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Lebanon: The Legacy of Sectarian Consociationalism and the Transition to a Fully-fledged Democracy

Samir Makdisi and Youssef El-Khalil

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Samir Makdisi[1] and Youssef El-Khalil[2]

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Donna Rajeh	*Designer*

1 American University of Beirut

2 Bank of Lebanon and American University of Beirut

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Click here to see the video of the panel.

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Contents

Acknowledgment 2

I. Introductory overview: the underpinnings of Lebanon's consociational model and its practical implications 4

II. Historical politico-economic roots of independent Lebanon: preparing the ground for consociationalism: a brief review 7

III. Post-independence consociationalism: the politico-economic record up to 1975 9

IV. The fall into the abyss: the civil war period, 1975-1990 12

V. The post-1990 adjusted consociational system: flawed governance and development 14

A. Political developments 14

B. Macro and socio-economic developments 16

C. Lebanon's dilemma 17

VI. Transiting to a fully-fledged democracy? 18

Concluding remarks: a caveat 20

References 21

I. Introductory overview: the underpinnings of Lebanon's consociational model and its practical implications

Since independence in 1943 Lebanon's political system has been based on a power sharing arrangement among its religious communities. Referred to as a consociational democracy, it was embedded in an unwritten national pact by the leaders of the independence movement which specified the division of parliamentary seats among the Christian and Muslim communities on the basis of a six to five ratio in favor of the Christian community.[3] And while it also specified equal representation in cabinet posts and in appointments to major positions in the public sector, (with equal shares being assigned to the three major religious groups) the pact gave the Maronite community specific political privileges.[4] In practice veto power by either of the two communities concerning approval of decisions on fundamental questions (e.g., declaration of war, international agreements, the electoral law, citizenship, and added later, administrative decentralization laws) was provided for by the requirement that such approval was subject to a majority vote of two thirds.

On the eve of independence, the declared rationale for agreeing on this form of political consociational governance was that in heterogeneous societies such as Lebanon's (and heterogeneity could be religious, linguistic, ethnic or a combination thereof) it tended to promote stability and democracy.[5] In practice, Lebanon's post-independence history attests to only a partial realization of the intended objectives of its political model. On the one hand Lebanon's consociationalism did allow for a relatively high level of freedom of expression, trappings of modern democracies (parliamentary elections, multiple political parties) and the non-dominance of any one single group in running the affairs of the country as happened elsewhere in the Arab world at least until the Arab uprisings began to unfold in 2011[6]. On the other hand, it did not ensure the envisioned political stability nor did it lead to the attainment of a mature democracy: the Lebanese sectarian consociational model emerged as a form of constrained democracy in that it did not provide for equal political rights among Lebanese religious communities and in consequence among Lebanese citizens. If one of the major objectives of political institutions in democratic countries is to permit peaceful national dialogue and a peaceful resolution of political questions, then Lebanon's record in this regard is greatly wanting.

Lebanese polity did not prevent the emergence of a long lasting and devastating civil war (1975-1990) nor the occurrence of several episodes of major political unrest and conflicts preceding it or subsequently in the post-civil war period (see below). Admittedly, the causes of the civil war cannot be attributed solely to the country's political governance. Its outbreak was caused by a combination of domestic and external factors (for an analysis see Makdisi and Sadaka, 2005). Briefly, the domestic factor was directly related to the

3 The constitution of the newly-independent state guaranteed equal rights to all citizens. However, the national pact was based on Article 95, which specified that for a temporary but unspecified period, religious communities would be equitably represented in public employment and cabinet posts though the principle of equity was not defined.

4 Under the pact it was agreed that the president of the republic would be a Maronite, the speaker of the house a Shia, and the prime minister a Sunni. The office of the president carried with it substantial executive powers. For example, the president chaired the council of ministers and appointed the prime minister and cabinet members, albeit after due consultation with major political actors whose views could not be ignored. And the need to preserve the delicate sectarian balance, particularly between the three major religious groups, acted as a check on the powers of the presidency. Major amendments to both the electoral law and prerogatives of the president were introduced in 1989 (see below). Throughout, however, a finely tuned formula of cabinet representation among Lebanon's various religions (with equal representation for the three major religious groups) has been applied.

5 In the literature consociationalism refers to elite cooperation to prevent deep social divisions from destabilizing democracy and provoking conflict. The elites seek to accommodate political conflicts through compromise or amicable agreement (mainly through defining the issue as a technical or economic problem rather than an ideological conflict). Characteristics of such democracies include grand coalitions and proportionality in the electoral system and in the distribution of public office and scarce resources. Also the elite of each social segment may have its sphere of influence, either territorially or in the form of policy areas. (The literature on consociationalism was launched by Lijphart (1969); for a review and critique see Andeweg (2000) and for an empirical investigation of its relationship to conflict see Binningsbo (2005). Andeweg notes that the main line of division in society is no longer between semi-permanent segments at the mass level but between elites and masses, and democracy may be served better by a relative emphasis on competition.

6 The widely cited Polity IV index ranks countries' levels of democracy or autocracy with a score that ranges from -10 (hereditary monarchy) to + 10 (consolidated democracy). The authors of the Polity IV data recommend a three-part categorization: «autocracies» (-10 to -6), «anocracies» (-5 to +5) and «democracies» (+6 to +10). According to this index, Lebanon's polity score was 2 between 1950 and 1969, rising to + 5 between 1970 and a1974. For the civil war period (1975-1990) and post civil war period up to 2004 no scores were assigned, Lebanon being labeled a case of complete breakdown of central authority and foreign interruption respectively. For the subsequent years , 2005-2010, (i.e. following the withdrawal of Syrian troops in April 2005,) , Lebanon was assigned a score of +7 which places it in the democracy category. This score, we submit, may be misleading in that the sectarian political system has remained in place.

prevailing sectarian system for power sharing, principally among the three leading religious communities (the Maronites, the Sunnis and the Shia) which suffered from increasing domestic strains.

Foremost in the pre-1975 period were domestic political calls by Muslim political leaders for a more equal power sharing between the Christian and Muslim communities (with their implicit economic benefits to the latter community) which the Maronites tended to circumvent, fearing the political implications of even a limited loss of constitutional power. Additional domestic strains emanated from uneven development among the various regions and wide disparities in income distribution (El Khalil 1996) that led to migration from rural to urban centers and to the unchecked and rapid growth of poor suburbs around the major cities, Beirut in particular (see section III below).

In turn, external factors also placed increasing strains on the Lebanese political system. Principle among these factors was the rising military power of resident Palestinian organizations, particularly after the 1967 Arab-Israeli war, and the direct and indirect external interventions, principally by Israel. While the activity of Palestinian organizations was ostensibly directed at keeping the Palestinian cause alive and continuing the struggle to reclaim Palestine, the Palestinian presence in Lebanon became intricately linked to Lebanese domestic political affairs. The domestic and regional political agendas could hardly be separated. The prevailing weaknesses of the political system allowed the Palestinian organizations to enhance their political and military positions by forging alliances with disenchanted Lebanese sectarian (Muslim) and non-sectarian political parties, as well as with groups that regarded such an alliance as a means to pressure the Maronite establishment to accept political reforms.[7]

On the other side, apart from frequent air raids and land incursions, Israel formed undeclared alliances with mainly Lebanese Maronite parties fearful of the growing Palestinian influence. Israeli interventions were intended to destabilize the domestic situation and shift the focus of the Palestine conflict away from Israel, let alone bring Lebanon within its orbit of political influence.

It is this combination of domestic and external factors which eventually led to the inevitable outbreak of civil conflict on April 13, 1975 that pitted multiple national but also foreign actors against one another.[8] What is worth noting is that the civil conflict broke out despite robust economic growth, rising real per capita income, and relative financial stability which Lebanon had experienced in the pre-1975 period, i.e., whatever its qualitative gaps and broad based economic development coexisted with various phases of political stability (see below section III).

Under external pressure, the war was finally settled in accordance with the Taif Accord (1979), named after the Saudi city of Taif where, at the invitation of Saudi Arabia, members of the Lebanese parliament met and agreed on amendments to the constitution subsequently approved in a special parliamentary meeting in Beirut (November 1990).[9] The accord reaffirmed the principle of sectarian power sharing. However, recognizing the shift in domestic sectarian balances, it envisaged, in principle, a more collegial political governance among the major religious communities and, hence, in principle a firmer basis for domestic political stability. One major manifestation of this anticipated collegiality are the notably diminished prerogatives of the president of the republic and the enhanced powers of the council of ministers, which is supposed to act as a collective governing body.[10]

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7 The nature of the desired reforms differed from one Lebanese political group to another. Leftist and other non-establishment groups wished to introduce fundamental changes to render the system less confessional. Traditional Muslim groups aimed at readjusting the sectarian formula to ensure a distribution of power more favorable to the Muslim community. For both groups, political reforms would offer wider economic opportunities.

8 On the domestic front the main protagonists were traditional Christian (Maronite oriented) political parties (the so called Lebanese Front) against an opposing alliance comprising the PLO and several Lebanese political parties and groups, notably Amal (Shia) and the Progressive Socialist Party (Druze). The most notable direct foreign interventions were the entry of Syrian troops in 1976, albeit at the invitation of the then Lebanese government, and the Israeli invasion of Lebanon in 1982, which greatly intensified the civil conflict (for details and analyses of the war see Corm, 1994, Hamdan 1997, and Makdisi and Sadaka 2005)

9 The Iraqi invasion of Kuwait in July 1990 encouraged outside powers (both Arab and Western) involved or concerned with the Lebanese conflict to help settle it as a prelude to the launching of the allied campaign led by the United States to liberate Kuwait at the beginning of 1991. Syria, a main actor in Lebanon's civil conflict, was one of the Arab countries that supported this campaign. The ratification of the Taif Accord did not lead to the cessation of hostilities in Lebanon until the ouster of General Aoun in October 1990 through direct Syrian military action undertaken with tacit US approval.

10 The council was henceforth to be chaired by the prime minister unless the president decided to attend but without the right to vote. In contrast with parliamentary decisions that are taken by majority vote, the new constitution specifies that decisions of the council of ministers are to be arrived at by consensus and only failing that by majority vote. For "fundamental" questions facing the country such as the declaration of war; international agreements; the electoral, citizenship, and administrative decentralization laws; failing consensus, a majority of two-thirds is required, subject to parliamentary approval. The constitution is not clear on this matter as it stipulates that these questions can also be addressed by parliament with decisions of a simple majority.

Significantly, the Taif Accord also allowed for a temporary presence of Syrian troops in Lebanon to help the Lebanese authorities establish law and order; the eventual withdrawal of these forces was to be subject to the mutual agreement of the Syrian and Lebanese governments.

Whatever the merits of the Taif Accord, Lebanon continued to face in the post-war period major political/sectarian political tensions and underlying political instability fed by direct or indirect foreign interventions. Israel continued to occupy a southern zone until forced to withdraw in 2000 under the pressure of constant attacks by Hezbollah.

On February 14, 2005 former Prime Minister Hariri, an influential Sunni political player, was assassinated. This murder triggered popular protests against Syria which, along with mounting Western pressure, forced the withdrawal of Syrian troops from Lebanon. And with it the role of Syria as the influential arbiter of domestic political disputes ended. On July 12, 2006 Israel waged a full scale war against Hezbollah (ostensibly triggered by a cross border raid and the kidnapping of two Israeli soldiers), but could not defeat it. However, it did lead to UN Security Resolution 1701 of August 2006 which mandated a ceasefire and a substantial enhancement of UN peace keeping forces in South Lebanon. While the immediate outcome of this war was that it failed to achieve its Israeli declared objectives, domestically it managed to intensify existing political divisions over specific national issues and to draw external interventions deeper into the affairs of the country. The following two years witnessed serious political confrontations including non-agreement on the election of a successor to the president of the republic, whose term ended in November 2007. It took intensive Arab mediation (the so called Doha agreement of May 15, 2008) to avert a near civil conflict and bring about a political settlement that resulted in the election of the commander of the army as the new president (May 25, 2008) followed by the scheduled parliamentary elections in June 2009 (see Makdisi, Kiwan, and Marktanner 2011) and the formation of a government of national unity called for under the above agreement. Nonetheless, the political situation has since remained precarious: two major political groupings (dividing the Muslim community in large measure along sectarian lines, each allied with a grouping of Christian dominated parties) have been contesting the political game but have been unable, so far, to agree on major questions facing the country.

What can one surmise from the above analysis?

The sectarian consociational model adopted on the eve of independence did allow for a significant space of freedom and plural political activity which, until the recent Arab uprisings, set apart Lebanon's political system from the autocratic regimes that characterized the Arab world. On the other hand it also led to a weak central authority and weak political institutions which, in turn, gave rise to the emergence of the twin issues of unstable political equilibrium and poor governance (Makdisi 2004) reinforced by a non-democratic regional environment and the persistence of the unresolved Arab-Israeli conflict and frequent instabilities in the region. Generally, the prevailing domestic political environment tended to foster corruption, nepotism, clientelism, and laxity in upholding the public interest when it came in conflict with powerful private interests (cf. Corm 1994, Picard 1996, Hamdan 1997, Leenders 2012).

The great challenge which Lebanon has been facing for a long time is how to transcend its sectarian/consociational system to a full-fledged democracy that would, at once lessen its great vulnerability to outside influences and ensure a greater degree of political stability as well as accountability. Achieving this goal implies, in our view, resolving the sectarian question by moving towards a secular form of governance, i.e., separating the religious and the public spheres, a matter we take up in section VI below.[11] A more democratic and accountable political system, we would add, is expected to go hand in hand with improved institutional performance, from which Lebanon has been suffering, and hence a better quality of development.

The ongoing developments in the Arab world will test the resiliency of Lebanese consociationalism, presenting both clear threats to it as well as opportunities for the country's democratic advance. A major aim of this paper is to analyze post- independence politico/economic developments and in light of this analysis to evaluate whether and how Lebanon can move forward to a more mature democracy and a more equitable socio-economic development.

Section II briefly reviews the historical politico-economic roots of independent Lebanon; section III traces the politico-economic record up to 1975 under the post-independence consociational order; section IV takes up the war period 1975-1990; section V analyzes the post-1990 politico-economic developments under the adjusted consociational system, and finally section VI takes up the prospects and conditions for transiting to a full-fledged democracy.

11 Historically the notion of secularism has evolved. There are today multiple forms of democratic secular governments that to varying degrees distance religion from the state. In all, however, equal rights among citizens are recognized (See *Rethinking Secularism, Oxford University Press, 2011)*.

II. Historical politico-economic roots of independent Lebanon: preparing the ground for consociationalism: a brief review

The politico-economic features of today's Lebanon (external political interventions, economic openness, weak central authority, sectarian politics, migration and growth that largely neglected rural areas) may be traced back to the second half of the nineteenth century that witnessed the emergence of modern Lebanese sectarianism [Makdisi, U., 2000].

The civil war between Maronites and Druze in1860 and the massacres it caused at a time of a weakening Ottoman empire, intensified the political intervention of European powers. The Constantinople Conference in June 1861[12] defined the organization of an autonomous state in Mount Lebanon, with a Christian majority, militarily isolated from the rest of the districts of Lebanon that had a Muslim majority. Mount Lebanon was exempted from Ottoman taxes, and starting in 1864 was managing its own fiscal affairs and electing its own "Congress" or "Majless" through voting by the local dignitaries or "cheikhs." Access of the Ottoman army to the new entity was forbidden while its administrative supervision by the empire was located in neighboring Beirut. The local governors of the seven districts constituting the Mount Lebanon state were nominated on a confessional basis by consensus amongst the major European powers that participated in the conference, with Italy later added to the group[13] as were the judicial, security diplomatic posts mainly benefiting Maronite appointees. The administration of the Mount Lebanon state, its protection, and the local will to lead it into autonomy directly depended on the political, military, and diplomatic support of the then great powers of Europe (Boustany 2008).

Beirut, which was the administrative link between the Ottoman empire and Mount Lebanon between 1862 and 1920, enjoyed an important accumulation of physical and human capital. The Beirut-Damascus road was constructed in 1875 and the port of Beirut in 1894 (Owen 1976). Six foreign banks were established in Beirut and Damascus and relied essentially on the intermediation of local money lenders. At the same time this was a period that witnessed the beginnings of an educational and health development spearheaded by foreign missionaries: the establishment of the Syrian Protestant College in 1866 (later named the American University of Beirut) and the French University Saint Joseph in 1875, as well as the establishment of dispensaries and hospitals, were keystones in the subsequent development of the country (Kassir 2003). The end of World War I in Lebanon had also witnessed an important inflow of migrants: the Armenian refugees fleeing Turkey further enhanced the country's human capital.

Taken together, these developments created an important impetus for economic prosperity upon the creation of greater Lebanon in 1920, which also benefited from doubling in size, the inclusion of the port of Beirut, an enhanced financial and physical infrastructure, as well as the addition of the fertile Beqa'a valley that compensated for the lack of agricultural land from which Mount Lebanon suffered. The young, bigger country benefited from the economies of scale effects with economic activity expanding over a widened area. Migration decreased due to the surge in local activity but also to the recession from which the allied countries had suffered in the post-World War I period. Commerce boomed and manufacturing expanded, covering cotton milling, cement manufacturing, and oil refining during the thirties: the national economy was, to a large degree open. New technologies were introduced in both the agriculture and manufacturing sectors and labor became increasingly salaried. The period was also marked by the introduction of the official registry of land ownership that notably enriched money lenders as well as the clergy (El Khalil 1996).

It should be noted that these developments, which could be perceived as indicators of modernization, were also linked to the country's sectarian setup characterized by the then relative dominance of the Christian community that controlled major aspects of the national economy. Indeed, the formation of greater Lebanon by the French mandate was closely coordinated with the Maronite patriarch, who was fervent in his support of this project, his position being endorsed by a wide segment of the Lebanese people. One major reason behind the patriarch's support was that it included new Maronite villages; and while it would also include Greek Orthodox communities, it would nonetheless retain the dominance of the Maronite community.

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12 This conference was convened by major European powers (Austria, France, Great Britain, Prussia, and Russia) and the Ottoman authorities to discuss the political fate of Mount Lebanon following the massacre of Christians in the civil war, which prompted French military intervention.

13 The districts were Batrun, Kesrwan, Metn, Jezzin, Koura, Zahleh, and the Chouf. The confessional distribution of the local administrators (Qaem Maqam) was as follows: a Maronite for each of the first four districts, a Greek -Orthodox for Koura, a Greek-Catholic for Zahleh and a Druze for the Chouf.

The central authority's political power, however, was weak, dominated by the French high commissioner. Taxation was limited and educational and health services continued to be provided by missionaries and charitable institutions, though with increased provision for public sector education. Indeed, a relatively weak central authority was to become a constant feature of Lebanon's subsequent political governance with a consequent weakness in its ability to maintain domestic stability in a sectarian based political system.

At the internal level, the annexed, mainly Muslim regions, especially on the eastern and northern borders, adamantly opposed this annexation. They felt as though they were being uprooted from their natural socio/political environment with all the economic disadvantages that might result from this cessation. Unfortunately, their fears turned out not to be totally baseless. They hardly benefited from the economic success that Lebanon enjoyed in this and subsequent periods. Indeed, a little less than a century after the creation of greater Lebanon in 1920, the above annexed regions continued to be marginalized while remaining the least successful in eradicating poverty.

It is against the above historical background that Lebanon's independence leaders representing the country's two main religious communities agreed to embark on the sectarian consociational model described in section I above.

III. Post-independence consociationalism: the politico-economic record up to 1975

At the economic level, Lebanon enjoyed after independence an impressive economic expansion which, in part, was rooted in the massive spending of the allied troops during the war period (1941 to 1945). Faced by a maritime embargo and military operations, the allied troops had to purchase locally, thereby boosting aggregate demand and stimulating national industrial and agricultural production.[14] This spending was accompanied by balance of payments surpluses and an impressive growth in bank deposits.

The end of the war brought about an expected decline in economic activity that, as noted below, tended to revive following the partition of Palestine and the creation of Israel by the United Nations in 1948, which the Arab countries and the Palestinians failed to oppose both politically and militarily. The creation of Israel was accompanied by turmoil in the region; uprisings against the French and British mandates and local governments in neighboring Arab countries were met by violent suppression. With the forced influx of Palestinian refugees into neighboring countries, especially Lebanon, as a result of Israeli militia actions in Palestine, a long period of instability and war was to ensue.

On the economic front the partition of Palestine had mixed effects. It led to a loss of an important destination for Lebanese agricultural exports. On the other hand it isolated Haifa as a major Arab center of services and transit and a close competitor to the port of Beirut. As with the Armenians before them, the Palestinians provided Lebanon with further skills. In addition to the agricultural labor the Palestinians brought additional know how to commerce, finance, medicine, and engineering as well as important inflows of financial capital. However, as noted in section I, there were important political implications for the inflow of the Palestinian refugees. The growth of armed Palestinian resistance in the southern regions of the country with the declared objective of reclaiming Palestine eventually contributed to the outbreak of the civil war (see section IV below)

Lebanon had already withstood a smaller test in 1958 when the US sponsored Baghdad pact was established to face the Soviet influence in the region. The Arab world had become polarized into pro- and anti-western camps. This political division was bound to have its impact on the Lebanese domestic political scene where a similar division quickly emerged, leading to short lived civil strife.[15] The end of the strife in the same year was partly due to an agreement by the external powers involved in the Lebanese domestic scene which brought the chief of the army, General Chehab, to the presidency.[16] Historically, domestic military conflicts in Lebanon (as with other small countries) have often been settled by foreign interventions keeping in mind, of course, that at times the outbreak of conflict itself was in no small measure due to such intervention.

The Chehabi period, 1958 to 1964, presented itself as a challenge to traditional sectarian politics embodied in the consociational model. Chehab bet on social development and the modernization of the state apparatus to establish domestic peace. His era witnessed the creation of the Central Bank, the Bureau of Statistics, the Social Security Fund, the Green Plan, and several other institutions modeled on existing western administrative institutions. Important as they were, the reforms he introduced could not in the final analysis dislodge the entrenched traditional politico/sectarian interests and pave the way for substantive political transformation at the level of institutions. The question of substantive reform at the level of institutions and in the practice of the political body was to remain elusive up to the present time.

Political developments notwithstanding, Lebanon was able to achieve impressive economic expansion. Beirut became the major commercial hub in the region helped by the elimination of the port of Haifa from the Arab trade routes. Lebanon's private sector oriented economy and openness supported by a liberal, noninterventionist economic policy[17] helped the country's enterprising private sector forge ahead, especially in the areas of trade and finance at a time when the neighboring countries, especially Syria, chose to follow the command economy model.

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14 Compared to the twenties, the number of factories doubled to reach 1,000 establishments in 1945.

15 In the midst of the cold war, Lebanon was politically divided between a pro-western and a pro- Soviet camp. The former comprised mainly Christian parties backed by the West and Saudi Arabia. The latter included Muslim and leftist groupings backed by the United Arab Republic and the Soviet Union.

16 The main external powers were the United States, the UAE, backed by the Soviet Union and France.

17 Capital controls were abolished in 1948, and a banking secrecy law was passed in 1956. Furthermore, the existing customs union with Syria was ended in 1950. These and similar measures promoted a liberal economic environment and attracted capital inflows from neighboring countries where exchange controls were in place.

The closure of the Suez Canal in 1967 and the major oil boom that began in 1973 all played in favor of Lebanon's open economy. Even before this boom Lebanese expatriates in the Arab countries were involved in managing a large portion of the oil surplus accruing to the Gulf countries that were short on domestic skills. The inflow of remittances from the Gulf and other regions of the world not only contributed to the expansion of bank deposits but also helped counter the traditional deficit in the trade balance. At the same time relatively substantial capital inflows permitted the Lebanese balance of payments to generate almost continuous surpluses. Given the floating exchange rate policy which the monetary authorities had adopted and their desire to stem the appreciation of the national currency as a consequence of these surpluses, the Central Bank frequently intervened on the foreign exchange market in support, mainly, of the dollar. As a result the Central Bank managed to accumulate sizable foreign exchange reserves which it turned into gold reserves at a time when the price of gold was fixed in terms of the US dollar.[18] Further coups, revolts, wars, and nationalization schemes in various Arab countries in the region promoted the country's role as a safe haven and shelter for Arab human and financial capital fleeing troubled countries.

The average annual rate of growth from 1950 to 1975 ranged between 5 and 7 percent, which was higher than that of most developing countries outside the Middle East (Chaib 1979). Significantly, this annual growth rate was accompanied by structural changes in the national economy. During the same period the share of agriculture in GDP declined from 20 to 9 percent, while the share of the manufacturing sector, becoming increasingly export oriented, rose from 9 to 14 percent. Trade and services, however, continued to account for the largest share of GDP, estimated at 67 percent in 1974. The tourism sector increased four fold between1968 and 1974, to account for 10 percent of GDP. However limited, Lebanon's pre-1975 development manifested a diversification trend to which the civil war put a stop.

However, the rosy economic picture portrayed by Lebanon's economic expansion hides important gaps and shortcomings at the socio-economic level. As noted above, the benefits of this expansion were largely confined to certain segments and regions in the country to the neglect of others. In contrast with the governmental focus on trade, finance and services reflected an urban bias; rural development, mainly in the northern, central, and southern regions of the country (with a majority Muslim community) were neglected.[19] Lebanon's development was lopsided in that its qualitative aspects or socio-economic content did not significantly improve. Available data indicate that the percentage of the very limited income groups (poor and very poor) in the total population declined from the early 1950s to the early 1960s but thereafter remained the same until the early 1970s at roughly one half of the population. The richest class (4 percent of the population) continued to account for a sizable portion of the national income, about one third (Makdisi 2004). Similarly, while the levels of education improved, by 1970 the illiteracy rate in Lebanon had still remained at a relatively high level: an overall average of 32 percent reflecting a 22.5 percent rate for the six to twenty-four year age group and 36.4 percent for the age group older than 15 (Republic of Lebanon 1972).

At the level of regions, Beirut and MountLebanon were benefiting the most from national economic development and were attracting the bulk of government spending. Mount Lebanon, which housed 18 percent of the Lebanese people, enjoyed 45 percent of hospital beds (Owen 1988). The inequality indicators were also reflected in the banking sector: For the period 1970-1974 3 to 4 percent of depositors enjoyed 84 percent of total banking deposits, while 85 percent of private sector lending was lent to less than 5 percent of borrowers (Banque du Liban, *Quartetrly Bulletins,* various issues).

It is therefore not surprising that the country witnessed massive internal migration: between 1960 and 1965, 20 percent of the rural population (120,000 people) migrated to Beirut, mainly to its suburbs, which were poorly equipped to host such a big number of poor newcomers. A belt of poverty gradually surrounded the capital, in a demographically polarized Lebanon where 52 percent of the population lived in cities with more than 100,000 people and 39 percent in villages with less than 5,000 people[20] (Republic of Lebanon 1972).

18 As of the end of June 2012 the Central Bank's gold reserves were equivalent to 14.4 billion US dollars, while gold and foreign reserves stood at 49.5 billion US dollars, accounting for 250 percent of the 2011 import bill.

19 Indeed, in 1974 the religious leader of the Shia community, Imam Musa al Sadr, launched a political movement, "Amal," as a political and economic thrust intended to enhance the position of the Shia community in the Lebanese sectarian system, as well as to act as a countervailing force to the growing influence of Palestinian organizations in southern Lebanon. Amal presented itself as a "movement of the dispossessed," and its appeal was to a large extent based on the lagging socio-economic conditions of the Shia community in comparison with other communities in Lebanon. It was to develop, especially after 1982, into one of the major warring factions in the Lebanese civil war.

20 On a scale of zero to seven measuring development in Lebanon in the early sixties, the country was given an average of approximately two, while the rural sector scored below one (IRFED 1962).

One aspect of the ongoing modernization process of Lebanon in an atmosphere of rapid social change and increased tension was the gain in power and the increased organization of its syndicates. The period 1970-1975 in particular witnessed growing demonstrations and strikes by organized labor and students. Labor action was met with increasing brutality on the part of government forces: martyrs fell, notably tobacco growers, industrial workers, and fishermen.

In a sense the consociational model adopted at independence to accommodate religious pluralism in Lebanese society, bring out its virtue, and stress the special niche which Lebanon occupies in the Arab world had been put to the test, but with outbreak of the civil war it failed to hold despite Lebanon's economic achievement up to 1975. However, as earlier pointed out and will again be touched upon, there were other major external factors that also pushed in the direction of its failure. Some would argue that had it not been for the extremely stressful regional military and political conditions which Lebanon had to face in the pre-1975 period, a major civil war could have been averted and peaceful political reform could have been carried out despite internal regional and economic polarization. We will return to this point in section IV below.

IV. The fall into the abyss: the civil war period, 1975-1990

As discussed in section I above a combination of both domestic and external factors eventually opened the door on April 13, 1975 to a sectarian oriented 16-year civil war.[21] What further inflamed the domestic scene in the early seventies, and indirectly also helped prepare the ground for civil conflict, was the intensifying social strife manifested in demonstrations and strikes by labor and student groups agitating for various social and civic rights.

The war had a devastating impact on human, political, economic, and social levels. On the human level, casualties of the war are put at 150,000 deaths, the seriously wounded at 200,000, the injured at 50,000, and the disappeared at 15,000, of a total population estimated at around three million people in 1990 (UNDP 1998). Further, it led to massive forced internal displacement of 500,000 people (idem), mostly along sectarian lines. In consequence, the country's religious contours, both politically and geographically, came to be further accentuated, reversing an earlier trend that saw a geographic integration of groups belonging to different religions motivated by industrial and economic considerations. Population displacements, it should be emphasized, were not the result of internal conflicts only. The Israeli invasions in 1978, but more importantly in 1982, under the pretext of fighting Palestinian armed groups, also led to a massive population exodus (mainly Shia Muslims) from the southern regions of the country largely towards Beirut and its suburbs and stimulated a wave of migration particularly to the United States, Europe, and Africa.[22] With a greatly weakened governmental authority the militias sought to enhance their economic and financial position by various means: looting, confiscation of private property, imposing taxes in the regions under their control, confiscating customs duties via control of the country's ports of entry, cultivation and trading of drugs, trading in contraband, outright thievery (including in 1975-1976, the pillaging of the port of Beirut and the downtown district), bank robberies, and fraudulent banking practices flourished (Makdisi and Sadaka 2005). While Lebanese public institutions nominally continued to function, in practice, the government largely lost control over them to the various warring militias, and, indeed, in September 1998 two competing governments emerged which were not reunified until October 2000.[23]

The national economy experienced two distinct phases during the 16-year war that ravaged the country. After having witnessed a sharp depreciation of the currency in 1976, the Lebanese pound tended to stabilize up to 1982 at around LL4.60 per US dollar compared to an average of LL2.75 per US dollar for 1975. In support of the pound at the time were inflows of remittances and aid from the Gulf countries as well as foreign financing of and local spending by various military factions. The PLO in particular undertook a massive expansion of its military and administrative apparatus during the first six years of the war. Nonetheless, thanks to a resilient and entrepreneurial private sector, the national economy, though greatly battered, managed to survive albeit at a tremendous social and economic cost.

In the early eighties, however, the economic and financial picture began to deteriorate drastically. The Gulf countries' economic recession, the vast destruction and the heavy death toll resulting from the 1982 Israeli invasion, and the consequent pulling out of the PLO from Lebanon all led to substantially declining economic activity and a greatly worsening social situation. The government's financial and budgetary situation greatly worsened due to loss of revenue and increasing, mainly military, spending; with increasing borrowing requirements, public debt and its servicing began to surge. Whereas in 1975 public debt was almost nil, by 1990 it had approached 100 percent of GDP and debt servicing at 11 percent. At the same time, monetization of debt led to a substantial increase in broad money supply (385 fold) which along with a declining Lebanese pound in nominal and real terms fed inflationary pressures at a time of declining economic activity. The pound declined to an average of about LL700 for 1990 (and later to an average

21 The war witnessed three distinct phases: 1975-1977, 1978-1982, and 1983-1990. For a review see Makdisi and Sadaka, 2005.

22 Emigrant remittances contributed more to the development of South Lebanon in the post war period than to other regions of the country.

23 When the six-year term of President Amin Gemayel was about to end in September 1988 without agreement on a successor, he unilaterally appointed the commander of the army, General Michel Aoun, as president of a council of ministers composed of the six members of the army command. The three Muslim members of the appointed council refused to serve. The existing government at the time Gemayel's term had ended refused to acknowledge the legitimacy of the council appointed by Gemayel and considered itself as the sole legitimate government of the country. Hence, two competing governments emerged. The government of General Aoun refused to acknowledge the Taif Accord ratified by the Lebanese parliament in October 1989 followed by the election of Elias Hrawi as president of the republic. After a series of military engagements Aoun was forced to leave the country in October 1990, and his departure paved the way for the unification of the Lebanese government and public administration.

of LL1,713 for 1992, after which it began to improve, stabilizing at around LL1,500 beginning 1998). The resulting inflation, in turn, stimulated speculative activities, and, given the high concentration in banking credit where 200 bank accounts generally accounted for more than 50 percent of total extended loans, struck one of the most devastating blows to Lebanese society by redistributing wealth in favor of a small minority, including warlords, to the detriment of the middle and poorer classes. At the end of 1990 real GDP stood at around 50 percent of its 1975 level with the share of government to GDP doubling to about 30 percent. On the other hand, the potential rise in unemployment was partly tempered by emigration and recruitment by the growing militias.

Politically, the war put a halt to the practice of consociationalism in Lebanon. The parliament elected in 1973 continued in place, but with only nominal powers, renewing its own mandate every four years on the grounds that the ongoing conflict did not permit the holding of national elections. The parliament did manage to keep the constitutional exercise of presidential elections going.[24] However, in practice, real power was in the hands of the militias. In the areas with Christian dominance, one faction, namely the so-called Lebanese Forces, had unequivocal control over political and military affairs. In the areas with Muslim dominance, up to 1982 an alliance between the PLO and so-called Lebanese patriotic parties held political and military sway, but subsequently with the forced withdrawal of the PLO, they played a greater role.[25]

The period following the Israeli invasion of 1982 witnessed escalating intra-militia fighting reaching its climax with the attempt of the government formed by Amin Gemayel to reach agreement with Israel on February 17, 1983. The attempted agreement not only provoked intensified domestic fighting but also intensified external interventions in support of one side and the entry of a new player, namely the Islamic Republic of Iran. As a result, human losses mounted and social dislocations increased, resulting in more human tragedy and social dislocation, while war lords consolidated their hold over the fragmented territory.[26] The civil war, which started between two more or less distinct groups, decayed into an insane saga of violence involving numerous armed organizations.

One major consequence of the civil war was the forced internal migration which accentuated the country's sectarian divide; another was the expanding size of the government, which further served the interests of confessional leaders in the decision making process. Along with a diminishing middle class, these developments tended to reinforce the sectarian nature of Lebanon's consociational system and weaken the incentives for reform that had been growing in the pre-war period and normally accompany an expanding economy led by a growing middle class.

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24 During the war period, presidential elections in Lebanon were preceded by intense security events: Elias Sarkis was elected in 1976 after the entry of Syrian troops within the framework of an Arab League Force and Beshir Gemayel, during the Israeli invasion of 1982. Less than a month after his assassination his brother Amin Gemayel, was elected president.

25 After reaching Beirut in 1982 Israeli forces redeployed to settle in a security zone on the Israeli border which it had occupied since 1978, until forced to withdraw in 2000. The Syrian forces, as noted above, entered Lebanon in 1975 and were forced to withdraw in 2005.

26 For eight years, between 1983 and 1990, intermittent heavy internal fighting broke out between the various militias either to defend regions under their control or to expand them to additional regions.

V. The post-1990 adjusted consociational system: flawed governance and development[27]

Similar to other major conflicts in the history of Lebanon, it took outside intervention by regional and international powers to settle the civil war. The United States was the major international player, while the two main regional players were Syria and Saudi Arabia with a history of competing regional ambitions that reflected themselves in the Lebanese political scene. Syria threw its support behind mainly Shia dominated parties while Saudi Arabia allied itself with Sunni dominated parties. However, from the end of the civil war in 1990 to 2005 when it was forced to withdraw, Syria was the major regional player on the Lebanese domestic scene by virtue of the sanctioned presence of its troops in Lebanon.[28]

Both phases have been characterized with highly flawed political governance when measured against the intended objectives of the Taif Accord itself, let alone measures of mature democratic behavior. Some observers would argue that the flaws of the pre-2005 period could be ascribed directly to the dominating Syrian political and military presence. We believe that to a good extent this is a correct assessment. However, the matter does not rest here. With the resumption of the traditional role of domestic political players in the period following Syrian troop withdrawal, Lebanon's political/institutional performance did not significantly improve. Hence there must also be intrinsic domestic factors that underlie the flaws of the Lebanese political behavior which we note below.

At the economic level, in both phases the country's economic record did not fare badly when quantitative measures such as rate of growth are considered. But substantial flaws remain when the socio-economic quality of development, including severe environmental degradation and lack of proper urban and rural planning, is accounted for.

In what follows we briefly take up post war political and economic developments respectively.

A. Political developments

One of the main objectives of the Taif Accord was to engender political stability by readjusting power sharing among the three main religious communities as represented respectively by the president of the republic (Maronite), the speaker of the house (Shia Muslim) and the prime minister (Sunni Muslim). In effect, contrary to what was intended, the new diffusion of power led to political jockeying among the holders of the three highest political offices. More significantly disagreements between them (basically more on account of their own vested interests rather than their communities') were not necessarily resolved within the council of ministers or parliament but outside these institutions within the framework of what came to be called the "Troika," set up comprising the holders of the above three political offices. And when unable to settle political disagreements among themselves, the ultimate arbiter and enforcer were the Syrian authorities. With a few exceptions, the emerging post-1990 confessional political leadership, including major actors in the civil war, was increasingly more concerned with holding on to power and sharing the spoils of authority rather than with laying the foundations for proper governance. They assured the perpetuation of their political dominance and sway through tailored electoral laws (prior to 2005 with Syrian tacit approval if not connivance), massive recruitment of personnel in the military and the administration drawn from the ranks of former militias, and the appointment in key administrative positions of loyal followers, though few might have had the required credentials. Generally, the applied sectarian system of appointments permitted a high degree of non-accountability across the sectarian divide: corruption did not have a sectarian color. In this vein, the ambitious reconstruction projects initiated by the late Prime Minister Hariri in the early nineties (often criticized as grandiose and leading to an unsustainable national debt burden) provided new profit opportunities for the governing class via lucrative projects which came their way for political and other reasons.[29]

27 This section draws on S. Makdisi, F. Kiwan, and M. Marktanner, 2011.

28 Following the end of the Cold War, Syria continued to play an influential regional role. By joining the allies in the first Gulf war against Iraq it managed to acquire tacit US approval for the continued military presence of its troops in Lebanon in the wake of the Taif Accord and the settlement of the civil war. The US stance was to change drastically after 2005.

29 Infrastructural spending, during and after the reconstruction period, is considered by many experts to have been expensive and inefficiently administered. Twenty-one years after the end of the war and despite the massive governmental spending, Lebanon still lags behind in the domain of infrastructure, especially in the electricity and telecommunication sectors.

The integration of the warlords into government after the settlement of the war might have seemed a worthwhile price to pay to assure peace and stability following the settlement of the civil war. Instead, the post-Taif period has been characterized by major flaws of governance, the general reinforcement of sectarian polarization (along with an increased potential for reigniting confessional strifes) to the benefit of the ruling political class, and mounting obstacles to calls by non-confessional civil society groups for major changes in political and institutional behavior.

Even private professional lobbying groups came to be tainted with sectarian influences, one exception being the banking sector, which managed to consolidate its position in the national economy as a mainly non-sectarian major economic player.[30] The banking sector was able to enhance its position as an efficient lobbying group, outside the confessional club of political players. This role stands in contrast with the increasing sectarian coloring of labor unions that positioned themselves along confessional party lines. Instead of developing as defenders of the economic interest of workers across the sectarian divide, they fell prey to sectarian divisions and the influences of sectarian leaders that in turn tended to weaken their bargaining position vis-à-vis employers as well as the government.

It was noted in section I that the period following the assassination of Prime Minister Hariri in February 2005, dramatic political, security, and military developments appeared: the immediate withdrawal of Syrian troops,[31] a series of political assassinations through 2008, and the war waged by Israel in July 12, 2006, with its subsequent adverse domestic political consequences. The Doha agreement that reset the political trajectory in May 2008 succeeded only temporarily in restoring relative political stability. The government of national unity called for under this agreement lasted until February 2011 when a one sided new government was formed (comprising mostly the so-called March 8 grouping) to the exclusion of major political groups on the opposite side of the political aisle (the so-called March 24 grouping). In parallel, popular upheavals in Syria broke out against the country's regime that later turned into an armed uprising. While the eventual outcome is yet to be determined, the uprising has already led to a heightened level of political and security instability in Lebanon with a consequent further deterioration in the functioning of governmental institutions.

As practiced, Lebanese post-Taif consociationalism has been incapable of resolving internal conflicts without resorting to outside intervention, which, indeed, has been a constant factor in Lebanon's political history since independence.[32] A lasting national reconciliation in Lebanon (whose contours we take up in section VI below) is yet to be achieved.

30 Banks were encouraged by the monetary authorities to reinvest their profits from 1993, which led to an increase in their capitalization. This helped position the banking sector to accommodate growing remittances and foreign capital inflows, mainly from the Lebanese diaspora, allowing for an important financial deepening of the national banking system. The ratio of commercial bank deposits to GDP increased from 190 percent for 1990 to 300 percent for the first half of 2012, while loans to the private sector absorbed 29.4 percent of total banking assets as of the end of June 2012, compared to 34.7 percent at the end of 1990. The private sector received loans equivalent to 104 percent of GDP as of the end of June 2012 and most importantly, the number of borrowers increased 20 fold from 1990 to cover more than 400,000 borrowers by the end of 2011.

31 United Nations Security Council Resolution 1559 of September 2, 2004 had already called for this withdrawal. Following the assassination of Hariri, the Security Council passed Resolution 1595 (April 7, 2005) establishing an independent commission to investigate the assassination; and on March 30, 2006 the council adopted Resolution 1664, which called on the secretary–general to negotiate an agreement with the Lebanese government for the creation of a tribunal of an international character to try those found responsible for this and subsequent political assassinations.

32 To cite some major examples: the resolution of the 1958 conflict needed the intervention of both the United States and Egypt; the Cairo Agreement of 1969, which settled the conflict between the Lebanese Army and Palestinian armed groups was brokered by Egypt; the settlement of the Lebanese civil war in 1989 (the Taif Accord) was brokered by Saudi Arabia with the support of the US and French governments; and, until its withdrawal in 2005, Syria, as noted, imposed a settlement (in accordance with its own interests) on any domestic political or sectarian conflict. In May 2008 it took the Doha agreement to avert the renewal of civil conflict.

B. Macro and socio-economic developments

Since the end of the civil war, four phases of growth may be discerned.

The first, stretching from 1991 through 1994, witnessed an accelerating growth rate peaking at 8 percent in 1994; it was induced by increasing public sector expenditure and private sector investments, led by the construction sector. The increased expenditure took up existing slack in the post-war economy, while private sector expectations were initially positive regarding future prospects. At the same time, while a policy of anchoring the pound to the US dollar, implemented beginning in late 1992, helped gradually reduce the rate of inflation,[33] the increase in government spending led, in the absence of concomitant increase in revenues, to a gradual deterioration of the budgetary and current account deficits and continued increase in public debt, as noted below.

The second phase, from 1995 to 2000, saw a gradually declining rate, becoming slightly negative in 2000. This declining rate may be partly attributable to continued borrowing by the government at relatively high (though, over time, declining) real interest rates to finance persistent budgetary deficits, with a consequent dramatic rise in public debt (climbing from about 48 percent of GDP for 1992 to a little over 150 percent for 2000). This led, in turn, to a "crowding-out effect" of private sector investments, and the persistence of generally relatively high borrowing costs for private enterprises. A policy of relatively high real interest rates, especially in the nineteen nineties, was implemented in support of the exchange rate policy referred to above.

Other factors that contributed to the declining rate of growth in this period were prevailing regional political uncertainties and clashes with Israeli forces occupying a southern part of the country, all of which tended to restrain the flow of private investment. Furthermore, the decline of oil revenues in the Gulf between 1990 and 1999 negatively affected regional investments and remittances from the Gulf region. In addition, while the rehabilitation of the infrastructure had a positive impact on the investment climate, lack of progress in administrative and political reform, not to mention increasing corruption, influenced this climate negatively.

The third phase, from 2001 through 2004, saw a recovery of the growth rate, reaching an estimated 5 percent in 2004. This improvement is related mainly to post 9/11 developments causing a reflow of Arab capital towards Lebanon, as well as towards other Arab countries. The real estate sector and the tourism industry benefited the most from this development and also contributed to the expansion of bank deposits, easing the pressure on banks in accommodating budgetary deficits.

The fourth phase, 2005 to 2012, witnessed, as noted above, waves of political and security instability and a major military confrontation with Israel that caused vast economic destruction (infrastructure, dwellings, factories, and other enterprises). It is not surprising that initially, i.e., in 2005–2006 the growth rate fell to an average of less than 1 percent. It did pick up in the subsequent five years, despite the prevailing political situation**,** averaging about 5.4 percent.[34]

Whatever the growth and macro-economic record, overall, the quality of national development suffered. In a few areas such as health and education, progress has been achieved, but in other areas little if any improvement was accomplished or else there was noticeable deterioration as in the case of environmental degradation, unemployment, increased corruption, and social inequity accompanied by increasing concentration of political and economic power in the hands of the few (Makdisi 2004, Leenders 2012). And while generally developmental disparities among regions have narrowed, some continue to lag behind significantly. In particular certain districts in north and north east Lebanon (Akkar, Minieh-Dannieh, Baalbek, and Hermel) still lag far behind the rest of the Lebanese regions from a developmental perspective. They have the lowest participation rates in the labor force (an inactivity rate of 56 percent compared to less than 50 percent at the national level), attracted the lowest participation of the private sector (approximately 76 percent compared to a national ratio of 87 percent), and severely lagged behind in health services and infrastructure (18 percent of households in the districts of Akkar and Minieh-Dannieh still have no access to sewers or use open air sewers) (Central Administration of Statistics 2007, 2009).

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33 The exchange rate was initially pegged to the US dollar with a crawling-up policy, i.e., gradual upward adjustment of the pound against the dollar throughout 1993–1998. In late 1998, this policy was discontinued in favor of a fixed rate vis-à-vis the dollar, which has since been maintained at one US dollar to 1,507 Lebanese pounds, with very narrow margins around parity. The rate of inflation dropped from an average of about 65 percent during 1990–1992 to about 1 percent in 2000–2005 but rising to 5.5 percent in 2006–2011.

34 For the whole period of 1992 to 2012 the annual rate of growth averaged about 4.1 percent. If 2006 is excluded the rate would increase to about 4.3 percent. In late September 2005, the government published a new national account series for the 1997–2002 period (Republic of Lebanon, 2010 and the Bank of Lebanon estimates, 2012). For this period the new estimates for GDP are on average about $0.65 billion or 4 percent greater than the previous estimates. However, the trend of the real rate of growth is basically similar, except for 2001. According to the new series, for the period 1998–2002, the average rate of growth was 2 percent compared with the previous estimate of 1.5 percent.

This matter is directly attributable to very poor institutional performance in which, to say the least, the distinction between public and private interest became increasingly blurred or non-recognized by the governing class.

C. Lebanon's dilemma

It may be correctly argued that despite repeated politico-religious tensions, Lebanon's consociationalism has had its positive dimension. It generally tended to promote moderate politics, safeguard freedom of expression and religious beliefs, and to protect the pluralism of Lebanese society. On the other hand, while nationally agreed, the sectarian power-sharing system amounted to unequal political rights among citizens by virtue of belonging to different religious groups. In practice it tended to promote sectarianism and reinforce familialism and clientelism and by extension corruption as the mainstay of Lebanese political behavior. Sectarian consociationalism could not prevent the outbreak of the civil car, with due recognition of the role of external interventions in its onset.[35] Indeed, as pointed out, sectarian divisions have facilitated these interventions, which more often than not have been of a destabilizing nature.

It could be conjectured, as argued elsewhere (Makdisi, Kiwan, and Marktanner 2011), that in line with the modernization theorem Lebanon's relatively high per capita income, open society, and partially democratic political system should have had a more positive impact on its political governance than what actually has come to prevail. What the above review clearly demonstrates is that the reason why this has not been the case is related both to the negative inherent domestic elements noted earlier as well as to external factors that have tended to reinforce their negative influence and prevent Lebanon from moving forward towards a fully-fledged democracy. These external factors include regional conflicts, in particular the pervasive influence of the Arab-Israeli conflict, a surrounding non-democratic regional environment, and the effects of regional oil wealth.

We maintain that in some respects, sectarianism in Lebanon has acted as a substitute for resource rent in the case of oil rich countries. For the latter, the *rentier* thesis implies a tradeoff between political rights and economic welfare. In the case of Lebanon's strongly oriented sectarian system, there has been an implicit tradeoff between entrenched politico-economic sectarian interests imbued with non-accountability/low level governance on the one hand and greater accountability/higher level governance that a liberal consociational democratic system should have promoted on the other. In practice, the tilt has been towards weak institutions, corruption, frequent social tension, and the country's missing, among other things, its developmental potential.

35 For an analysis of the causes of the civil war see Makdisi and Sadaka, 2005.

VI. Transiting to a fully-fledged democracy?

For all its failings, the Lebanese system, has so far proved to be resilient in resisting substantial change though its ability to diffuse internal stress via the "safety valves" of civic and religious freedom, scheduled parliamentary elections (no matter their shortcomings), and migration. Additional factors include an open and private sector oriented national economy which, the civil war period apart, has generally witnessed robust growth, as well as regional and international intervention in support of the system when it appeared to veer towards collapse under the weight of domestic conflicts.

But if in the past, various domestic and external factors converged to maintain Lebanon's sectarian consociationalism, albeit adjusted by the Taif Accord, are present conditions, both regionally (taking account of the unfolding Arab uprisings) and domestically, now more favorable for a move towards a more substantive democracy? We submit that this question cannot be readily answered. On the one hand the factors favoring the preservation of the existing sectarian system appear to remain robust. On the other, the elements pushing in the direction of a more substantive democracy appear to be gaining strength. In what follows we attempt to discern why the outcome of these opposing trends is likely to favor a more democratic Lebanon.

At the regional level, the regional influences that have affected Lebanon' governance negatively, mainly intra-regional conflicts and regional oil wealth, remain in place. In contrast, the ongoing uprisings in the Arab world and the growing demand for democratic change in the region have opened the way for a more democratic neighborhood. This development is expected to affect positively Lebanon's polity, the more so as the regional democratic space expands. The unsettled Arab-Israeli conflict, with all its implicit sectarian ramifications, will admittedly continue to pose an obstacle in the face of Lebanon's democratic development. But, even if not justly settled, we believe the conflict should not prove an insurmountable barrier to the extent that Lebanon can manage to overcome its sectarian divide by moving to a basically secular system.

This brings us to the internal prospects for political change. We would like to postulate that for all the domestic political and/or politico/sectarian conflicts that have afflicted and continue to plague Lebanon since independence, the factors pushing for political advancement are growing, making it increasingly more difficult for the entrenched politico/sectarian interests to oppose change.
We offer two major reasons for this postulate:

The first are the growing frustrations with the mounting socio/economic burdens in the post-civil war period that are ascribed to low level political governance, and in turn, linked to the sectarian system with its imbued politico-sectarian patronage. It is true that emigration has tempered the rise in the level of domestic unemployment while substantial emigrant remittances have tended to support the national economy. Nonetheless they could not counter the negative developmental impact of highly flawed sectarian-oriented governance: non-inclusive development, worsening income distribution, and other social inequities alongside an increasingly skewed concentration of wealth, the adverse developmental impact of which has been reinforced by poor rural and urban planning. To all this should be added an increasingly failing public administration and below par judicial performance. Whatever the rate of economic growth and irrespective of rising per capita income levels in the post-civil war period, the underlying socio/economic developmental outcomes have been adding to the strains from which the system suffers.

The second is the increasingly unacceptable discriminatory features of a political system which legislates unequal political and civil rights for citizens: as noted, parliamentary representation and cabinet appointments are based on sectarian quotas; the three highest political offices are earmarked for the three major religious groups, while matters relating to personal status (e.g., marriage, divorce, inheritance) are placed under the sole jurisdiction of the concerned religious authorities. True, the system has so far managed to survive for various economic and political reasons mentioned above. But because of its record of poor governance and of poor delivery of public goods, it has been increasingly viewed as an obsolete system in need of fundamental reform away from confessionalism. In this context, an opinion poll on social and personal identity in Lebanon carried out by Information International in 2006 indicated that the majority of the participants identified themselves with family, followed by the Lebanese identity, and only thirdly by the religious identity.

Some writers point to the influence of sectarian-linked educational institutions that abound in Lebanon, significantly more so at the pre- rather than at the university level, as one of the factors standing in the face of substantive democratic political reform (e.g., Bashshur 2003). While this may be true, we believe that on its own, this phenomenon is not likely to obstruct indefinitely a move towards a non-confessional or secular political system. Generally, Lebanon's relatively liberal multi-religious society has tended to promote not only mutual religious tolerance but continued recognition that religious freedom is a key element for the survival of Lebanon's own liberal traditions. To the extent freedom is a shared value, we believe that bridging the gap between religion and a

modern secular system is an achievable national task, despite the rise in recent years of fundamentalist groups that do not share this view. Other developing countries with Muslim or Christian religious dominance have attempted this reconciliation with a degree of success, and their experience should be instructive. Indeed, in 1998 an official Lebanese attempt was made in this direction though it did not come to fruition (see below).

Taken together, the above factors, we believe, will increasingly force a national choice of substantive political/administrative reform as a matter of great national concern. This does not constitute an argument that in a secular system the above failings would not emerge. Examples of non-democratic and corrupt secular countries abound. Rather it is an argument that given Lebanon's partial democracy the above factors will yet push for a change towards a more mature democracy (see Elbadawi and Makdisi 2012).[36] The re-emergence of a strong middle class will further accentuate this change.

Given Lebanon's sectarian legacies, the transition to a fully-fledged democracy may have to be undertaken in phases but with the ultimate aim of reaching a fully secular system that remains reconciled with society's religions values. Elsewhere (Makdisi, Kiwan, and Marktanner, 2011), it has been argued that Lebanon's democratic reform should be undertaken with three interconnected objectives in mind: a more embracing democracy, the promotion of a more equitable society and, ensuring in the transition phase, a more effective and equitable political participation on the part of major political groups with a long run view to a establishing the desired secular system. And according to the above study, the road map for achieving these objectives may be briefly summarized as follows:

A first step would be to enforce those provisions of the Taif Accord that so far have not been put into practice, mainly:

- The creation of a National Body for the Elimination of Confessionalism;

- The establishment of the upper house, the Senate, where the religious communities would be represented proportionally with parity maintained between the Christian and Muslim communities. It will have the power to act on fundamental national questions: establishing parity among the two main religious communities would help alleviate concerns associated with the removal of the confessional system at the parliamentary level.

- Implementing administrative decentralization. Among other things, this step would help put to rest political strains arising from a continuous search for an acceptable equilibrium in the prevailing system of sectarian power-sharing, whether among the major Muslim religious communities or between the broad Christian and Muslim communities. Further, the ability of politicians to dispense favors to their own clients would be greatly reduced.

Secondly, and in parallel with the above reforms, a new electoral law should be adopted that would lead to fairer representation of the country's various political components or parties, one that would prevent the emergence of the hegemony of any particular group. This would help develop political institutions that are more responsive to the questions of governance and socioeconomic reform.[37]

Thirdly, a uniform civil code for personal status (e.g., civil marriage, divorce, inheritance) that could be optional and to which all Lebanese citizens would be entitled irrespective of their religious affiliation.[38] This would be one important step in the process of de-confessionalizing the political system and promoting a more unified civil society and would sooner or later lead to a secular state embodying the richness of a mutli-religious society.

If implemented, these legislative reforms are expected to facilitate parallel reform in the Lebanese public administration and the judiciary. In turn greater legitimacy of political institutions, with their enhanced accountability, will pave the way for rendering the public sector more efficient and accountable. This reform would also help lead to the creation of a new social contract that would promote the principles of socioeconomic equity.

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36 Among other findings, this cross-country study corroborates earlier work in the literature that partial democracies are more susceptible to democratic transitions than autocracies.

37 The provisions of the Taif Accord relating to electoral reform are quite significant. They call for a fair parliamentary representation with the Muhafazat as the electoral district, but after implementing a new administrative reorganization as to the number and size of the Muhafazat.

38 Such proposals had been proposed by secular groups before 1975, but the government chose not to consider them until 1998. Notably on March 3 of that year the cabinet, chaired by the late President Elias Hrawi approved, by majority vote, a decision to permit optional civil marriage. The decision, however, was not signed by the late Prime Minister Rafic Hariri for submission to parliament for its own decision on this matter; since then no official action in this direction has yet been undertaken.

Concluding remarks: a caveat

Given its historical legacies, no doubt Lebanon's transition to a full-fledged democracy faces major political obstacles. The hope is that the unfolding democratic wave in the region will tend to reinforce underlying Lebanese domestic factors pushing in this direction. At the same time we are cognizant of the possibility that the important political changes the region has been witnessing since late 2010 will not necessarily have this desired effect.

The concern here is that the emerging Arab democracies may not lead to an essentially all embracing civilian society (equality of political as well as civil rights) but tend to retain a significant confessional dimension in the political system, if not attempt to impose religiosity in society, while at the same time guaranteeing freedom of religious expression. Such developments, we submit, will affect negatively potential attempts in Lebanon to overcome its sectarian stranglehold.

Whether justified or not, Lebanon's historic hesitancy to break out of the sectarian consociational model has been linked to fears on the part of mainly Christian, politico/religious interest groups, but also to other civilian groups , that unless such a move is linked to adopting a secular democratic system, then it would lead to the dominance of a particular religious group over the affairs of society with all the implications in terms of shifting politico-economic power and privilege in favor of this group. Whatever the case, the gradual deconfessionalization of the system proposed above is precisely intended to assuage such fears, build confidence, and promote the culture of a truly all-embracing democratic society with equal rights for all citizens across the board.

Perhaps what really matters is that irrespective of political regional developments, the factors pushing for political advancement in the country may yet succeed in transforming Lebanon into a fully-fledged democracy. While the time frame for such a transformation cannot be predicted and indeed may not even materialize in the near future, as we see it, to opt or not for this national choice is tantamount to a choice between a more advanced and forward looking Lebanon and a politically stagnant Lebanon.

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The Issam Fares Institute for Public Policy and International Affairs (IFI)

American University of Beirut | PO Box 11-0236, Riad El Solh 1107 2020, Beirut, Lebanon
Tel: +961-1-374374, Ext: 4150 | Fax: +961-1-737627 | Email: ifi@aub.edu.lb | Website: www.aub.edu.lb/ifi