⁵It should be remembered that there are no imputed labor costs in this figure.

both directions which would cancel each other.

6) Expenditure on schooling³⁶

The 133 households which were interviewed had seventy-three members attending school.³⁷ Fifty-two out of the seventy-three went to local public schools; thus incurring only the cost of books and probably some other small sums for the rent of the school building. Fourteen students were reported to go to local private schools where fees had to be paid. Seven were reported to attend school outside the region. It is likely that these entailed the greatest part of the household expenditure on schooling.

The 133 households spent a total of LL. 23,142 on schooling per year, or an average of LL. 174 per household annually which represents 5% of the mean income.

7) Expenditure on recreation and leisure

This category includes money spent on cigarettes, drinks, leisure trips and other amusements and attractions. The rate of such expenditures turned out to be eight pounds per month. This gave us a yearly mean of ninety-six pounds or 3% of the mean income of the households per year.

8) Payment on direct taxes, fees, and other liabilities

Inclusion of this category is a matter of dispute because the determination of indirect taxes which might be behind every item of

³⁶ Our sample.

³⁷ Expenditure on schooling includes all that a household has to pay to send a student to school. Part of this expenditure is most likely going for his lodging or board in which case it should be added to other categories. Yet such separation was not possible.

expenditure was not undertaken in this work. This category, therefore, includes only direct taxes, fees and liabilities for which the household makes direct payment. These include tax on land, court fees, payment for protective and custodial services and the like. The amount of such expenditures were determined on a yearly basis. The average family paid thirty pounds per year for such expenses.

9) Other expenditures

This category of expenditure which was figured on a monthly basis included all expenses and payments made by the households which could not be included in the above eight categories. This category included also items of expenditures which did not definitely fit into a specific category, but could equally be considered as falling under two or three of these categories. This last category was devised in order to include such items of a debatable nature. The result was that the cost of such miscellaneous expenses to the average family was five pounds per month, which was sixty pounds or 2% of the mean income.

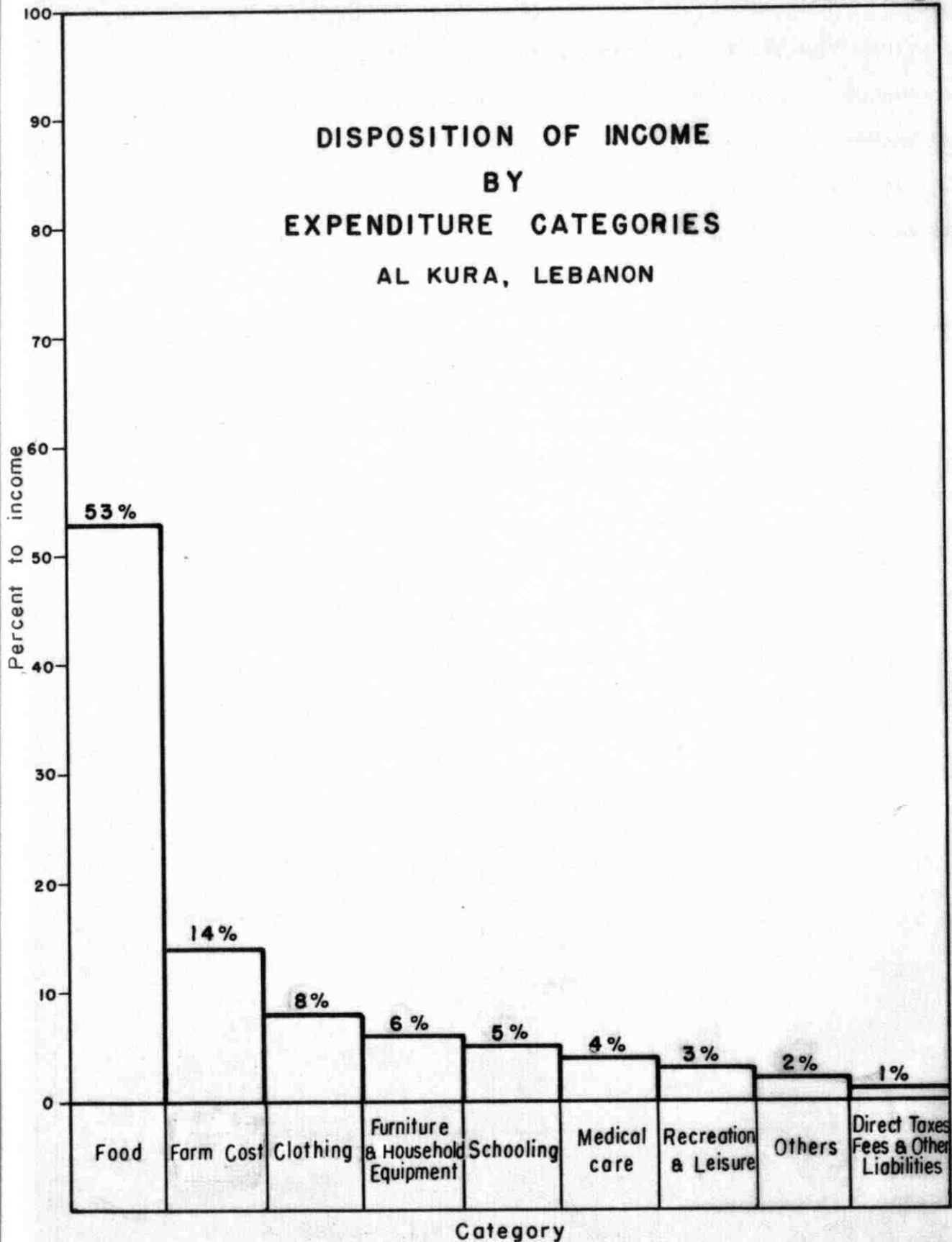
Table XI - Household Expenditure Categories
in al-Kura, Lebanon.

Category	Mean Expenditure per week	Mean Expenditure per month	Mean Expenditure per year	Percent to Mean Income
Food	33	—	1716	53
Clothing	—	22	264	8
Furniture and Household Equipment	—	16	195	6
Medical Care	—	11	132	4
Farm cost	—	—	451	14
Schooling	—	—	174	5
Recreation and Leisure	—	8	96	3
Direct Taxes, Fees and Other Liabilities	—	—	30	1
Others	—	5	60	2
TOTAL ³⁸			3118	96

³⁸ These percentages do not total 100 because they are taken of income not total expenditure.

GRAPH 2

**DISPOSITION OF INCOME
BY
EXPENDITURE CATEGORIES
AL KURA, LEBANON**



Income and Expenditure

If we apply the formula of income equals expenditure plus saving³⁹ to our results a very small difference is detected between income and expenditure. Our average expenditure of LL. 3118 plus our average saving of LL. 302 equalled LL. 3,420 while our mean income was LL. 3,260.

Although this is negligible, there are three possible answers to it.

1. It should be borne in mind that income and expenditure were determined by two different methods.
2. There is always a percentage standard error for every sampling figure. This is an unavoidable error inherent in all such works.
3. It might be argued that the average debt⁴⁰ of LL. 219 should be added to household income. Though it does not balance the equation completely, it renders the difference negligible.

³⁹Y = E plus S.

⁴⁰Supra p. 45.

A P P E N D I X

Record No. _____

HOUSEHOLD INCOME & EXPENDITURE SURVEY

(Questionnaire used in the field)

Name of Head of Household

Sex

Age

Family Composition

<u>Name</u>	<u>Age</u>	<u>Sex</u>	<u>Occupation</u>
1.
2.
3.
4.
5.
6.

Family members away from home, (family being defined as a consumption unit, i.e., people who have lived together, eaten from a common budget at a common table, etc.).

a. Emigrants:

<u>To where</u>	<u>When</u>	<u>At what age</u>	<u>Why</u>
1.
2.
3.

b. Moved to city:

1.
2.
3.

Number of servants:

Number of tenants who are part of household consumption unit

Employment

Head of household

- 1. Occupation in village 2. Regular occupation
- 3. How many years in village 4. Self employment
- 5. a) Do you work in city b) Where
- c) Occupation d) What months
- e) Which do you like better, village or urban work

Income

a. From work:

	<u>Type of Employment</u>	<u>Months worked/yr.</u>	<u>Wage Rate</u>	<u>Cash Income</u>	<u>Yearly Income</u>	
					<u>Kind</u>	<u>Total</u>
1. Head of Family	village					
" " "	city					
2.						
3.						
4.						
5.						

b. Other Income

- 1. Income from abroad (specify)
- 2. Income from rent (specify)
- 3. Others (specify)
- c. Total income of household from all sources

Facilities

Number of rooms in your house

- 2. Water source 3. Toilet facilities
- 4. Kitchen facilities 5. Lighting

Number of stories

Health:

- a. How many people ill in household in past month
- b. Cost of medical care in past month

Saving:

- a. How much did you save last calendar year in cash in kind
- b. What did you do with the money

Debt:

- a. Are you in debt?
- b. If yes, is it a private or institutional debt
- c. If yes, why

What taxes or fees did you have to pay in the last calendar year:

<u>Name</u>	<u>Unit Amount</u>	<u>Total</u>
1. Building		
2. Land		
3.		
4.		

What food did you buy last week:

- a. Item
- b. Amount
- c. Cost

What food did you eat last week that you grew yourself:

- a. Item
- b. Amount
- c. Estimate value

Education:

Any member of household in school last year? if yes

	<u>Name</u>	<u>Age</u>	<u>School</u>	<u>Cost/year</u>
1.				
2.				
3.				
4.				

What clothing did you buy last month for family:

a. Item	b. Cost
---------------	---------------

What furniture did you buy during the past year:

	<u>Item</u>	<u>Cost</u>
a.
b.
c.

What other expenditure did you make last month other than food and household supplies (purchases, utilities, etc..)

	<u>Item</u>	<u>Cost</u>
a.
b.
c.
d.

How much land do you own	Types of land
--------------------------------	---------------------

How much rented out	Terms of rental
---------------------------	-----------------------

Crops produced last year

<u>Name of crop</u>	<u>Area under Cultivation</u>	<u>Amount Produced</u>	<u>Value</u>	<u>Amount sold</u>	<u>Value</u>
1.					
2.					
3.					
4.					

How, where, and to whom did you sell your crops?

Farm Cost:

(Account below for all the farm cost per year)

1. Ploughing
2. Fertilizers
3. Sowing
4.
5.
6.
7.
8.
- Total per year

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