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**UNIVERSITY OF KENT**  
**AT CANTERBURY ■■■■**

**ADMINISTRATIVE REFORMS IN PLURALISTIC SOCIETIES**  
**THE CASE OF LEBANON**

**BY**  
**DIMA JAMALI**

A Thesis Submitted to the Department of Social Policy, Sociology & Social Research  
At The University of Kent at Canterbury  
In Fulfillment of the Requirements for the Degree of  
Doctor of Philosophy  
In Social Policy and Administration

**July 2001**

*To My Son Omar*

## ABSTRACT

This dissertation examines the processes and dynamics of administrative reform in the Lebanese multi-confessional context. It explores whether these processes exhibit special features or characteristics and the extent to which they are conditioned by the realities of the Lebanese pluralistic environment. The orientation in this thesis is indeed consistent with recent writings in the administrative reform literature, which emphasize the contextual distinctiveness of administration and reform in each country and the need to account for embedded contextual differences. The research thus attempts to place Lebanese administrative reform in a specific historical, cultural, and political frame of reference and link it to the realities of pluralism and sectarian politics in Lebanon. Further, the research undertakes an in-depth case study examination of two administrative sectors (*telecommunications and transportation*) to gain greater insight into post-war Lebanese reform patterns and dynamics. The research highlights the complexity of administrative reform and the fact that reform endeavors are invariably conditioned by a multitude of embedded and contingent factors, cultural, political and economic. The research also suggests the potential influence of the regional and international environments on country-specific programs of planned change. Indeed, the research suggests that the complex inter-relationships of these various factors and their specific constellations in specific periods can exert a significant influence on the course and fate of reform initiatives and help account for the specific reform trajectories observed in Lebanon before and after the war.



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## LIST OF ABBREVIATIONS

ADF	Arab Deterrent Force
AR	Administrative Reform
AUB	American University of Beirut
BACCS	Billing and Customer Care Systems
BOA	Bureau of Accounts
BOT	Build, Operate and Transfer
BT	British Telecom
BUTP	Beirut Urban Transport Project
CDR	Council For Development and Reconstruction
CEDPVB	Conseil Executif Des Grands Projets De La Ville De Beyrouth
CEGP	Conseil Executif Des Grands Projets
CIC	Central Inspection Commission
CIT	Convergent Information technologies
CSC	Civil Service Council
DGR	Directorate General of Roads
DRG	Directorate of Research and Guidance
EU	European Union
FTML	France Telecom Mobile Liban
GBA	Greater Beirut Area
GDC	General Disciplinary Council
GDP	Gross Domestic Product
GNP	Gross National Product
GSM	Global System Mobile
IBRD	International Bank For Reconstruction and Development
IDD	International Direct Dialing
IMF	International Monetary Fund
IP	Internet Provider
ISP	Internet Service Provider
ITU	International Telecommunications Union
LD	Long Distance
LDCs	Less Developed Countries
MOE	Ministry of Environment
MOF	Ministry of Finance
MOI	Ministry of Interior
MOMRA	Ministry of Municipal and Rural Affairs
MOT	Ministry of Transportation
MPE	Mainlines Per Employee
MPT	Ministry of Posts and Telecommunications
MPW	Ministry of Public Works
MUD	Million United States Dollars
MUNI	Municipality
NARP	National Administrative Rehabilitation Program
NIPA	National Institute of Public Administration
NPM	New Public Management
NPR	National Performance Review
OECD	Organization For Economic Cooperation and Development
OGERO	Office De Gestion Et D'Exploitation Du Radio Orient
OMSAR	Office of The Minister of State For Administrative Reform
PLO	Palestinian Liberation Organization
PM	Prime Minister

PNT	Political Nexus Triad
PSTN	Public Switched Telecommunications Network
PTO	Public Telecommunications Operator
PTT	Posts and Telegraph Telecommunications
RPE	Revenue Per Employee
RPM	Revenue Per Mainline
RPTA	Railway and Public Transportation Authority
SLA	South Lebanese Army
TMO	Transport Management Organization
TRU	Transport Regulatory Unit
UAR	United Arab Republic
UK	United Kingdom
UMTS	Universal Mobile Telecommunications Systems
UN	United Nations
UNDP	United Nations Development Program
USA	United States of America
VAS	Value Added Services
WTO	World Trade Organization

# CHAPTER 1

## INTRODUCTION

### PROBLEM DEFINITION

“Administration is not an end in itself but a series of communication channels, which should transmit the needs and aspirations of the people and ensure that these are reflected and respected in the way in which a state is governed. Equally, these channels must be structured to transmit the aims and objectives of the government to the people. It is, therefore, essential that administrative structures be adapted to socio-cultural conditions and traditions if they are to contribute in a positive and vital way to development” (UNESCO, 1982, p.1).

This quote from a book on the problems of adaptation of public administration to different socio-cultural contexts is particularly relevant in the case of Lebanon. Indeed, it has long been realized that administrative reforms in Lebanon cannot simply be undertaken in accordance with neutral scientific principles and western management techniques. Rather, the orientation ought to be evolutionary and endogenous. The reason for this is that the administrative system in Lebanon needs to continually adjust to the special peculiarities of Lebanese society and to the realities of a pluralistic political system characterized by compromise, and representation.

As one author puts it, “Lebanon is a nation of communities” (Moore, 1997, p.12). The Lebanese society comprises two broad religious categories (Muslims and Christians) which are in turn subdivided into various sects: Sunnis, Shias, Druzes, Maronites, Greek Orthodox, Greek Catholics, and Armenians, among others. The coexistence of these various minorities over the years has necessitated special political and administrative arrangements to achieve a viable and satisfactory system for all. Indeed, the main function of the administration and highest priority reform objective in Lebanon has consistently been equitable and proportional bureaucratic representation. This is where multi-ethnicity converges/clashes with administrative reforms.

In this context, administrative reforms cannot be conceived solely as technical instruments designed to improve the efficiency of the Lebanese government machinery. They invariably serve as means to achieve various other social and political objectives. Indeed, administrative reforms in Lebanon have consistently been used, over the years, as instruments of socio-political struggle for power and for resources, besides being means for social accommodation and mechanisms to absorb demands. They are as such an integral part of the processes of incremental adjustment of the Lebanese system to the wants and needs of a pluralistic society.

The orientation to administrative reforms adopted in this thesis is consistent with the ecological emphasis of some writings in comparative administration. These writings stress the need to

consider administration as a subsystem of the larger society, rather than a self-contained entity, relentlessly pursuing the goals of instrumental efficiency (Riggs, 1961). In this sense, the prevailing societal values, distribution of political power, communication flows, economic and technical arrangements and political styles are presumed to exert influence on administrative behavior and performance. Such a view does not imply that administration must be a pale reflection of the prevailing culture or balance of political forces in the larger society. Rather, it suggests the possibility of the administration serving important salient values in society, other than efficiency or cost effectiveness.

This orientation is also consistent with recent neo-institutional writings about administrative reforms. The 'neo institutionalism' movement underlines the potential significance and explanatory power of the institutional context and larger environmental factors (culture, social norms) in shaping and determining social and political outcomes (Hall and Taylor, 1996). Specifically, the new sociological institutionalism argues that many organizations often adopt an institutional practice, not because it advances the means-ends efficiency of the organization. Rather, organizations embrace specific institutional norms or practices because the latter are widely valued within the broader cultural environment. Thus technically inefficient institutions may persist, because they contribute to harmony/stability, and because they are deeply embedded in culture and tradition (Lowndes, 1996).

Consistent with this broad orientation, the thesis will analyze administrative reforms in Lebanon within the broader institutional, cultural, and political context in which they thrive. The most important ecological or contextual element in this regard is that of communal pluralism. Communal pluralism is the essential reality of Lebanese government and society. Communal issues in Lebanon are very salient, interwoven into every issue of public policy and public management that they must be explicitly accounted for in any comprehensive account of reform endeavors. The realities of pluralism and politicized ethnicity indeed force the Lebanese administration to operate within a highly political environment and give the Lebanese bureaucracy a highly political flavor.

## **DEFINITION OF ADMINISTRATIVE REFORM**

In recent decades, rising economic pressures coupled with a widespread disillusionment with the performance of public bureaucracies have made administrative reform a universal political theme. Almost all countries, irrespective of political outlook or developmental stage have recognized the need to reform the machinery of government to adapt it to constantly changing needs and realities. But while it has been generally accepted that government performance should improve through deliberate reform interventions, there is considerably less unanimity

and decisiveness as to what should be changed, what measures should be adopted, and what strategies should be pursued (Caiden, 1982).

There is also little consensus and unanimity on a precise definition of administrative reform. Most scholars conducting research on the subject do not make an attempt to define the concept explicitly. There is tacit agreement, however, that while change may involve no more than natural adaptation to political, economic and organizational forces, the word reform is usually used to refer to deliberate, rational human intervention with the aim of effecting improvements in public administration. The following definitions illustrate this point:

Administrative reform is the artificial inducement of administrative transformation against resistance. It is artificial because it is man-made, deliberate, and planned; it is not natural, accidental or automatic. It is induced because it involves persuasion, argument, and the ultimate threat of sanctions (Caiden, 1969, p. 65).

Administrative reform refers to planned or at least premeditated, systematic change in administrative structures and processes aimed at effecting a general improvement in administrative output or related characteristics (Hammergren, 1983, p. 4).

The two definitions of administrative reform quoted here underline the premeditated aspect of reform. Administrative reform is thus in essence directed action or planned change. They also underline a general tendency in the literature to equate administrative reform with administrative reorganization. Scholars tend to characterize administrative reform as a deliberate attempt to change bureaucratic structures and procedures with the aim of improving the output of the administration. However as Khan aptly notes “structural changes in organization will not be of much help, unless the human factor in administration is suitably tackled” (Khan, 1981, p. 41). Administrative reform thus has an important attitudinal aspect, which has often been neglected. Noting this gap in the literature, Khan provides a comprehensive definition of administrative reform, which combines the institutional and attitudinal aspects. He writes,

Administrative reform is a deliberate attempt to change both a) the structures and procedures of the public bureaucracy (i.e. the institutional aspect) and b) the attitudes and behavior of the public bureaucrats involved (i.e. the attitudinal aspect), in order to promote organizational effectiveness and attain national development goals (Khan, 1981, p. 44).

Such a definition is superior to the definitions provided above on several counts. First, it clearly identifies the purpose of administrative reform, which Caiden’s definition for example fails to do. Second, it combines the organizational and attitudinal aspects of reform, and recognizes the importance of altering structures as well as behaviors and attitudes. Indeed, the experience of most developing countries with administrative reform clearly shows that structural changes are often futile if the administrative culture remains intact. More than just reorganization, successful reform must therefore deploy a mixture of mutually reinforcing instruments, organizational and

behavioral and must involve simultaneous and sustained efforts on both fronts. Programs of change which utilize a combination of both approaches have proven to be more effective and sustainable on the long run.

### **ADMINISTRATIVE REFORM: A NOTE ON THE LITERATURE**

Over the past two decades, there has been a remarkable change in the conception and treatment of administrative reform in the literature. The early writings on administrative reform (1950 through 1970) were narrow, technical, and purely prescriptive, mostly concerned with providing guidelines on how to reform the administration. They were often permeated by a bias toward Western bureaucracies in general, Max Weber's bureaucracy as well as classical management theory in particular. The belief was in the possibility of a universal prescriptive model of reform, *applicable to all political systems, regardless of their differences. Moreover, in those writings, the political side of reforms was accorded only scant attention.*

Toward the end of the 1970s, the earlier perspective on reform was gradually replaced by a new set of approaches. This emerged in part as a *reaction to the perceived failure of the previous paradigm*. The new tendency is away from the Weberian model, away from the principles of *classical management theory, and away from the strong belief in universal solutions. The trend* is more toward such issues as contingency theory, and the relationships between an organization and its environment. In this new set of writings, the organizational environment is elevated to an extremely important position and there is greater awareness of the political component of administrative development.

Central to those new writings is the notion that administrative reform can only be undertaken within a wider context and in association with broader social, political and economic reforms.

With the exception of minor changes of a technical nature, reforms can only be effective when designed with proper attention to the environment in which the organization operates...In an extreme form, administrative reform can be considered part of societal reform, government organization and bureaucracy being part of or related to other systems, political, social or otherwise. Changes in the governmental machinery and its mode of operation may occur under the impact of other systems and may also affect these (Leemans, 1972, p.119).

Given this new orientation, administrative reform can no longer be viewed narrowly to include internal/technical changes and improvements within a bureaucratic system.

The term administrative reform does not so much refer to internal changes in government as to concerted efforts to alter a system of consequential relationships, that while involving the executive branch of bureaucracy or public service, transcends the boundaries of government (Barzelay, 1993, p.12).

Moreover, the experience of many developing countries with administrative reforms strongly suggests that reform efforts often falter not because of technical barriers or constraints but because of obstacles of a socio-political nature.

One of the widespread weaknesses of administrative reform is neglect and inability to bring about adjustments in closely related aspects of politics without which administrative reform cannot achieve its goals (Dror, 1976, pp.7-8).

Montgomery eloquently explains that “administrative reform is a political process that adjusts the relationship between a bureaucracy and other elements in society...Both the purposes of reform and the evils to which it is addressed vary with their political circumstances” (Montgomery, 1969, p. 1). Dey also recognizes the political aspect or component of reform. He points out that,

Public administration’s basic character, content and size of functioning is greatly influenced by the political environment and its institutional dynamics and processes, in not merely setting national goals and priorities, or deciding between competing values and allocating resources, but also in devising the most effective instruments for translating these policies into successful programs (Dey, 1974, p.236).

Similarly, the definition of Chapman and Greenaway underscores the importance of the social and political environment of reform.

Administrative reform is the process of making changes in administrative structures or procedures within the public services because they have become out of line with the expectations or values of the social and political environment. This means that the process itself is not necessarily a developmental one towards a clearly defined goal set in advance, but a complex matter of acceding to pressures, communicating and discussing ideas, stimulating comments from groups with potential interests, and making judgments within the administrative system about tactics and timing for the introduction of particular changes (Chapman and Greenaway, 1980, p. 183).

Riggs (1970) sums it up very eloquently. He writes,

The subject of administrative reform needs to be looked at contextually, which is to say, as part of a comprehensive view of government as a system of interdependent elements. Such a framework might help avoid oversimplified types of linear thinking, which often lead to simplistic or symptomatic reforms that only aggravate the very conditions we seek to overcome (Riggs, 1970, p. 567).

Recent writings also emphasize the contextual distinctiveness of administration and policy in each country and the importance of national political systems and institutions in accounting for reform action or non-action (Caiden, 1991; Wright, 1994; Hood, 1995; Pollitt and Summa, 1997; Peters, 1997a; Turner and Hulme, 1997; Premfors, 1998; Knill, 1999; Maor and Jones, 1999; Guyomarch, 1999). The optimism and faith of earlier administrative theories has thus gradually given way to grounded pragmatism and skepticism. Even the term administrative



reform has become un-favored in some quarters because of its association with bureaucracy and with an earlier era of failed prescriptions and interventions, or because it does not convey the increased range of issues under consideration (Turner and Hulme, 1997).

The essential feature, then, of administrative reform is the relationship of administrative changes to characteristics or pressures from the broader social and political environment. Administrative reform hence cannot be conceived as a narrow, technical phenomenon, nor as a strictly political one, but as a dynamic process that is simultaneously political as well as technical, and which constitutes an integral part of the general functioning processes of a political system. Administrative reforms in Lebanon will thus be analyzed using this dimension or perspective.

### **ADMINISTRATIVE REFORM IN PLURALISTIC SOCIETIES**

Ethnic plurality has an impact on notions of political development in general and administrative reforms in particular. In fact, what distinguishes political and administrative processes in plural societies from those in homogenous states is the fact that communal affiliation tends to determine access to (and exclusion from) influential and remunerative positions. In other words, successful communal politics brings quick rewards – one has advantages because one belongs to a certain community. Naturally, the contrary also holds: defeat for a community or an adverse position relative to power entails serious disadvantages for its members.

The pursuit of political and economic interests by means of ethnic associations tends to be more pronounced in plural societies. This is so precisely because individuals will come to evaluate their position from a communal reference point. Improvements to the status of the community will reflect positively on its members. The opposite also holds true. The consequence is often the politicization of communities in the pursuit of greater social mobility and material rewards. Such politicization along communal lines is likely to reflect on all the different aspects of the system, including processes of administrative reforms.

Indeed, administrative reforms in pluralistic societies are often rooted in representation and aimed principally at balancing the divergent factional interests in society. They are as such invariably implicated in the struggle for power and for resources, and serve as important mechanisms for social accommodation and the absorption of demands. In such complex pluralistic context, as is the case in Lebanon, reform efforts necessarily entail bargaining, negotiation and compromise, and are primarily oriented towards promoting consensus by means of achieving an effective equilibrium among the various competing factions.

## **RESEARCH OBJECTIVES**

This dissertation is a study of administrative reforms in Lebanon. It is an attempt at analyzing the dynamics of administrative reform within a multi-ethnic, multi-confessional society. Specifically, this thesis seeks to explore the interaction of pluralism, politics, and administrative reforms in the Lebanese polity and to analyze how such complex interaction reflects on reform processes and their outcomes. Within this broad orientation, it is possible to develop four specific sets of objectives for this thesis:

1. To place administrative reform in a specific social, political, and historical context and link it to the realities of pluralism and sectarian politics in Lebanon.
2. To link administrative reform to embedded institutional factors (the nature of the Lebanese political system, administration and society in general) as these have been hypothesized in the literature to have a significant influence on the fate of reform initiatives.
3. To link administrative reform in Lebanon to the specific constellation of cultural, political and economic factors in specific periods from independence (1943) until the present.
4. To examine post-war reform dynamics and policies in specific administrative sectors and hence gain greater insight into Lebanese post-war reform patterns.

## **RESEARCH METHODS**

The first part of the research is mainly qualitative and emphasizes the importance of the social and political context for understanding the phenomenon of administrative reforms in Lebanon. Emphasis on the social/political context implies attention to what has come before and what surrounds the focus of the study. Such emphasis is particularly important as our understanding of the meaning and orientation to administrative reforms in Lebanon can easily become distorted if the social/political context is ignored or not accorded the attention its evident importance merits.

The first chapters (3-6) thus attempt to place administrative reform in a specific social, political and historical context. This approach is consistent with recent writings about administrative reform, which relate it to the specific cultural and political environment in which it thrives. Moreover, the research is historically grounded given that many political and ideological currents in Lebanon today reference the past. Lebanon is indeed one of those few countries in the world that still lives in the past and whose problems and aspirations mirror those of earlier generations.

The second part of the research (chapters 7-9) attempts to examine the general dynamics of administrative reform before the war of 1975, as well as the specific reforms that have been initiated starting in the early 1990s. The research will show how reform dynamics (before and

after the war) have invariably reflected the country's social and political realities. The analysis of overall reform dynamics will in turn be supplemented by an in-depth *case study examination* of two vital sectors for the post-war Lebanese economy, telecommunications and transportation.

The case study has often been stereotyped as a weak sibling among social science methods and as having insufficient precision (or quantification), objectivity and rigor; case studies nevertheless continue to be used extensively in social science research, especially in practice-oriented fields (e.g. urban planning, public administration and social work), as well as in evaluation research (Yin, 1994). The continuing, even increasing usage of this method suggests that the case study presents specific strengths and weaknesses as a research tool, which may help account for the criticisms traditionally raised as well as its relevance / usefulness in particular circumstances.

Yin (1994) suggests that case studies present distinct advantages when examining contemporary events in which contextual conditions are believed to be pertinent to the phenomenon of interest. In this respect, case studies help to cope with the entangled situation between phenomenon and context, while also capturing the complexity, richness and subtlety of more specific phenomena. The contemplated analysis of post-war reform patterns in telecommunications and transportation comprises precisely an examination of contemporary events in which contextual influences are hypothesized to be highly pertinent and interwoven with theoretical and empirical concerns.

While other research methods may also try to deal with phenomenon and context, their ability to account for contextual conditions remains rather limited. Experiments for example deliberately divorce a phenomenon from its context, so that attention can be focused on a few variables. A history may try to deal with the entangled situation between phenomenon and context, but the interest usually lies with non-contemporary events. Finally, surveys exhibit a limited capacity to investigate the context in view of the continuous need to limit the number of variables and to fall safely within the number of respondents that can be surveyed (Yin, 1994).

Because phenomenon and context are not always distinguishable in real-life situations, the case study presents a unique strength in this regard, which in turn has implications for a whole set of other technical characteristics, including data collection and data analysis strategies (Yin, 1994). In this respect, the case study offers specific advantages in terms of its ability to a) cope with the technically distinctive situation in which there will be many more variables of interest than data points; b) rely on a full variety of evidence (documents, artifacts, interviews, observations) and on multiple triangulation for dealing with problems of validity and bias and c) benefit from the prior development of theoretical propositions to guide data collection and analysis (Yin, 1994).

Notwithstanding these advantages, the case study continues to be viewed by some investigators as a less desirable form of inquiry, primarily because of expressed concerns over generalizability and representativeness. “These aspects of the case study approach – representativeness and generalizability- are often viewed by its detractors as major weaknesses. However, to advocates of the approach, these methodological points can be answered and, moreover, turned into a positive virtue” (Rose, 1991, p.102). Indeed, it has often been argued that much of the criticism directed at the case study over these issues is based on a degree of methodological confusion and a misunderstanding of the logic of this research strategy (Mitchell, 1983; Yin, 1994).

Under the influence of quantitative methodology, representativeness has come to mean typicality in the sense of a statistically reliable random sample from a population. In case-study research, by contrast, it is considered more appropriate to treat representativeness in terms of a qualitative logic for the selection of cases rather than a quantitative logic of sampling from a population (Rose, 1991). Mitchell (1983) specifically develops this argument by characterizing the case study approach in terms of a detailed examination of an event or series of related events which the analyst believes exhibits the operation of some identifiable theoretical principle.

This theoretical orientation to representativeness also has implications for generalizability, in that generalizability in case study research depends on the cogency of the theoretical reasoning for the validity of any logical inferences from a case / cases (Mitchell, 1983, p. 207). The underlying difference is thus rooted in a distinction between statistical and logical inference. Yin (1994) further clarifies that case studies are generalizable to theoretical propositions, and not to populations or universes. “The investigator’s goal is to expand and generalize theories (analytic generalization) and not to enumerate frequencies (statistical generalization)” (Yin, 1994, p. 10).

Typicality in the statistical sense is therefore not a major concern in case study research: atypical cases may be deliberately chosen because they correspondingly possess greater explanatory power. Similarly, whereas generalizability in quantitative approaches depends on the ability to extrapolate with statistical confidence from a random sample to the population from which it was drawn, generalizability in case study research depends upon the cogency of the theoretical reasoning, the validity of the logical inferences, and must be qualified by the relevant contextual conditions (Mitchell, 1983). The principles of qualitative selection of cases and logical inference hence tend to govern case study research whether implicitly or explicitly.

In light of these clarifications, it becomes possible to justify the choice of cases for this research and the contemplated logic for design and analysis. The construction of a manageable research

design dictated the application of the principle of qualitative selection of cases, yet a deliberate decision was made to use a multiple-case design in view of the fact that “evidence from multiple cases is often considered more compelling and the overall study is therefore regarded as being more robust” (Yin, 1994, p. 45). Moreover, a multiple-case design provides opportunities for comparison and/or replication in the sense that evidence can be sought and evaluated both for individual cases as well as across sectors or cases.

Hence the logic of qualitative selection of cases implied that the choice of cases for this research had to be carefully undertaken. A large number of sectors were initially considered and through a process of selective elimination, the choice settled on transport and telecommunications. The two sectors were selected in view of their strategic significance in the wake of the war. Indeed, given the focus of the *case study examination* on post-war reform patterns in Lebanon, it was considered important to select sectors that were accorded attention in the wake of the war and were thus in a better position to illustrate the nature and dynamics of post-war reform initiatives.

Indeed, while some sectors have experienced stagnation in the post-war period (e.g. agriculture), others were accorded priority attention by the government, with growth and investment generally concentrated in activities related to the rehabilitation of the infrastructure. The *Horizon 2000 plan (1995-2007)* which has been adopted as the framework for the country’s reconstruction effort indeed covered a variety of sectors (e.g. electricity, telecommunications, transport, education, public health, environment, tourism and industry) but the bulk of investments (US\$ 17.8 billion or 42% of the total) targeted the rehabilitation of the infrastructure and restoration of the capacity of basic infrastructure sectors (UNDP, 1997).

Aside from the concentration of investment in infrastructure-related sectors and hence the better chances of investigating meaningful reform interventions through a focus on the selected cases, telecom and transport presented other specific characteristics which also help account for their selection. Telecommunications is indeed the largest sector of the Lebanese administration, with the Ministry of Post and Telecommunications having 7834 positions established by cadre. A variety of actors are also involved in this sector, including a semi-autonomous agency (OGERO), two private mobile operators (Libancell and Cellis) and a multitude of data and internet service providers which can all be considered as subunits or embedded units of analysis.

Indeed, Yin (1994) outlines in his comprehensive book on case study research four types of case study designs, based on a 2\*2 matrix. The matrix assumes that single and multiple case designs reflect different design situations, and that within these two types, there also can be multiple units of analysis. “For the case study strategy, the four types of designs are a) single-case (holistic) designs, b) single-case (embedded) designs, c) multiple-case (holistic) designs, and d)

multiple-case (embedded) designs” (Yin, 1994, p. 38). The main rationale for incorporating subunits of analysis within a multiple-case design is to reconcile breadth of coverage with intensive-ness, focusing the case study inquiry and significantly enhancing the insights into the single case.

Yin (1994) suggests that while the notion of embedded units of analysis should be used with care to preserve the unitary aspects of each case and avoid a change in the nature or orientation of the research, the embedded design is nevertheless advantageous as it can add greater versatility and enable the basic design to be adapted to meet various theoretical and practical requirements. By inviting close inspection of specific subunits, this design element adds significant opportunities for extensive analysis, allowing a deeper / fuller understanding of the entire case. The challenge however is to be able to identify logical subunits, which in turn is related to the characteristics of the particular case and the way the initial research questions have been defined (Yin, 1994).

The case study examination of telecommunications can indeed be conducted along such lines, as logical embedded units of analysis are easily delineated e.g. the fixed line segment, the cellular segment, the data and internet segments allowing the construction of a rich / interesting research design. This is hardly possible had other sectors been chosen, as for example the industrial sector which is characterized in Lebanon by the dominance of small private economic establishments (72 % of industrial establishments are individual or family establishments employing less than five workers) or the agricultural sector, which continues to be a net importing sector in Lebanon, dominated by small farming networks and owners of small-scale land and real estate.

The choice of the transport sector, on the other hand, was determined by a number of factors: a) its vital importance as a strategic pillar in the reconstruction and development process b) its role in promoting national economic competitiveness and achieving urban and quality of life goals; and c) the complex institutional organization of this sector and the involvement of a large number of actors in transport-related functions (e.g. MOT, MPW, MOI, MOE, CDR, CEGP, CEPVB), thus allowing to survey the jurisdictional assignment of authorities and responsibilities among various ministries / governmental bodies of the Lebanese administration.

It is in this last respect that the choice of the transport sector offers distinct advantages and may represent an example of the *critical case* (Yin, 1994; Rose, 1991) in the sense of being better suited for the testing of theoretical propositions relating to administrative reform in Lebanon. This is precisely the case because of the necessary visible and active involvement of the public sector in transport-related functions as opposed to its more contracted role in such sectors as

industry, tourism, agriculture or even health and education, which continue to be dominated in Lebanon by a dynamic private sector<sup>1</sup>.

While the logic of qualitative selection of cases governed the choice of sectors for this research, various data collection/data analysis methods were used to increase the validity of the logical inferences drawn from the case study examination. Most important in this respect is the use of multiple sources of evidence (archival records, documents, reports and interviews) and multiple triangulation (multiple levels of analysis / multiple sources of evidence / multiple informants) to corroborate the evidence, rule out alternative explanations / interpretations and derive plausible inferences and analytic conclusions.

Several authors have indeed noted the unique strength of the case study approach in terms of its ability to make use of a full variety of evidence and data collection techniques (Rose, 1991; Yin 1994). In this respect, aside from the review of relevant documents / reports relating to transport and telecommunications, the case study examination will also rely on the systematic interviewing of key informants in the sectors to corroborate the documentary evidence, facilitate access to immediate follow-up data for clarification and omissions, and further promote critical analysis, validity checks and triangulation.

The case study examination will make use of the semistructured interview also referred to as the interview guide approach, in which topics/issues to be covered are specified in advance, leaving the interviewer to decide on the sequence / wording of questions in the course of the interview. This type of interview has been described as particularly suited for interviewing professionals who can not be reached on many separate occasions, and as a midway between the extremes of formality/informality, directiveness/non-directiveness, and standardization/un-standardization (Bernard, 2000), thus allowing to reconcile systematic data collection with flexibility.

Indeed, the main advantage of the semi-structured interview is its flexibility, whereby it retains much of the freewheeling quality of unstructured interviewing, allowing to build greater rapport, follow leads and uncover new topics of interest that might have otherwise been overlooked. The ability to periodically deviate from the order of questioning also allows the interviewer to create a more fluid informational exchange, thereby increasing rapport and the quality of the responses (Mutchnick and Berg, 1996). Semistructured interviews are thus useful in preserving nuances of conversation that might prove important or yield otherwise unanticipated areas of investigation.

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<sup>1</sup> The Ministry of Public Health assumes for example sole responsibility for the public health sector in Lebanon, with 80% of its budget going into reimbursement of hospital care provided by the private sector. Similarly, the limited budget of the Ministry of Education goes to cover essentially the operation costs of public education, which accounts for less than 30% of students enrolled in general education in Lebanon (UNDP, 1997).

Like other types of interviews, semi-structured interviews are nevertheless open to problems of bias, poor recall, poor/inaccurate articulation, or even observer effects in the sense of becoming too much identified with the perspectives of particular informants (Hughes, 1996). A reasonable approach is to target different types of informants in a quest for alternative explanations and interpretations and to corroborate interview data with other sources of information (Yin, 1994). Hence, the main advantage of using multiple sources of evidence is the development of converging lines of inquiry through a process of cross-validation or multiple triangulation.

In analyzing the case study evidence, the research will rely on pattern-matching (comparing an empirically-based pattern with a predicted one) and explanation building (establishing a chain of evidence and entertaining and ruling out rival explanations). The embedded-case design offers the added advantage of examining propositions for the subunits delineated and relating them / consolidating them into the analytic conclusions of the larger case, while the multiple case design implies that the patterns or explanations for each single case can be compared across cases, following a logic of comparison or replication.

As Campbell stipulates in the Foreword to the book *Case Study Research*(1994), the case study epitomizes a research method for attempting valid inferences from events outside the laboratory, while also retaining the goals of knowledge shared with laboratory science. “Rather than presenting the evidence in the context-independent manner of positivistic confirmation, it is presented instead in extended networks of implications that (while never complete) are nonetheless crucial to scientific evaluation. It is on such bases that successful scientific communities achieve effective consensus and cumulative achievements, without ever reaching foundational proof” (Campbell, Foreword, in Yin 1994). Appendix D sheds more light on the overall methodology of the research.

## **RESEARCH SIGNIFICANCE**

The significance of this study lies in the contribution it makes in two distinct areas: theoretical and substantive. A theoretical contribution to the Public Administration field occurs through the multi dimensional approach to administrative reforms. This approach to administrative reforms is not limited to their technical dimension. Reforms are also explored from the perspective of the socio-political dynamics of a system, trying to adjust by accommodating the demands of a pluralistic society. It is hoped that by exploring the various aspects of administrative reforms, this study could contribute to the future design of reforms that are less incongruent with ethnic and confessional factors. The lessons of the Lebanese experience may also be relevant to the course which administrative change may take in other nations beset by ethnic/religious conflict.



The Lebanese experience with administrative reform is, indeed, by no means peculiar or wholly unique. Lebanon shares with the rest of Southwest Asia the problem of defining the contours of community and nation and the challenge of reforming the machinery of government in which the various constituent units all have a stake. For example, the Lebanese multi-communal reality and experience with administrative reforms is similar in some respects to that of Malaysia. But while Malaysia has succeeded in containing its multi-ethnic problems and shaping a strong administrative state, Lebanon has become a model to be avoided at all costs by other culturally diverse countries of the developing world. Hence, "Lebanon provides an example of a dramatic and acute manifestation of a dilemma that has far more general relevance than might appear at first sight" (Bose, 1991, p.101). The Lebanese case is thus both intrinsically interesting and suggestive of the problems of managing administrative change under conditions of intense politicization and ethnic conflict.

A second academic contribution occurs at the specific Lebanese governmental level. In this respect, the research has revealed that there are few studies that comprehensively evaluate the large number of reforms that were attempted in Lebanon, their outcomes, or more importantly the underlying reasons as to why some have succeeded while others have failed. The administrative reform literature seems to point to a number of institutional factors that condition the course and fate of reform endeavors in any nation: namely the nature of the political system, the nature of the administrative system, and the set of complex interactions between cultural, political, and economic factors. A better understanding of those embedded institutional variables will undoubtedly contribute to a more comprehensive understanding of administrative reform in Lebanon.

Hence, the research undertaken in this thesis promises to have both theoretical and practical benefits. Theoretically, the research is multi-dimensional and seeks to fill a common gap in the administrative reform literature. In a pioneering book on reform, Caiden observed that work on administrative reform has been patchy in appearance and variable in quality and underscored the need for more research on the subject (Caiden, 1969). Apart from its theoretical contribution, this research is also conducted for practical reasons. Lebanon shares with many developing nations the goals of nation-building and socio-economic development and administrative reform plays a central role in this process. Indeed, administrative reform is the sine qua non in the implementation of programs of national development (Emmerich, 1961, p. 1). Administrative reform is thus not only about improving administrative performance but also inducing and guiding the interrelated processes of nation-building, economic growth and societal change.

## **THESIS STRUCTURE**

Besides this introduction, the dissertation is organized into nine chapters:

**Chapter 2** reviews the administrative theories, explicit or implicit, that reformers have generally used to organize their thoughts and the influence these have had on administrative change. Specifically, the chapter examines three periods in the development of administrative theories during this century (Traditional Public Administration, New Public Administration, and New Public Management) followed by an assessment of each. The chapter then presents an alternative paradigm, namely that of the 'New Institutionalism'. The chapter concludes with some hypotheses and a hypothetical model that will be used to guide the rest of the research.

**Chapter 3** reviews the theoretical literature on pluralism and diversity. In light of this review, the chapter introduces the main religious communities in Lebanon and highlights the relevance of one particular explanation –the interest-based explanation- in accounting for the continuing importance of ethnic attachments in Lebanese society today.

**Chapter 4** describes the genesis of ethnic politics in Lebanon by examining three phases that have marked the historical development of the divisions in Lebanese society, namely the Ottoman Period, the French Mandate, and the Independence Phase.

**Chapter 5** starts setting the political scene by shedding light on the main pillars of Lebanese consensual democracy, namely: 1) the Constitution of 1926; 2) the Census of 1932; and 3) the National Pact of 1943. The chapter then briefly explores the causes of the Lebanese civil war and the main actors and issues, leading to the accord, which finally brought this war to closure, namely the Taif agreement of 1989. The chapter analyzes the Taif agreement comprehensively given that it has marked a turning point in the history of Lebanon. The Taif accord has also entailed some modifications in political power configurations, which have implications for post war reform initiatives.

**Chapter 6** diagnoses in greater detail the political context of administrative reforms in Lebanon by exploring micro-political processes and macro political institutions before and after the war. At the micro-level, the chapter examines the patron-client networks that have historically developed in Lebanon and that remain the fundamental state-society linkage today. At the macro level, the chapter examines the main institutional structures -Presidency, Parliament, and Cabinet- before and after the war, and shows how these have come to formally reflect the characteristic cleavages and realities of Lebanese society.

**Chapter 7** examines the dynamics of administrative reform in Lebanon before and after the war. The chapter highlights the influence of the turbulent regional environment on reform initiatives in the pre-war period. It also underscores and analyzes the one reform experience that has been judged as relatively successful before the war namely that of President Fuad Chehab

(1958-1964). The chapter then analyzes the patterns of administrative reform in the post-war period and the serious political and economic constraints that are working against the government's half-hearted reform attempts.

**Chapter 8** examines administrative reform policies and actions in the telecommunications sector in the wake of the war. The chapter presents an overview of current global trends in telecom reform. In light of this review, the chapter examines the Lebanese telecommunications sector (current institutional framework, the fixed line segment, the cellular segment, the Internet and data segment) and assesses its performance against international best practice. The chapter also highlights the underlying dynamics of reform in Lebanon.

**Chapter 9** examines the current status and institutional organization of the transport sector in Lebanon and the specific reform policies that have been recently initiated (1990-present). While an overview of the entire Lebanese transport sector is presented, the focus is primarily on land transport reforms and policies. The chapter sheds light on land transport conditions and policies and recent reform initiatives in this sector. It also highlights the underlying dynamics of reform in Lebanon.

**Chapter 10** presents the conclusions of the dissertation.

## **CHAPTER 2**

# **ADMINISTRATIVE REFORM: THEORETICAL TRENDS**

### **INTRODUCTION**

Administrative reform theory has always been polarized between a branch of political science and managerial or organization studies. Theories of bureaucracy occupy a middle ground between these two ways of studying the public service. This chapter reviews the administrative theories, explicit or implicit, that reformers have generally used to organize their thoughts and the influence these have had on administrative change. Specifically, the chapter examines three periods in the development of administrative theories during this century, followed by an assessment of each. The chapter then presents an alternative paradigm, namely that of the 'new institutionalism'. The chapter concludes by presenting some fruitful hypotheses and a tentative hypothetical model to be potentially explored in the context of Lebanon.

### **FIRST PERIOD: TRADITIONAL (CLASSIC) PUBLIC ADMINISTRATION**

The first period in administrative theory started well before 1900. In Britain, it can be traced back to the Northcote-Trevelyan Report of 1856, and in the US to the Civil Service Act (the Pendleton Act) of 1883. The traditional model of public administration that evolved during this period can be characterized as an administration under the formal control of the political leadership, based on a strictly hierarchical organization, staffed by neutral and permanent officials involved in administering policies decided by politicians (Hughes, 1994). Its theoretical foundations derive from writers in several countries: from the Northcote-Trevelyan Report in the UK; Woodrow Wilson and Fredrick Taylor in the US; and the bureaucratic model associated with the Germany of Max Weber.

Hence, the traditional theory of public administration began in the nineteenth century, became formalized somewhere between 1900 and 1920, and lasted in most Western countries largely unchanged until the middle of the twentieth century. The beginning of the traditional model is often ascribed to mid-nineteenth century Britain. In 1854, the Northcote-Trevelyan Report recommended that 'the public service should be carried out by the admission into its lower ranks of a carefully selected body of young men', through the establishment of a proper system of examinations. Specifically, the Northcote-Trevelyan Report, recommended:

- ❑ The abolition of patronage and the substitution of recruitment by open competitive examinations under the supervision of a central examining board;
- ❑ Re-organization of office staffs of central departments in broad classes to deal with intellectual and mechanical work respectively; and
- ❑ Filling higher posts by promotion from inside based on merit (Hughes, 1994).

The Northcote-Trevelyan Report thus signals the start of merit-based appointments to the public service and is often taken to represent a beginning to the traditional model of public administration.

Around the same period, a sharp distinction was drawn in the United States between political and bureaucratic roles and functions, expressed at the extreme limit by Woodrow Wilson's contention that administration constituted an independent domain of sound scientific practice, which would be equally relevant and responsible to any form of political leadership. "The broad plans of governmental action are not administrative; the detailed execution of such plans is administrative" (Wilson, 1887, p. 209). Also, "the field of administration is a field of business. It is removed from the hurry and strife of politics" (Wilson, 1887, p. 211).

The rationale of this system was of course to insulate public administration from political favoritism and intervention. However, despite Wilson's words, the relationship during this period did not evolve as simply one of political direction and administrative compliance. It was soon realized that this simple division of labor was much harder to implement than to assert and that the execution of public policies necessarily involves choices among policies. Hence, the clean division of labor between politics and administration, although an appealing concept, was unfortunately completely disconnected to reality. Instead, in many countries, a kind of bargain was struck between political and bureaucratic roles, whereby each participant had a distinctive realm of competence and authority (Self, 1997).

In this same period, the concepts of 'scientific management' emerged gradually as the dominant paradigm of efficient administration. The title of 'Father of Scientific Management' is usually bestowed on Frederick Taylor (1856-1915), the engineer who wrote several papers on time and motion study and their relationship to piece-rate wage systems. His most notable published work was the *Principles and Methods of Scientific Management*, in which he set out his ambitious intentions:

FIRST: To point out, through a series of simple illustrations, the great loss which the whole country is suffering through in-efficiency in almost all of our daily acts.

SECOND: To try to convince the reader that the remedy for this inefficiency lies in systematic management, rather than in searching for some unusual or extraordinary man.

THIRD: To prove that the best management is a true science, resting upon clearly defined laws, rules, and principles, as a foundation (Taylor, 1911, pp. 5-7).

Hence, Taylor's objective was to convince the reader that every single working act can be reduced to a science. His main asset, however, was an articulate style, an evangelical fervor, and a choice of themes that set sympathetic chords vibrating throughout America. 'Efficiency' soon became an important gospel, and the principles of scientific management were applied with

crusading zeal to many aspects of production, and almost every function of industrial management (Dunsire, 1973). For Taylor and his associates, the term scientific management implied the replacement of hunch by observation and measurement, and of traditional practices by calculation and rational methods.

Indeed, there were two main points to Taylor's theory: standardizing work, which meant finding the 'one best way of working' and 'controlling so extensively and intensively as to provide for the maintenance of these standards' (Kakar, 1970, p. 3). Scientific management involved: i) time and motion studies to decide a standard for working; ii) a wage incentive system that was a modification of the piecework method already in existence. Taylor's system was thus perfectly attuned to a formalized bureaucracy. The ideas of 'one best way' and systematic control were a perfect fit with the rigid hierarchy, process and precedent. Standardization of tasks and fitting workers to them was thus perfect for the traditional model of administration (Hughes, 1994).

Taylor's influence was dramatic. His theory of scientific management offered an adequate basis for introducing systematic procedures in the practice of public administration.

Scientific management did not waste away in textbooks; it was highly influential in the practice of public administration and in government research...The influence of public administration reached its zenith as the faith in scientific management and the scientific principles spread and established itself as the prevailing orthodoxy...Scientific management dominated public administration from about 1910 to 1940 and helped crystallize public administration as an academic field (Bozeman, 1979, pp. 33-4).

Taylor's influence on public administration lingers on today. Although particular points of his theory could be disputed –his theory of personal motivation and his time-and motion studies- the idea that management could be systematic remained important in the public sector and clearly fitted well the traditional (classic) theory of bureaucracy. As Stillman argues: "It all fits neatly together: a strong effective administrative system could flourish if politics was restricted to its proper sphere, if scientific methods were applied, and if economy and efficiency were societal goals" (Stillman, 1991, p. 110).

The concept of 'scientific administration' continued to evolve and received further reinforcement by the publication by L. Gulick and F. Urwick of their *Papers on the Science of Administration* (1937). These papers, containing eleven essays about public administration as a science, reinforced the burgeoning confidence in the existence of common principles of administration, which transcend frontiers, time, and purpose. Gulick, then member of President Roosevelt's Committee on Administrative Management, suggested that administration can be analyzed in terms of five components: foreseeing, organization, command, co-ordination, and control, which prefigure the acronym that he assigned for the work of the chief executive,

POSDCORB- Planning, Organizing, Staffing, Directing, Coordinating, Reporting, Budgeting (Gulick and Urwick, 1937, p. 14).

The most important theoretical influence on the traditional model of administration, however, came from the bureaucratic model associated with the Germany of Max Weber. There are some arguments about the timing and the direct influence of the ideas of Max Weber as his work was not translated to English until many years after it was written. There is unanimous agreement, however, that Weber's theory of bureaucracy was a founding principle of the traditional model of public administration. Indeed, throughout its long history, the traditional model followed Weber's theory to the letter, either implicitly or explicitly (Hughes, 1994).

In setting out a basis for his theory, Weber postulated that there were three types of authority: the Charismatic – relying on the personal appeal of an extraordinary leader-; the traditional – relying on customs and traditions; and the legal-rational authority. The latter was perceived as the most legitimate and efficient, and formed the basis of his theory of bureaucracy. Within the meaning of legal-rational authority, Weber set out an ideal-type bureaucratic structure that is routinized (tasks organized in an on-going pattern), specialized (tasks distributed according to functions and expertise), hierarchical (tasks and positions arranged in ranks or levels of authority), impersonal (office duties free from personal considerations), and documented (all transactions constituting written records).

Within this bureaucratic structure, Weber envisioned the individual official as playing a key role. His office holding is considered a vocation, following examinations and a rigorous course of training. Entrance into an office was considered by Weber as an acceptance of a specific obligation of faithful management in return for a secure existence. Part of the lifetime and full-time career of the public servant was the principle of a fixed salary and the prospect for advancement through the hierarchical structure. "The pure bureaucratic official is appointed by a superior authority; normally, his position is held for life; and he receives the regular pecuniary compensation of a normally fixed salary and the old age security provided by a pension" (Albrow, 1970, pp. 44-45).

These two principles – the model of the ideal-type bureaucracy and the position of the official in it- had specific purposes. The general aims were to provide for certainty, impartiality, and efficiency. Hence, the principle of the specialization of functions is meant to increase productivity; the hierarchy of authority and the system of rules make for certainty in decisions; and the impersonality of the system implies impartiality and objectivity. The idea was thus to create a system that was at the highest possible level of technical efficiency. As Weber argued:

The decisive reason for the advance of bureaucratic organization has always been its purely technical superiority over any other form of organization. The fully developed bureaucratic mechanism compares with other organizations exactly as does the machine with non-mechanical modes of production. Precision, speed, unambiguity, knowledge of the files, continuity, discretion, unity, strict subordination, reduction of friction and personal costs – these are raised to the optimum point in the strictly bureaucratic organization (Weber, in Gerth and Mills, 1962, p. 214).

Weber's model was readily embraced in the public sector. It was precisely this model, combined with the politics-administration dichotomy, and scientific management, which gave a form and purpose, a self-confidence to both the practice and the study of administration in the 1920s and 1930s. It was also a combination of these ideas, which formed the basis of the traditional model of public administration. Although many aspects of this theory are now disputed, and the traditional model is now attacked for being bureaucratic and technically inefficient, it is nevertheless salutary to remember that it was itself an improvement over earlier traditional and ascriptive forms of administration.

### **TRADITIONAL (CLASSIC) PUBLIC ADMINISTRATION: SUBSEQUENT DEVELOPMENTS**

The traditional model of public administration was first undermined by the motivational evidence of the human relations school and discovery of the relevance of informal networking and adaptations. The new science of social psychology had been developing separately a set of theories about human behavior in industrial and other settings. Their new approach began to discredit the possibility of rationalizing, 'will-realizing' processes, and scientific management's view of man as "an economic creature, limited in his pursuit of gain only by his physiological capacities" (Silverman, 1970, p. 75).

The work, which ended this way of thinking about workers in industry, known as the 'Hawthorne experiment', began from a perfectly orthodox investigation of the effects in a telephone manufacturing plant of variation in standards of illumination on output. What emerged was the importance, for the understanding of the relationship between the individual and his employing organization, of the intervening social grouping, the small face-to-face work group. Such small groups generate their own codes of acceptable behavior and social norms, and these become an additional set of variables to be taken into account for anyone investigating the response of the individual/worker to his work environment.

The study of small groups as such, or group dynamics, took off largely from Hawthorne. But of possibly more significance was the recognition that work, for the worker, was not merely an economic necessity, but also a psychological one.



The belief that money is the sole, or even the most important of several, motives for work, is so foolish that anyone who seriously holds this opinion is thereby rendered incapable of understanding either industry or the industrial worker (Brown, 1954, p. 188).

Although the human relations school had its roots in social psychology, it became a continuing tradition in public administration. Some argue that its influence continues today in the debate over new public management.

The significance of this work for managerialist ideologies today is that it established the idea that informal relations within the organization are of considerable importance. It is not only the formal organization chart, distribution of functions and systems of work measurement which are important, but also the feelings, values, informal group norms, and family and social backgrounds of workers which help determine organizational performance. Subsequently, this general message has been developed in many and various detailed applications – modern techniques of job enrichment, participative management styles, and self-actualization are part of the intellectual heritage of the human relations school (Pollitt, 1990, p. 17).

Certainly at the level of practical recommendation or industrial consultancy, the social psychology school (of whom the leading American names in the generation following that of Mayo are R. Likert, C. Argyris, and D. McGregor) has had enormous influence in achieving currency for the idea that authoritarian or disciplinarian attitudes in management and supervision do not pay off as well as do attitudes which allow employees to satisfy their needs for social belonging and self-fulfillment at the same time as they work for organizational goals.

It was another air of the 1950s, which similarly destroyed the confidence of 'scientific management'. Another group of scholars, of which the leading names in this regard are Herbert Simon and Robert Dahl, had in common a much more rigorous notion of what constitutes scientific method, out of which arose what came to be called the 'behaviouralist' attack on older schools of political science and administrative theory. Simon for example retained a dichotomy between statements of fact and statements of value or those aspects of decision-making that are amenable to scientific reasoning, and are 'rational', and those which are not. Hence, although efficiency was still important to Simon, he argued that one could not apply the notion of efficiency to values, and hence the need to isolate those from the decision-making process.

Similarly, Dahl, in an article called '*The Science of Public Administration: Three Problems*' (1947), identified three problematic aspects of the traditional model. The first problem was the assumption of the classical theorists that administration was a purely technical matter, value-free, unconnected with ends or purposes. The second attacked the concept of an 'administrative man' who would be purely rational. Dahl suggested that administrative theory must also account for non-rational behavior and for influences inseparable from the particular environment –democratic, capitalist, industrial, etc. The third problem pointed out the

American-centered or Western-centered nature of classic theory, which is evident in its claim to 'universal principles'.

The scholarly death-blow to the simplistic formulation of the classic politics-administration dichotomy came in Paul Appleby's *Policy and Administration* (1949). Appleby, who occupied high positions in the US federal service throughout the Roosevelt era, pointed attention to the reality that the level at which a decision is made (political Vs administrative) varies constantly depending on the nature of the decision, and its accorded importance. "The level at which a decision is to be made, therefore, may be shifted downward or upward as evaluations point to more or less controversy, or to more or less importance" (Appleby, 1949, p. 12). Hence, little progress can be made in a distinction between 'policy' and 'administration'. Politicians administer on occasions, that is they decide questions, which have to do with the carrying out of policy rather than its determination, and officials cannot avoid making policy decisions. "In the perspective of an outside observer, policy and administration are treated together at every level" (Appleby, 1949, p. 21).

#### **TRADITIONAL (CLASSIC) PUBLIC ADMINISTRATION: A CRITICAL ASSESSMENT**

The traditional model of public administration was an outstanding success in its time, and was widely emulated by governments worldwide. The model evolved through the mid-twentieth century into a distinct paradigm: a school of thought based on firm theories and assumptions. As both theory and practice, it had its good points. Compared to earlier forms of administration that were rife with corruption, it was more efficient and professional. However, despite its years of worthy service, there are major criticisms of the traditional model. Its theories and practices are now considered obsolete, and no longer adequate for management in the public sector. "It was a good model for a long time, but its time has passed" (Hughes, 1994, p. 42).

The first component of the model, the politics-administration dichotomy, advocated by Wilson to counter the spoils system, was never realistic, and in its original home, was never really followed. Relationships between politicians and bureaucrats are complex and fluid and hence do not reflect the formal, linear logic of the Wilson model. In reality, the two are effectively "fused with politicians performing administrative duties and administrators assuming political responsibilities" (Caiden, 1982, p. 82). The attempt to be non-political implied a reluctance to recognize the policy and political significance of public service work. The dichotomy therefore came to be widely regarded as a myth, especially useful for the evasion of responsibility.

The principles of scientific management, the second component of the model, were undermined by the motivational evidence of the human relations school and the discovery of the relevance

of informal networking and adaptations. Taylor’s attempt to equate motivation with pay incentives was subsequently discredited as well as his view of the worker as an automaton responsive only to financial incentives. His ideas of control and standardization were also disputed as well as his popular ‘one-best-way’ theorizing. Scientific management’s most critical shortcoming was however attributed to its inability to acknowledge the complexities of workplace norms and aspirations, or the equally complex issues of cognitive and motivational biases in decision-making.

The third component of the model, the Weberian model of bureaucracy, came to be viewed as old-fashioned and obsolete. Formal bureaucracy was argued to breed timeservers not innovators, to encourage administrators to be risk-averse, rather than risk-taking and to waste scarce resources instead of using them efficiently. Weberian bureaucracy was thus criticized for producing inertia, lack of enterprise, red tape, mediocrity and inefficiency. It was rigid, narrowly focused and pre-occupied with structure and process. Thus, it was simply difficult for talent to flourish within the rationalistic/mechanistic principles of bureaucratic organizational control. Bureaucracy is therefore no longer considered an efficient form of organization. Table 1 presents prevailing criticisms of the traditional model of public administration.

Table 1. Criticisms of the Traditional Model of Public Administration

<i>The Traditional Model of Public Administration: Aspect or Component</i>	<i>Criticism(s)</i>
Politics/Administration Dichotomy	Unrealistic; politics and administration are effectively fused/intertwined
Scientific Management Principles	Simplistic, prescriptive, do not acknowledge the complexities of workplace norms, beliefs and aspirations
Bureaucratic Model	Rigid, rationalistic, mechanistic, narrowly-focused; preoccupied with structure and control

A more important criticism in the context of this thesis is the traditional model’s prescription of universal principles / universal management tool kits to be exported across boundaries/frontiers. This naive faith in universal scientific principles was exported to newly independent nations to set them on the track to modernization. The assumption was that the problems of under-development in the third world were amenable to simple and straightforward solutions by the application of rational management techniques. Thus, in its early days, the traditional model of public administration reflected the naïve optimism and ethnocentricity of modernization theory and overlooked the tenacity of tradition and embedded contextual differences.

By 1955, however, problems were encountered in the context of developing countries, as the principles of scientific administration -the pristine value orientation of American administration- simply did not fit the immutable realities of most of the developing countries of the world. It

was soon realized that the normative elements of scientific administration are predicated upon a certain kind of political context, the kind of context, which is distinguished in its absence from nearly every developing country in the world. There was also embedded in them an ideology – a set of assumptions about certain basic values – values that did not necessarily fit the circumstances to which they were being transferred.

Hence, by 1955, the instrumental mythos of American public administration had lost much of its ascribed validity abroad. Ironically, the dominating eminence of Weber and Taylor was eroding in the US among leaders of administrative thought. An international orthodoxy thus gradually emerged that there were important differences between public administration across countries, and it gradually increased in intensity in light of repeated failed interventions in the context of the developing world. This in turn engendered a period of self-criticism, reflection and uncertainty, which gradually acquired momentum and was reflected in the orientation of the new public administration paradigm.

## **SECOND PERIOD: NEW PUBLIC ADMINISTRATION**

The Minnowbrook conference of September 1968 at the site of Syracuse University indeed epitomized this sense of self-criticism and uncertainty. The mostly young participants in the conference were united by their disillusionment in the orthodox bureaucratic model and a sense that public administration (both study and practice) was not responding in appropriate measure to critical concerns and problems (Waldo, 1970). Although the conference raised important issues (mainly themes of relevance, ethics, values, social equity, adaptation, and client focus), the extent to which it reflected and helped catalyze a ‘new’ public administration remains a disputed question.

The faith that there is a new public administration is held in different degrees even by those widely credited with being a part of a new public administration. In some circles, the Minnowbrook conference is considered an important – perhaps formative or critical-chapter in the genesis of a new public administration. For the time being, I prefer to put ‘newness’ forth as a question, rather than an assertion or a celebration (Marini, 1971, p. 1).

Clearly, there was disagreement even among the participants in the conference, both as to the present state of the discipline and probably as to the value of the Minnowbrook meeting. A majority of participants, however, found the present field of public administration wanting, not only a reliable set of techniques to guide the contemporary public administrator, but equally a set of concepts and ideas to explain the modern world of administration (Marini, 1971, p. 14).

It is important to emphasize that the Minnowbrook conference took place in the context of urban riots, long-term discrimination against racial minorities, and a failing and deadly war in

South-east Asia. This turbulent context certainly had an influence on the choice of themes and lines of inquiry. Hence, it should not be surprising that 'relevance' emerged as an extremely popular word at Minnowbrook. Relevance simply implied that the discipline and profession of public administration was out of keeping with the problems faced in society (La Porte, 1971). The intractable character of many public problems such as urban poverty, unemployment, disease, and ignorance coupled with rapid economic growth justified the common interest at the conference in the theme of relevance.

The same issues also lead into the second major rubric of the Minnowbrook meeting: the concept of social equity. The rationale for public administration has always been better (more efficient or economical) management. New public administration adds social equity to the classic objectives and rationale. Hence, conventional or classic public administration seeks to answer either of these questions: 1) How can we offer more or better services with available resources (efficiency)? And/or 2) How can we maintain the level of services while spending less money (economy)? New public administration adds the question: Does this service enhance social equity? (Frederickson, 1971).

A fundamental commitment to social equity implies that new public administration is actively engaged in change. "Simply put, new public administration seeks to change those policies and structures that systematically inhibit social equity" (Frederickson, 1971, p. 312). This implies a break from the prevailing emphasis on value-free or value-neutral empirical research. Zimring, for example, believes that new public administration necessitates that social scientists make value judgments in their professional capacities and apply their talents for the improvement of the human condition (Zimring, 1971). Although this belief did not meet with unanimous support at Minnowbrook, it does underline the desire/commitment to make the academic study of public administration directly concerned with questions of social justice.

The third major rubric of the conference was the attempt to find organizational forms, which exhibit a capacity for continued flexibility and adaptability. This was, in part, a reaction to the demonstrated inclination of traditional bureaucracy to routine and stability. Hence, new public administration in its search for changeable structures advocated modified organizational forms. "Decentralization, devolution, projects, contracts, sensitivity training, organization development, responsibility, expansion, confrontation, and client involvement are all essentially counter-bureaucratic notions that characterize new public administration" (Frederickson, 1971, p. 311-313). These concepts were designed to enhance both bureaucratic and policy change, and thus to increase the possibility of new public administration meeting its goals - good management, efficiency, economy, and social equity.

## NEW PUBLIC ADMINISTRATION: A CRITICAL ASSESSMENT

The new public administration arose from the evident observation that there were fundamental changes occurring in society, which have salient implications for both the study and practice of public administration. Hence, the new public administration attempted to address issues of relevance, social equity, and the need to advance new theories and organizational units capable of adapting to rising environmental turbulence.

The emphasis of the new public administration on relevance contrasts sharply with the universalistic zeal of the traditional model. New public administration realizes in this respect that organizations are embedded in a dynamic social and political ecology and tries to address the problem of reconciling organizational statics with social and political dynamics. The new public administration's call for relevance implies responsiveness to the pressing issues of the day – poverty and racial injustice. These same issues, however, were completely overlooked by the traditional bureaucratic model.

The second and related emphasis of the new public administration is on social equity. In this respect, the new public administration is concerned with humanistic and democratic administration. For the new public administration, democratic government and issues of majority rule/minority rights are central. Also essential is the commitment to the effective and equitable provision of public services. The humanistic/social equity objectives of the new public administration again contrast with the efficiency-oriented, narrowly focused bureaucratic model of the previous generation.

The third emphasis of the new public administration is on the need for change and adaptation. The new public administration conception of change is process oriented, involving new flexible/malleable organizational forms. New public administration also advocates worker and citizen participation in decision-making. In this respect, it presents a somehow elevated conception of citizenship, a vision of the informed, active citizen participating in a range of public activities. This perspective is like the “strong democracy” argument and is consistent with new public administration's overall orientation.

Moreover, the new public administration calls for shifting the emphasis from managing the insides of an organization to managing boundary relations with citizens, other government agencies, and interest groups. It also places high value on better, more creative, and more sensitive management. And although new public administration exhibits frustration with the bureaucratic model, it recognizes that solutions to bureaucratic problems are often surprisingly bureaucratic or organizational in character.

The need for change is definitely the dominant theme in the new public administration paradigm. However, it is a conception of change that is humanitarian, institutional, and organizational. This rather conservative and humanitarian orientation to change, in turn contrasts with that of the next paradigm, the new public management paradigm.

### **THIRD PERIOD: NEW PUBLIC MANAGEMENT**

The 1980s and early 1990s have seen the emergence of an alternative and somewhat revolutionary paradigm in the public sector. This new paradigm is characterized by different names: managerialism (Pollitt, 1990), new public management (Hood, 1991), or entrepreneurial government (Osborne and Gaebler, 1992). These various names reflect different views and approaches to change in the public sector. However, they all share a commitment to move away from the traditional bureaucratic model in the direction of flexible organizations, customer-focus and the achievement of results. Driving all these models are the virtuous three Es: economy, efficiency, and effectiveness (Hughes, 1994).

The new public sector paradigm – which will be referred to here as new public management – came about in response to a number of environmental forces which governments have had to face in the past fifteen years. Wright (1994) summarizes the pressures for change as follows:

- ❑ Internationalization of industrial and financial markets which is creating great problems of international, transnational or cross-border administrative coordination.
- ❑ Economic and financial pressures caused by problems of public debt and public deficits. This is the greatest single pressure for reform, as confessed by several governments.
- ❑ A general paradigm shift, with a strong ideological bias against the state, big government, and bloated bureaucracies. This paradigm has been largely fed by neo-liberalist theories like public choice theory and principal agent theory.
- ❑ Technological change or the explosion of the so-called convergent information technologies (CIT) involving an increasingly intimate relationship between computer data processing, telecommunications and office automation products.
- ❑ The democratic pressure, with its many and potentially conflicting strands and demands: more and better yet cheaper services; greater effectiveness yet greater transparency and access; quicker decisions yet more citizen participation; and greater representation.
- ❑ Generalized disgruntlement at the performance of the public sector. The public sector is allegedly too powerful and too intrusive, or too weak and too ineffective.
- ❑ The managerial revolution which has called into question traditional procedures and styles, and which claims that efficiency lies in smaller, more decentralized, and more autonomous managerial units, flattened hierarchies, and more participation of the lower echelons. Also insufficient attention to goals, outputs and performance (Wright, 1994, pp. 104-107).

The public sector, as the major agent of the state, has therefore been caught at the cross roads of these multiple and conflicting pressures. Large and expensive public sectors were difficult to maintain in a new environment of recession and global economic competition. Public debt problems created pressures to cut programs and/or increase efficiency. These developments coupled with the rise of information technology, more demanding consumers, and more knowledgeable workers necessitated a shift in paradigm. The response generally evolved in the form of new public management.

Hood (1991) considers the managerial program or 'new public management' as comprising seven main elements:

- ❑ *Hands-on professional management.* This means visible, discretionary control for managers or letting managers manage.
- ❑ *Explicit standards and measures of performance.* This requires goals to be defined and performance targets to be set.
- ❑ *Greater emphasis on output controls.* This implies that resources are allocated to specific areas and performance measured accordingly.
- ❑ *A shift to dis-aggregation of units.* This involves the breaking-up of large entities into corporate units organized around specific products.
- ❑ *A shift to greater competition.* This involves a move to term contracts and public tendering procedures.
- ❑ *A stress on private sector styles of management.* This implies a move in the direction of flexibility in hiring and rewards.
- ❑ *A stress on greater discipline and parsimony in resource use.* This involves cutting costs, raising labor discipline, resisting union demands, and limiting compliance costs (Hood, 1991, pp. 4-5).

Wright (1994) summarizes the essence of new public management in the following way:

New public management is rooted in attention to substance and not process, in constructing and assessing specific rather than general objectives and goals, in treating people as customers, in encouraging competition between service providers, in decentralizing decision-making, in improving financial management techniques, in introducing efficiency indicators and corporate planning methods, and in exploiting private human resource management practices and information services (Wright, 1994, p. 108).

In sum, there are four kinds of changes that constitute the new public management program: first, changes to focus on outputs (specific objectives and performance measures); second, alterations to administrative inputs, such as staff cuts, hiring by contracts, incentives and performance appraisal; third, changes to the scope of government agencies (i.e. reducing



government functions through privatization, contracting-out, tendering); and fourth, changing accountability relationships with the political leadership and the public, as managers become responsible for results (Hughes, 1994).

A powerful continuation/extension to the new public management paradigm came from two writers, David Osborne and Ted Gaebler, whose book *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* set sympathetic chords vibrating throughout America. The authors mixed into their book a heady brew of the ideas of free market economics, with the most popular of the current business motivational literature and dashed it with their own journalistic style (Moe, 1994, p. 111). “The Osborne-Gaebler book launched a flotilla of reformers at every level of American Government” (Nathan, 1995, p. 213).

In this book, Osborne and Gaebler emphasize the need for a paradigm shift to supplant the traditional and obsolete bureaucratic model and hence change the basic style of governance.

The kind of governments that developed during the industrial era, with their sluggish, centralized bureaucracies, their preoccupations with rules and regulations, and their hierarchical chains of command, no longer work very well...bureaucracies designed in the 1930s and 1940s simply do not function well in the rapidly changing...society and economy of the 1990s (Osborne and Gaebler, 1992, pp. 11-12).

Osborne and Gaebler contend that to change this outdated model, a new form of governance must be created, one that is adaptable, responsive, efficient and effective. It must be able to produce high quality goods and services, be responsive to customers, be led by persuasion and incentives, empower clients, and above all –be entrepreneurial. Achievement of this dramatic transformation is spelled out by means of ten principles, each of which constitutes a chapter of the book: These are:

1. Governments should skillfully select alternatives to in-house delivery, such as contracting out, entering into public-private partnerships, and utilizing such devices as vouchers, volunteers, seed money, and quid pro quos.
2. Government officials should empower clients to participate in management by means of governing councils and management teams.
3. Review of agency performance and fund allocation should be based not on program inputs but policy outcomes.
4. Agencies should minimize the number of rules by which they operate and dedicate themselves to a clear, one-niche mission.
5. Clients must be regarded as customers. This calls for giving them choices, surveying their attitudes, making services convenient, training employees in customer contacts and providing 800 numbers and suggestion forms.

6. Government should not just deliver services to meet needs, but prevent needs from arising in the first place. Examples are fire prevention, preventative maintenance and recycling.
7. Governments should not just spend money, but earn it as well, for example from user fees, shared savings, enterprise funds, loan pools, and internally competitive profit centers.
8. Centralized institutions should become decentralized, with hierarchical control giving way to devolved authority, teamwork, participatory management, labor-management, quality circles, and employee development programs.
9. Competition should be injected into the governing process by such methods as bidding for tasks, internal rivalry among subunits, and competition among services for clients.
10. Government should not attempt to achieve its ends only by command and control, but also by restructuring markets. Illustrations are subsidized health insurance and emissions trading (Goodsell, 1993, p. 85).

Osborne and Gaebler's ten entrepreneurial principles entail the following public sector reforms:

1. Competition between service providers ↔ Competitive government
2. Empowering citizens ↔ Community-owned government
3. Focusing not on inputs but outcomes ↔ Results-oriented government
4. Driving by goals not by rules and regulations ↔ Mission-driven government
5. Redefining clients as customers ↔ Customer-driven government
6. Prevention of problems rather than treatment ↔ Anticipatory government
7. Earning money, not just spending it ↔ Enterprising government
8. Decentralizing authority ↔ Decentralized government
9. Catalyzing public, private, and voluntary sectors ↔ Catalytic government
10. Market mechanisms rather than bureaucratic mechanisms ↔ Market-oriented government

Hence, the title of their book *Reinventing Government*, in the sense that if the ten entrepreneurial principles depicted here are fully implemented, they will result in a government so changed as to merit the description of reinvented. They conclude their book with the following message:

Our governments are in deep trouble today. In government after government and public system after public system, reinvention is the only option left. But the lack of a vision – *a new paradigm* – holds us back. We hope the vision we have laid out will unlock the remaining gates – unleashing a paradigm shift throughout American government, from the smallest hamlet to the largest federal bureaucracy. We hope our road map will empower *you* to reinvent *your* government (Osborne and Gaebler, 1992, p. 331) (emphasis added).

Reinventing government is an important part of the new public management paradigm. No movement associated with the administrative aspects of modern American government has had the visibility of reinventing government. "The phrase reinventing government has entered the lexicon of government, and the constellation of ideas associated with it appears to have been extremely influential in the practices of government management at all levels"(Frederickson, 1996, p. 263). Reinventing the federal government is thus the main theme of the National Performance Review (NPR) presented by Vice President Al Gore to President Clinton in 1993.

The NPR report emphasizes the goal of changing the very culture of the federal government by empowering both customers and employees and fostering excellence. This report is important and influential, not so much for the actual written words and their recommendations as for the unwritten theory and assumptions that constitute the real objectives of the report writers. Hence, what is most important about this report is to be found in its theoretical intent and its unwritten assumptions about the nature of government agencies, their legal missions, and their professional culture (Moe, 1994).

#### **NEW PUBLIC MANAGEMENT: A CRITICAL ASSESSMENT**

New public management signals a true paradigmatic change in the public sector and the emergence of a post-bureaucratic culture based on responsiveness, trust, openness, encouragement and support. The new movement underlines a strong commitment to market approaches for the provision of public services and to mechanisms for individual choice. Customer satisfaction is however, to all accounts, the highest value in this new paradigm. It thus represents a dramatic move away from the traditional model and a clear-cut break with the humanitarian/democratic ethos of the new public administration.

New public management as an alternative paradigm may well offer a revolutionary approach to public sector reform. However, the trend toward new public management has not been without controversy. Some view new public management as offering a new way of looking at and carrying out functions within the public sector (Borins, 1995). Others, however, regard it as simply an uncritical adoption of the worst features of private management while ignoring the fundamental differences of the public sector environment. New public administration scholars particularly view the new paradigm as against the most cherished traditions and values of the public service.

The derivation of the new public management from a private business model is a first serious source of criticism. The new public management philosophy is rooted in the conviction that private sector management is superior to public service management because its methods and practices have been refined in the heat of market competition (Elcock, 1995). Hence, there is a

tendency to emulate in the public domain what is believed to be the best practice of management in the private sector, with little regard or consideration to the distinctive features and characteristics of the public sector.

The vocabulary of the new public management for example reveals the extent to which it borrows from the private world of business -empowerment, service to clients, earn rather than spend. However, it has been pointed out that there is a difference between citizens and customers/clients. Clients are sovereign and can hold business accountable through their behavior in a competitive market. Hence “the customer who dissatisfied with the product of one firm shifts to that of another, uses the market to defend his welfare and to improve his position” (Savoie, 1995, p. 116). Citizens on the other hand, hold their public servants to account, through their elected representatives and ultimately through the ballot box (Elcock, 1995).

Stewart (1998) for example points out that the word customer cannot encompass the variety of relationships between government and the public. For the private sector, the customer is normally the individual purchaser of the goods or services. In the public domain, there are users of the service who are not necessarily purchasers and there may be for some services collective customers rather than individual customers. Hence, the series of words that have been used in the past to describe the public in its relationship with government – patient, client, user, applicant, defendant- recognizes the differentiation and diversity of relationships better than the generality of the word customer (Stewart, 1998, p. 17).

More critically, the relationship with the public as citizens is ignored or distorted by the emphasis on the customer. “To treat the citizen as customer is to place severe limits on citizenship...To reduce the citizen to customer is to limit involvement in the process of government” (Stewart, 1998, p. 17). In a similar argument, Elcock points out that the users of the public services are not customers except in certain restricted contexts in the public services. “Indeed, as citizens their rights extend further than those of customers because they have the right to share in control over them...Citizens are also sometimes less than customers when they are obliged to submit to coercion by the State” (Elcock, 1995, p. 46).

Beyond this specific contention, there is the overall issue that the new public management philosophy is rooted in private management practices. Hence, Elcock argues that “those generic management principles for which extensive claims have been made, have been developed in business management, where the objective of the organization is ultimately clear and unambiguous – to maximize its profit” (Elcok, 1995, p. 37). In the public domain, however, the objectives, demands, and interests that have to be balanced are complex and there is no one

overriding aim or objective. “Public-sector objectives are multiple, overlapping and frequently nebulous” (Wright, 1994, p. 126).

The reality of the public domain involves pressures and protest, bargaining and negotiation as well as choice and action...management in the public domain has to be grounded in the distinctive purposes of the public domain which political theory would suggest involve democracy, community, citizenship, equity and discourse (Stewart, 1998, p. 23).

Another source of criticism is that change in the new public management – or more specifically in reinventing government- tends to be articulated in dichotomous couplets such as:

- Steering rather than rowing
- Empowering rather than serving
- Earning rather than spending
- Preventing rather than curing
- Mission rather than rules

Some scholars have argued that these precepts provide little practical guidance because they pose a series of choices (steer/row, prevention/cure, mission/rules) as though they are opposed to each other, while effective management requires finding the right balance between those opposing poles.

There is a tendency in organizational change to treat organizational characteristics as absolutes to be pursued rather than as on dimensions drawn between opposing characteristics, each of which has strengths and weaknesses. Thus decentralization may be seen as desirable, but it should not be pursued without regard for central direction. The problem is to achieve the right balance between centralization and decentralization. While flexibility may be seen as an organizational asset, flexibility has to be set within structure. Balance has to be achieved between continuity and change; standardization and responsiveness; and the balance will vary between organizations and over time (Stewart, 1998, p. 18).

Other scholars find Osborne and Gaebler’s entrepreneurial principles (recipes) lacking in coherence and consistency.

Osborne and Gaebler’s new paradigm looks like another case in public administration where doctrinal tendency and counter-tendency are presented simultaneously...Osborne and Gaebler’s own set of alternatives to progressive public administration is a collection of remedies which are more notable for their diversity, and even their internal contradictions, than for any single coherent underlying theme...Given the force of mutual repulsion which each of these recipes for good public management exerts against each other, it seems inherently difficult for public management controls to settle down into a stable hybrid form, at least for very long (Hood, 1995, pp. 107-111).

The contradictory/mutually-repulsive nature of the entrepreneurial model prescriptions have also been nicely illustrated in a recent article *Shouldn’t Row, Can’t Steer: What’s a Government*

*to do?* In this article, Peters (1997b) expresses the view that while public sector organizations are being told that they are not good at rowing, they are simultaneously cautioned, by some critics, that they are equally inept at steering.

On the one hand, governments are being told that they are not very good at managing operations and should stick to policy- in other words to steering. One of Osborne and Gaebler's little homilies about governing is that governments should steer and not row. On the other hand, however, governments are told that they are not very good at directing society and should instead merely continue to run relatively routine public functions. What role is there remaining for government in this view of the contemporary governing process? (Peters, 1997b, p. 53).

Yet, while states are being told that they are not particularly good at either steering or rowing, there appears to be an increasing set of demands made upon them for exercising some control over society. Thus for example, despite market deregulation, there are many new pressures for public regulation, including urgent environmental issues that states are being called upon to attend to. "It now appears appropriate for governments to intervene rather forcefully for purposes of environmental control" (Peters, 1997b, p. 54). Similarly under conditions of intense competitiveness and globalization, citizens appear to be demanding some protection from international economic forces. Hence, state withdrawal in one direction may trigger increased state interventionism in another (Wright, 1994).

A continuation for the argument is provided by Painter, who suggests that the role of government has, if anything become more critical/important in this day and age.

Indeed, given the high quality inputs that corporations rely upon in order to succeed in today's super-competitive global market, the role of government as educator, trainer, research funder and infrastructure operator, has, if anything, become even more important. Seen from this perspective, the idea of the market and the state as diametrically opposed systems of social organization is a false antithesis, the position instead is often one of inter-dependence and complementarity (Painter, 1994, p. 249).

Another serious contention has to do with a potential fragmentation of governance resulting from the prescriptions of new public management. The process of breaking-up large organizations into disaggregated units through contracting-out and tendering may lead to fragmented, user-hostile systems unable to cater holistically for the needs of individuals. "While differentiation is required, the process has resulted in a structure of government in danger of being a series of separate units each focused on a limited task, without sufficient capacity to work across units" (Stewart, 1998, p. 19). "Empowerment and hiving off of activities into new executive or special operating agencies will make it more difficult to promote coherence in government policy and action" (Savoie, 1995, p. 119).

Stewart attributes the growth of fragmentation to lack of system overview and overall direction.

The growth of fragmentation came about as the result of steps taken without necessary regard to their cumulative effect...each change is justified in its own right, without regard to the overall impact on the system of governance. There is no capacity for overview of the system and hence a lack of understanding of the cumulative effect of changes brought about by the new public management. One change affects another and the implications have to be understood and anticipated (Stewart, 1998, pp. 19-20).

In this sense, the continuous multiplication of quasi-autonomous agencies and of sub-contracting agents, without overall purpose/direction, heightens an already acute problem of politico-administrative coordination (Wright, 1994). The most significant modification in this respect is to recognize the danger of fragmentation inherent in new public management prescriptions and to insist on the advantages of holistic government.

Hence, the adaptations involved in the new public management have not been without costs/problems. Contract management, for example, may lower costs and improve delivery standards but it erodes the status and responsibility of central departments and raises questions of confidentiality, accountability and legitimacy. Similarly, the multiplication of quasi-autonomous agencies may promote competition, but it also heightens already existing problems of politico-administrative coordination. Marketization increases efficiency and widens customer choice, yet it further obscures an already blurred public-private boundary. Also, state withdrawal in one direction tends to be compensated for or neutralized by state expansion in another as with the creation of increasingly intrusive regulatory agencies.

In this sense, the new public management changes have invariably been rife with tensions. This is especially true in view of their undermining of the remaining precepts of the traditional model (hierarchical lines, detailed rules, anonymity and uniformity) and of the new public administration ethos of equity, fairness and impartiality. Savoie (1995), for example, commenting on the often criticized bureaucratic rigidity, writes that “we all too often forget that one person’s red tape is another’s due process” (Savoie, 1995, p. 116). Similarly, Jordan (1994) blames the Osborne and Gaebler’s remedy for neglecting the fact that “traditional systems had defects as a consequence of delivering virtues such as reliability, fairness and probity” (Jordan, 1994, p. 278). Frederickson writes,

Certainly rules prevent some abuse and result in greater fairness and are rational if less abuse and fairness are called for. If efficiency and flexibility are preferred, then a rationality of tossing out rules and substituting the superiority of mission is called for. It is also likely that the results will be predictable – more efficient, innovative, and flexible government, and government that is less fair and more open to abuse or corruption (Frederickson, 1996, p. 266).

There have also been expressed concerns about problems of public service morale in the wake of the new public management. For example, performance-related pay, although sometimes desirable as a method of rewarding public sector managers, has a de-motivating effect on those

who do not receive it. Moreover, performance evaluation in the public sector is an intrinsically difficult exercise, given the collective nature of the work and the multiplicity of objectives. Using crude performance measures may thus be counter-productive and has been said to be symptomatic of a narrow 'neo-Taylorian' bias. More generally, the assumed superiority of private sector practices has undermined the intrinsic value of public service work, which is rooted in objectivity, regularity and predictability.

Accountability has been another contentious aspect of the new public management. Public sector accountability is a means of ensuring that community wishes and desires are reflected in the practices of government. In essence, political accountability means that politicians can be called upon to account by the citizenry, mainly through the act of voting. Hence, if the public servant is to be managerially accountable, this could be seen as detracting from the accountability of a responsible politician. The bureaucracy is also presumed to be indirectly accountable to the citizenry. The traditional model enforced accountability by relying on hierarchical lines of authority. Accountability in the managerial model, however, is more fluid and more political. This is seen as leading to an erosion and evasion of accountability under the new public management (Hughes, 1994).

Of course, disagreement and counter-arguments are abundant. Hence, Borins (1995) argues that the new public management is not slavishly following private sector ideas nor failing to recognize the differences between the public and private sectors. "Rather, it acknowledges that both the public and private sectors are confronting similar forces, and it is receptive to learning about how the private sector has responded and, where appropriate, adapting private sector learning to the public sector" (Borins, 1995, p. 124). Further, addressing the notion of accountability, Borins clarifies that "the new public management has thought about the question of accountability and argues that the two enemies of accountability are unclear objectives and anonymity. By emphasizing clear objectives and written performance contracts, the new public management increases rather than diminishes accountability" (Borins, 1995, p. 126).

Finally, the debate over the new public management raises the question of whether the traditional model has been effectively supplanted. There is a systematic bashing of bureaucratic principles in this new movement. This point, more than any other, has invited serious contention and criticism.

The public sector, as the major instrument of the state, functions according to norms deriving from many – often conflicting- rationalities: political, legal, institutional, technical, social and economic, but a large part of its logic still demands some form of Weberianism, with emphasis on uniformity, predictability, impartiality, anonymity, and juridication...The public sector has always had to juggle with many conflicting sets of values, including democracy (hence accountability), equity (involving uniformity) and efficiency (minimizing costs). Too much current radical reform of the public sector is



obsessed with efficiency, narrowly defined, and is based on a simplistic view of bureaucracy, a naïve view of the market, an idealized view of the private sector, an insensitivity to the hidden costs of reform, an over-optimism about outcomes, and perhaps, more fundamentally, a misleading view of the state (Wright, 1994, pp. 128-129).

Similarly, Self (1997) having comprehensively reviewed the new managerial changes writes,

Hence, it may be premature to announce the death of traditional bureaucracy. Doubtless, the style of bureaucracy will continue to change, there will be less hierarchy, more flexibility, and more delegation to operational units than in the past. There will be changes of fashion as the inevitable dilemmas or conflicts of administrative systems continue to be played out. But some of the features of modern bureaucracy as it came into existence, a century or so ago remain as or more essential to good government today. These include the possession of enough skills, status and independence to offer useful advice about the implementation of distinctive public purposes and to apply those purposes impartially and fearlessly...as Eva Etzioni-Halevy (1983) puts it, democracy (still) needs bureaucracy (Self, 1997, p. 19).

In a recent discussion, Wright (1997) eloquently sums up the paradoxes, which have been generated by recent processes of administrative modernization. The first such paradox is that the most radical reform programs appear to have been introduced in those countries with the least need. “Those countries with the greatest need, diplomacy forbids mentioning them here, have either few reform ambitions or totally inadequate reform programs” (Wright, 1997, p. 9).

The second paradox is that much recent reform has been inspired by private management theories, which are notorious for their fads and short life span. In this respect, he warns that “it does seem time for specialists of public administration to turn a more critical eye on the weaknesses and problems of private sector management, instead of limiting their analyses to the problems of the transplant of an idealized and misunderstood model” (Wright, 1997, p. 10).

The third paradox is that whilst many of the reforms are designed to cut costs and improve efficiency, the end result of some of them may be quite the opposite. “Take for example, evaluation, a current craze which tends to ignore the manpower costs involved in the process” (Wright, 1997, p. 10). In a similar way transforming citizens into clients or customers with clearly defined rights may have the effect of improving quality, but it also creates pressures for redress, often of a legal nature.

The related paradox of efficiency is such that while the current reform programs are intended to sensitize officials to the value of efficiency, which in itself is a desirable and legitimate objective, it is nonetheless obvious that such an exercise is politically loaded, since efficiency in the delivery of public goods involves complex political and social externalities. “We are not merely selling a disaggregated range of products like soap powder and potatoes. We are

juggling with multiple, interlinked and often conflicting and nebulous requirements” (Wright, 1997, p. 11).

More importantly in terms of the efficiency paradox is the question of whether efficiency is indeed likely to be maximized by systematically denigrating the ethos and ethics of the public service, and demoralizing and de-motivating those who uphold the principles of the public good. Thus if citizens are turned into customers, officials are also transformed into producers, motivated primarily by the logic and rewards of the private market place. “In that sense, the destruction of the public ethos is profoundly inefficient, even if the effects may take some time to emerge” (Wright, 1997, p. 11).

The fourth paradox relates to clarity and transparency, which are translated in the new public management into clear managerial goals/targets and combined with increasing managerial autonomy. This is leading, however, to the obfuscation of political accountability. “Managerialism is further blurring the lines of responsibility. It may be convenient for politicians to hide behind the smoke-screen of managerial discretion and autonomy, but this hardly adds to the democratic quality of decision-making” (Wright, 1997, p. 11).

A final paradox, according to Wright, is rooted in the reformers’ ambition to reduce the role of the state. Hence, observers now refer to ‘the disintegrative state’, ‘the frugal state’, ‘the strategic state’, ‘the enabling state’, ‘the evaluative state’, ‘the regulatory state’, and ‘the hybridized state’. However, radical reform programs designed to produce state retreat require a strong state to initiate and implement them. Moreover, state withdrawal in one direction may trigger increased state interventionism in another as with the creation of increasingly intrusive regulatory agencies.

These are the incoherencies, contradictions, and hidden costs of reform. The paradoxes outlined here are in short the reflections of the dilemmas of public administration, which is caught in the web of interactions between markets, state and society. They are also a reflection of some naivety and misunderstanding of the true nature of public administration, and an idealized view of the private sector and of the workings of the market.

If we compare an idealized view of the private sector and the workings of the market, with a bilious perception of the public domain, it is scarcely surprising that demands for reform should emerge. A more measured view of both would however lead us to prudence (Wright, 1997, p 12).

As early as the 1950s, Herbert Kaufman wrote about the conflicting values of public administration. At their roots, said Kaufman, government reforms involve calibrating values of neutral competence, representation, and efficiency. There is no reform effort in which these

values will be in perfect and permanent harmony. The work of reformers thus consists of constant adjustments to re-balance those values in relation to new conditions, values, and realities. In this sense, the design of government reform inevitably involves trade-offs and choosing between different packages of costs and benefits. Finding the right balance and calibrating different values has always been and is likely to remain the art and challenge of administrative reform -- both in theory and practice.

A final, and in the context of this thesis, very relevant criticism of new public management, is its tendency to prescribe simplistic universal principles, irrespective of national circumstances. Osborne and Gaebler imply that some kind of remorseless logic is at work given wider economic/social forces.

If the rise of the entrepreneurial government is an inevitable shift rather than a temporary fad, as we argue, one would expect it to happen in other nations as well. And to a starting degree, it has. A similar process of transformation is under way throughout the developed world (Osborne and Gaebler, 1992, p. 328).

This universalistic determinism is reminiscent of the traditional model's contention of universal applicability. Despite Osborne and Gaebler's claim to be dealing with a global phenomenon, the obstructive-ness of national values does raise the usual question of transferability.

Several writers (Hood 1995; Pollitt and Summa, 1997; Knill, 1999; Maor and Jones, 1999; Guyomarch, 1999; Premfors, 1998) have noted that the idea of international convergence has been exaggerated in the new public management. Hood for example argues,

It is easy to be carried away by grand claims of historical inevitability and global convergence on some new epoch-making paradigm, especially when they come from such eminent writers. But the argument here is that such claims should be treated with some skepticism. Certainly, there does seem to have been a movement away from the doctrines of progressive-era public administration in several OECD states. And undoubtedly the same managerial catch-words have such a wide currency that one can speak of a new global vocabulary. But, it is less certain that the move is truly universal, and the idea of a new 'global paradigm' seems to exaggerate the underlying uniformity and coherence of current developments (Hood, 1995, p. 105).

Hood explains that establishing the partial retreat of traditional approaches to public administration does not necessarily demonstrate that any single new style of public administration will emerge, or even that the old style will everywhere disappear. "Speaking of a global shift from one paradigm to another implies both that there is a single old paradigm and a single exit route from it. Both of these implied premises are contestable" (Hood, 1995, p. 106). Moreover, the idea of a new global paradigm ignores the different national political agendas to which contemporary public management changes are responding. Thus, national public

administration systems vary in ways that are likely to make substantial differences to the motive/opportunity to adopt new public management reforms.

Hood cautions that even when similar changes appear to be happening, the underlying reasons may be different, reflecting different political motives/agendas (Hood, 1995). In the way of illustration, he provides the example of Sweden where managerial changes were undertaken as a tactic of conservative change, while in the UK, they were intended as radical reforms. He concludes,

It is true that the same management buzzwords tend to be very widely diffused, but that on its own is a trivial level of convergence: the key question is whether what is happening underneath is also uniform and that seems doubtful (Hood, 1995, p. 109).

Pollitt and Summa (1997) reach a similar conclusion based on their review of the trajectories of reform in Finland, New Zealand, Sweden and the UK. They argue,

It is fashionable to think there is a tide, or sequence of basically similar public management changes sweeping through Western Europe, North America, and Australia, and British ministers have proclaimed that the UK is an admired and copied leader in public sector reforms. This article argues that a uniform one-track picture is not at all accurate (Pollitt and Summa, 1997, p. 7).

Their comparison of reform trajectories in those four countries points to the powerful explanatory power of the nature of the national political system in accounting for the observed differences.

The most convincing explanations of the trajectories observed in our four countries appear to rest not on economic performance or party doctrines at all, but rather, upon the characteristics of the political and administrative systems already in place. It was these systems characteristics, which most significantly influenced what was possible in terms of the scope, process and speed of reform. In this sense, we suggest that institutional explanations of public management changes are somewhat more powerful than either party political or economic explanations (Pollitt and Summa, 1997, p. 15).

Maor and Jones (1999) also underline the importance of national systems/styles and institutional factors in accounting for divergence in reforms in European administrative systems. "The persistence of national systems and styles still seems strong, and more powerful than the pressures for convergence from both the EU and NPM" (Maor and Jones, 1999, p. 50). They also point out that new public management processes themselves may change under the impact of national styles and their operations. They conclude,

Working against the process of 'becoming similar' is however the persistence of the traditional central institutions of the state...despite attempts at fundamental reforms of the manner in which policy is formulated the end result may be a mere tinkering with the engine of government or other changes which do not constitute a radical overhaul (Maor and Jones, 1999, p. 55).

Knill's (1999) comparison of administrative reform in Britain and Germany leads him to conclude that "the potential for reforming different administrative systems is basically dependent on the general institutional context in which these systems are embedded" (Knill, 1999, p. 113). He argues that comparative studies tend to emphasize convergent trends and similarities of reforms across national administrations rather than systematically accounting for cross-national variations in administrative change and persistence (Knill, 1999, p. 114).

Similarly, Guyomarch (1999), analyzing recent administrative reforms in the French public sector argues that there is in France clear evidence of widespread unwillingness to change many of the basic institutional rules. He therefore concludes that, despite new public management pressures for international convergence, the actual nature of the reforms in any individual state depends on the national context or 'initial endowment' and on the nature of deeply embedded institutional structures.

Also, Wright (1994) exploring the reform programs being pursued in West European countries points to differences in the nature, style, timing and pace of reform. These differences may be explained in terms of the opportunities afforded by the politico-institutional and cultural environment in which they are being pursued (Wright, 1994, p. 102). "Differences between the programs have clearly been determined by domestic political opportunity structures" (Wright, 1994, p. 119). He concludes, "Each West European country has a unique blend of factors which explains persistent divergence in spite of clear evidence of convergence. In short, national contexts matter" (Wright, 1994, p. 122).

Finally, Premfors (1998) analyzing the Swedish experience in public sector reform in a comparative perspective argues that instead of a singular pattern of adaptation, there have been several different reform trajectories in Western-style democracies, largely predicated on historically determined patterns of state-society relations and significant variations in political cultures. A detailed comparative analysis of the case of Sweden is used to illustrate the prevalence of a pattern of structural pluralism and the fruitfulness of a historical-institutionalist approach to the comparative study of administrative reform (Premfors, 1998, p. 141).

The evidence is massive and it is undisputable: national political cultures and institutions are important determinants of the course of public sector reform in every country. There is often an interactive relationship between the pattern of institutions and national political culture, between national reform contexts and genuine change. This approach to public sector reform is also consistent with recent new institutionalist writings on administrative reform. Thus we turn here to a detailed exploration of this alternative paradigm.

## NEW INSTITUTIONALISM: AN ALTERNATIVE PARADIGM

Although the study of institutions has been central to political science since its inception, 'new institutionalism' is a term that has just recently appeared with growing frequency in the social sciences. There is still considerable confusion about what the 'new institutionalism' is and what sort of promise it displays. Such ambiguity, however, can at least be partially dispelled by recognizing that the 'new institutionalism' does not constitute a unified, coherent body of thought. Instead, at least three different analytical approaches, each of which calls itself a 'new institutionalism' can be identified: rational choice institutionalism, historical institutionalism, and sociological institutionalism. All three approaches reflect a common commitment to the significance of institutional arrangements in accounting for social, administrative and political processes. However, beyond this core assumption, the 'new institutionalism' is characterized by a great variety of positions, which are sometimes complementary and sometimes conflicting (Lowndes, 1996).

*Rational choice institutionalism* was influenced by public choice and principal agent theories but sought to go beyond them. In their institutional analyses, rational choice theorists adopt a classic calculus approach that emphasizes instrumentality and strategic calculation. They assume that individuals seek to maximize the attainment of a set of goals, and in doing so behave strategically, which is to say that they canvass all possible options to select those conferring maximum benefit. From their perspective, institutions affect behavior primarily by providing information relevant to the behavior of others, and enforcement mechanisms for agreement, penalties and defection (Hall and Taylor, 1996).

Rational choice institutionalists also drew fruitful analytical tools from the new economic theories of organizations. They thus explain particular institutional forms and persistence with reference to a universal economic logic, whereby institutions are viewed as efficient organizational frameworks, which arise to solve problems of complex economic exchange. This approach sees the main purpose and effect of institutions as economizing on transaction costs (Lowndes, 1996). Hence, institutions are designed to stabilize exchange relationships, to induce cooperative behavior among self-interested individuals, and to minimize transactions costs (Koelbe, 1995).

Hall and Taylor (1996) emphasize three important features of rational choice institutionalism:

- Rational choice institutionalists employ a characteristic set of behavioral assumptions. In general, they post that the relevant actors have a fixed set of preferences or tastes, and behave entirely instrumentally so as to maximize the attainment of these preferences. Their approach presumes extensive instrumentality and calculation.

- ❑ Rational choice institutionalists emphasize the role of strategic interaction in the determination of political outcomes. Hence, while actors deploy extensive calculations, political outcomes are the result of strategic interactions. Institutions in turn structure such interactions, by providing strategically useful information and enforcement mechanisms.
- ❑ Rational choice institutionalists assume that actors voluntarily create institutions because of the perceived gains of cooperation. If institutions are then subject to a process of competitive selection, they survive because they provide more benefits to the relevant actors than alternate institutional forms (Hall and Taylor, 1996, pp. 944-945).

Hence, rational choice institutionalists argue that individuals and their strategic calculations ought to be the central concern of social science. They view institutions as created by utility-maximizing individuals with clear intentions. Yet once institutions exist, they set parameters for further action.

*Historical institutionalism* developed in response to the group of theories of politics and structural-functionalism prominent in political science during the 1960s and 1970s. While historical institutionalism borrowed from both approaches, it also sought to go beyond them. Historical institutionalists do not deny that individuals attempt to calculate their interests, but argue that outcomes are the product of the interaction among various groups, interests, ideas and institutional structures. Human action is viewed as an attempt to ‘satisfice’ and fulfill expectations which are context-specific and deeply embedded in cultural, socio-economic, and political fields or structures (March and Olsen, 1989, pp. 9-19).

In contrast to the calculus approach of rational choice institutionalists, historical institutionalists resort to a cultural approach, which stresses that behavior is not fully strategic, but bounded by an individual’s worldview. Hence, without denying that human behavior is rational or purposive, this perspective emphasizes the extent to which individuals turn to established routines or familiar patterns of behavior to attain their purposes. It tends to view individuals as ‘satisficers’, rather than utility-maximizers, and to emphasize the degree to which the choice of a course of action depends on the interpretation of a situation rather than on purely instrumental calculation (Hall and Taylor, 1996). Institutions matter from this perspective because they provide moral/cognitive templates for interpretation/action.

In *Rediscovering Institutions*, March and Olsen attempt to show that individuals behave according to a set of rules and procedures, which define the appropriateness of their actions (March and Olsen, 1989, pp. 23-24). In their view, institutions matter because they shape, even determine, human behavior. Institutions come about to give legitimacy to certain rules of conduct. For the majority of decisions, rules and procedures (provided by institutions) are

clearly established and individuals follow routines. They follow well-worn paths and do what they think is expected of them. They 'satisfice' based on limited information and bounded rationality (March and Olsen, 1989).

Hall and Taylor (1996) identify four features of historical institutionalism as particularly distinctive:

- ❑ Historical institutionalists accord a central importance to institutions in their analyses. They suggest that the strategies induced by a given institutional setting may ossify over time into worldviews, which are propagated by formal organizations and ultimately shape even the self-images and basic preferences of the actors involved in them.
- ❑ Historical institutionalists are especially attentive to the way in which institutions distribute power unevenly across groups. They assume a world in which institutions give some groups disproportionate power and access to the decision-making process and explore the role that such non-symmetrical relations of power play in shaping political processes.
- ❑ Historical institutionalists have been strong proponents of an image of social causation that is path-dependent. Institutions are perceived as persistent features of the historical landscape and a central factor pushing historical development along a set of paths.
- ❑ Historical institutionalists stress the unintended consequences and inefficiencies generated by existing institutions in contrast to images of institutions as more purposive and efficient (Hall and Taylor, 1996, pp. 940-942).

Although historical institutionalists draw attention to the role of institutions in political life, they rarely insist that institutions are the only causal force in politics. They typically seek to locate institutions in a causal chain that accommodates a role for other factors or elements, notably political and socio-economic development and the diffusion of ideas. "They are especially concerned to integrate institutional analysis with the contribution that other kinds of factors, such as ideas, can make to political outcomes" (Hall and Taylor, 1996, p. 938).

*Sociological institutionalism*, in turn, arose primarily within the sub-field of organization theory and in part as a reaction to the Weberian model of efficiency/rationality. Since Weber, many sociologists had seen the bureaucratic structures that dominate the modern landscape as the product of an intensive effort to devise ever more efficient structures for performing the tasks of modern society. Against this view, new sociological institutionalists argue that modern institutional forms were not adopted simply because they were more efficient and rational. Instead many of these forms should be seen as culture-specific practices that are assimilated into organizations, not necessarily to enhance their means-ends efficiency, but as result of more general processes of cultural transmission.



Sociological institutionalists call upon the notion of ‘embeddedness’ to buttress their arguments. Cognitive and cultural embeddedness explains why most individuals often cannot conceive of alternative institutional arrangements and prefer to stay with the tried and true. Individuals are viewed as embedded in so many social, economic, and political relationships that are beyond their control or even their cognition. Institutional change originates from this perspective at the macro level and organizations tend to adapt in incremental, mimetic and homogeneous forms. Powell and DiMaggio (1991), for example, use the concept of ‘institutional isomorphism’ to explain institutional change in terms of coercive, mimetic, and normative isomorphisms which lead organizations and institutions to adopt surprisingly homogeneous forms (Powell and DiMaggio, 1991, pp. 64-74).

The power of the ‘institutional environment’ lies in its capacity to confer legitimacy, which is linked to organizations’ survival prospects. By adapting to cultural expectations, organizations are better able to recruit staff, gain funding, build alliances and market their products to consumers. The power of ‘institutional myths’ is such that increasing homogenization (or isomorphism) is evident among populations of organizations (Zucker, 1991). Organizational change is thus driven by an increasing demand for similarity and homogeneity, rather than by efficiency criteria (Powell and DiMaggio, 1991, pp.63-66). Zucker calls this the ‘contagion of legitimacy’ (Zucker, 1991, p. 105).

Sociological institutionalists also emphasize the highly interactive and mutually constitutive character of the relationship between institutions and individual action. When individuals act as a social convention specifies, they simultaneously reinforce the convention to which they are adhering (Hall and Taylor, 1996). Individuals develop a sense of appropriate institutional practices, which are then deployed and serve to reinforce existing institutional conventions.

Hall and Taylor (1996) point to three features of sociological institutionalism, which render it relatively distinctive in the context of the other ‘new institutionalisms’:

- ❑ Sociological institutionalists tend to define institutions broadly to include not just formal rules, procedures and norms, but also the symbol systems, cognitive scripts, and moral templates that provide the frames of meaning guiding human action. Such a definition breaks down the conceptual divide between institutions and culture as the two come to shade into each other.
- ❑ Sociological institutionalists also have a distinctive understanding of the relationship between institutions and individual action. They emphasize the way in which institutions influence behavior by providing the cognitive scripts and categories that are indispensable

for action. It follows that institutions affect the self-images, identities, and preferences of social actors.

- Sociological institutionalists also take a distinctive approach to explaining how institutional practices originate and change. Organizations are seen as adopting specific institutional practices because they are widely valued within a broader cultural environment and hence enhance the social legitimacy of the organization (Hall and Taylor, 1996, pp. 947-949).

## NEW INSTITUTIONALISM: A COMPARATIVE ASSESSMENT

The three varieties of 'new institutionalism' developed around the same time, but in relative isolation from each other. Each approach offers a distinctive image of the political world and each displays characteristic strengths and weaknesses. While all three approaches share a concern for the role of institutions in social science, they diverge sharply on theory and method. To *rational choice institutionalists*, institutions are an intervening variable, capable of affecting an individual's choices and actions but not determining them. To *historical institutionalists*, institutions play a determinant role since they shape the actions of individuals. To *sociological institutionalists*, institutions are themselves dependent on larger macro level variables such as society and culture (Koelbe, 1995).

The concept of rules and institutions is definitely central to all three new institutionalist approaches. Proponents of *rational choice institutionalism* tend to stress formal institutional arrangements (contracts, decision-making procedures, and budget mechanisms). Proponents of *historical institutionalism* tend to focus on formal institutional arrangements as well as informal norms and sanctions inside individual organizations. Proponents of *sociological institutionalism* draw attention to the role of institutional templates in the wider environment- informal and formal cultural elements (Lowndes, 1996).

On the dimension of stability and change, the three institutionalist approaches also differ. Proponents of *rational choice institutionalism* argue that existing institutional arrangements will persist only as long as they serve the interests of utility maximizing rational actors. Proponents of *historical institutionalism* tend to emphasize stability, but argue that institutional arrangements are never closed or complete, but always ambiguous and in flux. Proponents of *sociological institutionalism* tend to focus on stability and continuity, noting the tendency of dominant institutions to reproduce, through what Zucker calls the 'contagion of legitimacy' (Lowndes, 1996).

On the dimension of rational strategic action, the three institutionalist approaches again differ. Proponents of *rational choice institutionalism* see individual rationality and interests as prior and more important than institutions. Proponents of *historical institutionalism* argue that

individual action is norm-driven, following a logic of appropriateness rather than a logic of consequentiality. Action is thus influenced by a sense of duty/obligation, rather than by anticipation of consequences. Proponents of *sociological institutionalism* view strategic choices as determined by templates within the wider societal and cultural environment (Lowndes, 1996).

In terms of strengths and weaknesses, *rational choice institutionalism* produces an elegant account of institutional origins and persistence, based primarily on the functions these institutions perform and the benefits they provide. *Rational choice institutionalism* is weak, however, in accounting for institutional constraints upon actors imposed by structural realities. It is also weak in explaining the many in-efficiencies that institutions display. And it tends to emphasize purposive and voluntary agreements among relatively equal and independent actors overlooking asymmetries of power.

*Historical institutionalism*, on the other hand is good at directing attention to power relations existing in present institutions and how they shape political outcomes. Their approach embodies a sense of realism. *Historical institutionalism* is weak, however, in accounting for how exactly institutions affect behavior. It is also weak in offering a systematic theory about the general processes involved in creation and change. Their view of change is rather conservative and incremental and their model of the 'appropriate institution' seems better suited to explaining continuity rather than change.

*Sociological institutionalism* is good at clarifying the ways in which institutions can affect the underlying preferences and identities of actors. It emphasizes the way in which the existing institutional world and cultural environment circumscribes the range of institutional creation. Among other things, this approach goes a long way toward explaining the presence of many apparent in-efficiencies in social and political institutions. Their argument that context and 'embeddedness' make a difference is also hard to dismiss. However, their model is also static, emphasizing stability and continuity to the detriment of innovation and change.

This review makes clear that the 'new institutionalism' is not a single or coherent body of thought. Confusion over terminology and levels of analysis is rife. Yet the varied positions – sometimes conflicting and sometimes complementary, seem to reveal different and genuine dimensions of human behavior and of the effects that institutions can have on behavior. None of these new burgeoning literatures appears to be substantially untrue or illogical. However, each seems to be providing a partial account of the forces at work in a given situation or capturing different dimensions of the human action and institutional impact present there (Hall and Taylor, 1996, p. 955).

For the purposes of this thesis, the new institutionalism paradigm presents a number of fruitful ideas. Specifically, rational choice institutionalism suggests for example that existing institutions survive because they provide more benefits to relevant actors than alternate institutional forms. Historical institutionalism stresses the notion of path-dependence and the fact that behavior is invariably bounded, context-specific and conditioned by cultural, socio-economic and political structures. Sociological institutionalism introduces more forcefully the notion of embeddedness and the importance of wider cultural templates in accounting for patterns of incremental change. These ideas are all relevant for a comprehensive account of specific reform patterns/dynamics.

More important in the context of this thesis is the fact that while the debate among the three new institutionalist approaches, each originating in a different branch of the social science, is still heated and lively - with many conflicting views/assumptions - the one question that seems to have been settled is that national political contexts and embedded institutional structures do exert considerable influence on the scope and the dynamics of administrative reform. Administrative reform is invariably bounded, context-specific and embedded, representing an attempt to satisfice within the constraints of national environments. In this sense, attempts at administrative reform are invariably shaped, conditioned and mitigated by national institutional realities and the specific peculiarities of the home terrain in each country.

### **RELEVANT REMARKS & SUGGESTED HYPOTHESES**

The chapter has so far examined the gradual ascendancy of four different paradigms relating to public sector reform. Many of those ideas (currently NPM ideas) have achieved great currency and become commonly invoked prescriptions for administrative reform around the world. The chapter has nevertheless attempted to emphasize that there has not been a universal and uniform response to any single paradigm. Rather, the direction of national reform and change is ultimately determined by local contexts and embedded social, economic and political realities.

Evidence of reform convergence and diffusion can indeed be effectively counter-balanced by evidence of divergence and variation. A cursory look around the globe confirms that there remain considerable differences across countries in the mix, scope, and rate of reforms adopted. The purpose of this section is thus to re-examine the administrative reform literature critically and selectively to extrapolate the various factors/variables that have been advanced to account for such persisting variation. It is hoped that these factors will also be relevant for accounting for the specific reform trajectories observed in the Lebanese context.

In their comparative review of recent reform trajectories in four countries (Sweden, Finland, New Zealand and the UK), Pollitt and Summa (1997) underline the importance of the national

political system in accounting for observed differences. They thus contrast the consensual nature of the Swedish and Finnish political systems, with the adversarial politics characteristic of the UK and NZ, to conclude that the political systems of the UK and NZ lend themselves to sharp, radical reform, whereas the political systems of Sweden and Finland do not. They thus argue that the most convincing explanations of the different reform trajectories tend to rest upon the characteristics of the political systems already in place rather than economic performance or party doctrines (Table 2).

Table 2. Pollitt and Summa (1997) Proposed Typology

	<i>Nature of Political System</i>	<i>Reform Capacity</i>	<i>Examples</i>
National Political Systems	Consensual	Limited Reform Capacity	Sweden, Finland
	Confrontational	Radical Reform Capacity	UK, NZ

Knill (1999) advances the concept of national administrative reform capacity to capture the potential for administrative reforms across countries. He relates the national capacity for administrative reform to the number of formal institutional veto points actors have at their disposal in order to influence and resist political/societal reform initiatives. He argues that the number of such veto points is affected by the specific macro-institutional realities, namely the state tradition as well as the legal and political administrative systems prevalent. Knill further operationalizes the concept of national administrative reform capacity into three analytical categories: the general capacity for executive leadership, the institutional entrenchment of administrative structures, and the influence of the bureaucracy on policy-making.

On the basis of these categories, Knill identifies two ideal constellations of low and high administrative reform capacity, implying either an autonomous or an instrumental position of the bureaucracy with respect to external pressures for reform. The position of a national bureaucracy can be characterized as autonomous if weak executive leadership coincides with high institutional entrenchment of administrative structures and procedures as well as a powerful position of the administration with respect to the formulation and implementation of political programs. An administration can be characterized as instrumental, by contrast, if it is confronted with strong executive leadership, weak institutional entrenchment of administrative structures, and a low level of independent bureaucratic influence on policy formulation and implementation.

Each ideal type can be linked to certain expectations regarding the mode and scope of administrative change. In the case of an autonomous administration, existing arrangements can hardly be changed by deliberate political reform attempts. As a consequence administrative change can be primarily expected in the form of self-adaptation to environmental challenges,

within existing traditions and principles. Adjustments are generally incremental and patchy rather than radical and comprehensive. By contrast, if the position of the bureaucracy is merely instrumental, there is a high potential for deliberate transformation and fundamental and path-breaking administrative changes are more likely. The scope and form of administrative change is highly contingent in this case on the preferences and commitment of political leaders.

To illustrate his argument, Knill presents the patterns of administrative development in two countries, Germany and Britain, whose capacities for administrative reform come close to the ideal types identified above. Germany is characterized by a limited capacity for administrative reform, determined by the multiplicity of institutional veto points, the consequent restricted scope of executive leadership and the continuing tradition of decision-making by bargaining and negotiations. Strong institutional entrenchment coupled with legalism and the strong influence of administrators on policy-making and implementation also help account for the incremental and patchy pattern of administrative reform in Germany. The higher potential for administrative reform in Britain, by contrast, is determined in large measure by a strong and sufficiently independent executive leadership and a dynamic instrumental bureaucracy (Table 3).

Table 3. Knill (1999) Proposed Typology

	<i>Nature of Administration</i>	<i>Reform Capacity</i>	<i>Examples</i>
National Reform Capacity	Autonomous	Limited Reform Capacity	Germany
	Instrumental	Radical Reform Capacity	England

Peters (1997a), uses a similar argument, by underscoring administrative culture as an important variable in accounting for the persisting variation in the adoption of new public management reforms across countries. He identifies four dominant state traditions in Western countries – Anglo-American, Germanic, Napoleonic, and Scandinavian- and argues that the Anglo-American culture is particularly receptive to the market-based reforms, whereas the Germanic tradition is the most hostile. Peters further hypothesizes that these traditions reflect historic practices and ideas about how government should be conducted, and that the Germanic tradition is the strongest and most integrated intellectually and hence the most resistant to change.

Moon and Ingraham (1998) conceive of administrative reform as the product of an interactive process between politicians, bureaucrats, and citizens who jointly compose what they call the Political Nexus Triad (PNT) and maintain the governance structure in a nation. They perceive the three PNT actors as involved in a process of continuous bargaining and negotiation in an attempt to protect and/or increase their political and administrative power. Accordingly they suggest three different patterns of administrative reform (AR): politician-driven reforms; bureaucratic-driven reforms; and society-driven reforms. Each country thus develops its own

configuration of reform mechanisms and PNT, reflecting in large measure the relative power of the three actors in the society.

Using the theoretical framework of the Political Nexus Triad, Moon and Ingraham (1998) examine the patterns of administrative reform in three Asian countries: China, Japan and Korea. China, for example, is characterized by a politics-dominant PNT, where bureaucracy is completely politicized and the influence of civil society is minimized. The course of Chinese administrative reform is thus largely determined not by the bureaucracy, but rather by the dominant Communist Party of China. The Japanese conventional reform pattern, on the other hand, is a bureaucracy led PNT, where the Japanese bureaucracy maintains its own relative autonomy from politics and provides competitive expertise on various policy agendas. Finally, Korea is characterized as a President-led PNT, whereby the President enjoys strong executive power and acts as the main formulator/initiator of AR (Table 4).

Table 4. Moon and Ingraham (1998) Proposed Typology

	<i>PNT Configuration</i>	<i>Pattern of AR</i>	<i>Examples</i>
Political Nexus Triad	Powerful Politicians	Politician-driven AR	China, Korea
	Powerful Bureaucracy	Bureaucracy-driven AR	Japan
	Powerful Civil Society	Society-driven AR	

From the preceding discussion, it becomes possible to synthesize a number of factors that serve to mitigate the effects of administrative reform initiatives in specific national contexts, namely, the nature of the political system (consensual vs. adversarial), the national reform capacity which is dependent on the strength of executive leadership, institutional entrenchment, and bureaucratic powers, and the specific configuration of the national political nexus triad, in turn determined by the relative power of the politicians, bureaucrats, and civil society. Hence to the first two typologies, the PNT concept adds the dimension of civil society, which can exercise political power either through institutionalized (voting, NGOs, interest group intervention) or non-institutionalized channels (e.g. political protests).

The above typologies present a number of hypotheses that could be tested in the Lebanese context. From the first typology, it is possible to hypothesize that reform capacity in Lebanon will be limited given the country's special brand of consensual politics (**Hypothesis 1**). Indeed, since the early 1940s, a form of consociationalism has been institutionalized in Lebanon, providing for grand coalition government, mutual veto and proportional representation. And although such mechanisms provided distinctive opportunities for resolving political problems based on compromise and negotiation, they also generally restricted the government's ability to formulate and implement comprehensive political and administrative reform programs.

The limited applicability of the second typology to the Lebanese context stems from its dichotomization of the nature of administration variable. Lebanese administration is neither autonomous nor instrumental. It can be more aptly characterized as a clientelist bureaucracy, geared to the accommodation of patronage favors. Indeed, Lebanese bureaucracy has had to compromise many of its autonomous powers to adjust to the clientelist culture prevailing in Lebanon. Nevertheless, the Lebanese context displays some of the characteristics of autonomous administration as described by Knill, namely weak executive leadership and strong institutional entrenchment. It is thus also possible to hypothesize limited reform capacity in Lebanon partially based on this typology (**Hypothesis 2**).

It is relevant to point out that similar to Knill (1999), Caiden and Bjur (1981) and Caiden (1991) have aptly pointed out that not all administrations are instrumental bureaucracies in the Weberian sense. They argue that many governmental agencies are institutional bureaucracies in the sense of having developed relative autonomy and become used to operating in certain ways, independent of political and administrative reform efforts. They write:

When an organization created for instrumental purposes transcends that role and develops an expressive value significance for both its membership and the community, it passes from being a mere instrument to becoming an institution. Institutions are not dispensable as are tools; they are valued as having an intrinsic worth, apart from their instrumental utility. In their case, permanence of survival assumes greater importance than economy or efficiency. When it comes to evaluating their performance or renovating them, they must be treated differently from instrumental organizations (Caiden and Bjur, in Khan, 1981).

Caiden and Bjur further argue that instrumental bureaucracies develop institutional autonomy by building up symbiotic relationships with important client and support groups. They thus become identified as having an exclusive functional responsibility in a given public arena for a considerable time. Their permanence or survival spans several generations of political and administrative leaders. They are supported as much by tradition and societal legitimacy as they are by concurrently existing satellite bodies with which they interact. This explains how institutional bureaucracies can often get their way and why they cannot be reformed according to the instrumental thesis. Reforms that are applicable to instrumental bureaucracies are not necessarily relevant for institutional bureaucracies.

Such a distinction between instrumental and institutional bureaucracies and the potential implications for reform is interesting and potentially more relevant to the Lebanese context than Knill's typology. It is possible to argue that the Lebanese bureaucracy, although originally created for instrumental goals, has gradually transcended that role and developed some value significance for its members, politicians and the larger community. It has thus developed institutional autonomy by building up symbiotic – mainly clientelistic—relationships with



important politicians and sectarian groups. The Lebanese bureaucracy fulfills the function of proportional representation and provides sectarian access to jobs and administrative services.

From the third typology, it is possible to hypothesize for Lebanon a pattern of politician-driven administrative reform. More precisely, up till the war of 1975, Lebanon was characterized by a pattern of President-driven administrative reform. The Lebanese political balance of power was, however, slightly modified in the wake of the war, whereby many presidential powers were curtailed and executive and parliamentary powers enhanced. The Lebanese pattern of administrative reform in the 1990s is thus still hypothesized to be politician-driven, but less by the President than by the Prime Minister and the Chamber of Deputies (**Hypothesis 3**). This is especially true in light of the continuing minimalist influence of bureaucracy and civil society on the course of AR in Lebanon.

### **PROPOSED HYPOTHETICAL MODEL**

It seems reasonable to end this chapter with a tentative hypothetical model rather than a clear-cut concluding statement. The main reason is that the review presented in this chapter clearly shows that there is no single administrative reform framework with universal applicability. Rather, the potential for reforming different administrative systems seems to be basically dependent on the general institutional context in which these systems are embedded and on the opportunities afforded by the politico-institutional and cultural environment. The challenge is thus to identify those system-characteristics, which most significantly influence what is possible in terms of the scope, process and speed of reform in any particular nation/country.

Several potentially relevant factors have been suggested in this review as for example the nature of the political system, the nature of the administration and the nature of the political nexus triad. In a recent book, Turner and Hulme (1997) have also identified a number of factors which have consistently influenced policy choices/reform initiatives in developing countries, namely *economic factors* (gross national product; structure of production; labor; domestic capital; foreign exchange; foreign aid and debt; infrastructure; technology), *cultural factors* (ethnicity; kinship; values and norms; history) and *political factors* (state-society relations; legitimacy; regime type; ideology; elites and classes; policy concerns and capacity). Their review primarily underlines the importance of political considerations in administrative analysis and practice.

It is also possible to derive other factors from the literature about obstacles to administrative reform and policy implementation. Caiden (1991), for example, has identified several factors that may affect reform undertakings, namely geography (isolation, size of country, debilitating climate, low mobility); history (colonial legacy, biculturalism, traditionalism, inertia, past reform failures); culture (diversity, linguistic barriers, indiscipline, tribalism, religious

fundamentalism, corruption, immobilism); economy (scarcity, monopoly, low savings and investments, lack of incentives, poor labor-management relations, low managerial skills) and politics (lack of consensus, rigid constitutional arrangements, weak and divided governments, entrenched bureaucracies, high turnover and personality clashes). Caiden suggests that of all these obstacles, the political factor appears to be the most significant.

While all the factors mentioned are important, their relative significance undoubtedly varies from context to context. Thus, I will attempt to emphasize those factors, which in my opinion, embody the most explanatory potential in the Lebanese context and propose a hypothetical model that will guide me through the rest of the research accordingly. Cultural/societal factors (sectarian and ethnic divisions) are very salient in the Lebanese context and must be explicitly accounted for in any comprehensive analysis of reform endeavors. Cultural factors place limits on what policy-makers can actually achieve and indicate the acceptable directions for policy and reform. Cultural factors also provide specific moral/cognitive templates and justification for specific exchange patterns (e.g. clientelism). Finally, cultural diversity affects micro-political interactions and macro-political processes. This is especially true in the case of Lebanon's unique brand of consensual democracy.

A second important factor for understanding reform action or non-action in Lebanon is the nature of the political system. More than any other, this factor has been recognized as being salient, given the close relationships between administrative and political sub-systems. Political power configurations set limits both on the types of changes that can be promoted in the public sector and on the speed of change. Both micro and macro political processes are central concerns in the practice and analysis of administrative reform, as policy choices are often determined by political dynamics rather than technical managerial principles. Many authors have underscored the need to understand the political landscape in which organizations attempt to operate and to map out power and authority relationships as an essential aid to careful analysis (Turner and Hulme, 1997; Pollitt and Summa, 1997; Caiden, 1991; Khan, 1981).

Economic factors must also be accounted for in analyzing reform action or non-action. Scarcity of financial resources and trained personnel may pose serious handicaps to the planning/implementation of administrative reform. The UNDP (1992), for example, has identified lack of finance as 'the most crippling constraint facing developing nations'. Scarcity of capital and foreign debt problems often reflect in making planning extremely difficult and impose special coping mechanisms/management techniques. For example, the level of debt in Lebanon in the wake of the war has become so high that a large slice of the government's budget and an even larger portion of foreign exchange is now going into servicing that debt rather than into urgent economic and reform initiatives. The economic environment thus often presents specific opportunities and constraints in the pursuit of reform goals.

A brief mention should also be made here of the potential influence of the external environment (regional and international) on country-specific *planned programs of change*. In the Lebanese case, for example, the regional environment was particularly turbulent during the early independence years (1943-1970). Reform efforts have thus frequently been overshadowed by the regional crises of the day. While the regional environment has been relatively stabilized in the 1990s, the influence of the international environment is expected to assume greater significance through offers of aid funding and threats of aid conditionality imposed by such international organizations as the World Bank, or IMF.

The factors identified here are potentially of universal importance, but the peculiarities of the home terrain make them particularly relevant to the specific Lebanese context. While their respective influence and significance may vary across periods and situations, cultural and political variables are expected to be continuously salient in Lebanon, interacting and even shaping at times other relevant factors. The key to understanding reform action or non-action in Lebanon thus lies in understanding the complex interactions of these factors across time and situations. I therefore hypothesize that the inter-relationships of these factors and their specific constellations in specific periods will help account for the reform patterns observed in Lebanon. Figure 1 proposes a hypothetical model that will guide the rest of the research accordingly.

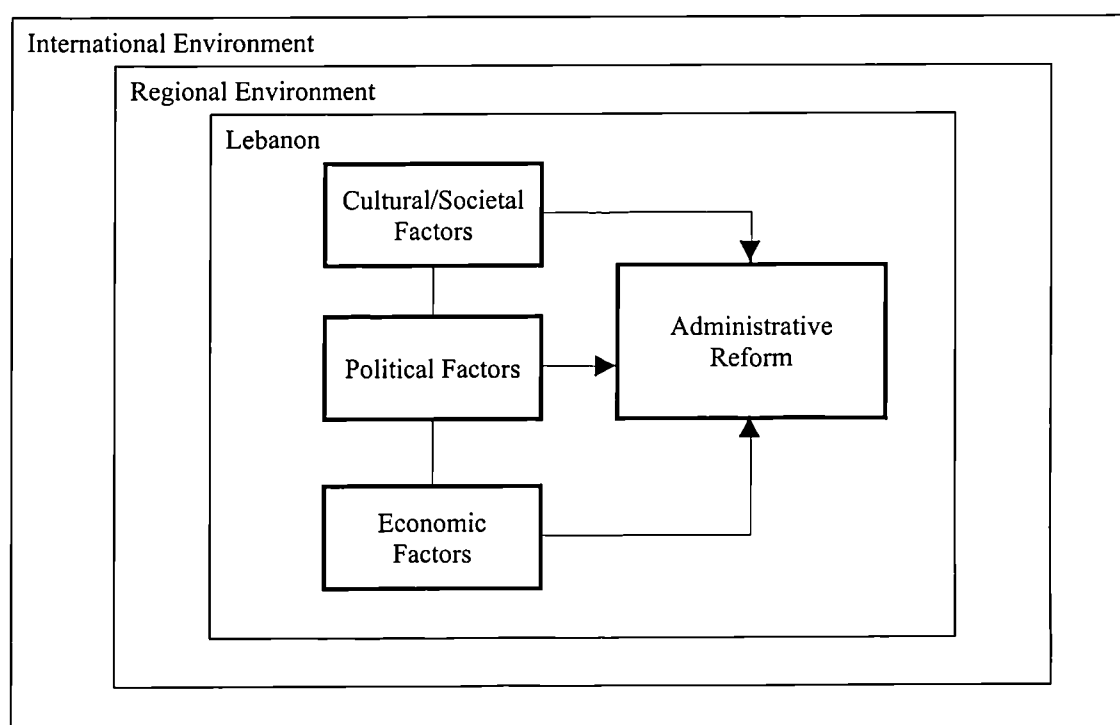


Figure 1. Research Hypothetical Model

It should be pointed out that while the modeling language belongs to the standard vocabulary of social discourse and provides a practical intellectual tool for addressing the theoretical concerns of social scientists, it is nevertheless not devoid of limitations / methodological problems. Various concerns have been raised in this regard; particularly important is the fact that the language of modeling introduces observational biases into investigatory practice (Cortes *et al.*, 1974) and lacks the sophistication needed for the task of making causal inferences (Blalock, 1964). The use of models also presents dilemmas and paradoxes relating for example to simplicity vs. complexity and idealism vs. realism (van Gigch, 1974).

To start with, the description of reality/social processes in terms of models immediately produces a particular observational bias: the set of factors that *interact*, the *pattern of their* arrangement, and the manner of transformation become the foci of observation when a description is couched in terms of systems models (Cortes *et al.*, 1974). Such restricted focus becomes even more problematic when one is studying a system that is not effectively isolated, so that large numbers of outside influences are operating. The difficulty of ruling out many of these variables through randomization necessitates making simplifying assumptions about such disturbing influences, assumptions that remain un-testable and whose correctness can not be demonstrated (Blalock, 1964).

Thus a basic difficulty is frequently encountered when using systems models: there seems to be no systematic way of knowing for sure whether one has located all of the relevant variables. Nor do we have any foolproof procedure for deciding which variables to use. Moreover, the greater the departure from completely isolated systems, the larger the number of variables that must be explicitly brought into the causal model. And the larger the number of such variables, the simpler our assumptions must be about how they fit together. The challenge is thus to evolve theoretical models that are simple enough to facilitate analysis, yet are also sufficiently realistic that the simplifications required do not lead to predictions that are highly inaccurate.

Such dilemmas of potential observational bias, the need for simplifying assumptions or simplicity vs. complexity / idealism vs. realism are all in turn related to the more fundamental problem of making causal inferences when using a modeling approach. This latter limitation, however, is not restricted to the use of models per se, but is rather inherent in social science research, which lacks as yet the measurement techniques, control over extraneous variables, and theoretical tools necessary for the task of establishing causation (Blalock, 1964). The problem of causality is indeed part of the much larger question of the nature of social science research and in particular, the problem of the relationship between theory and research (Blalock, 1964).

Numerous authors have noted the gap between the languages of theory and research, which can not be bridged in a completely satisfactory way. "Science contains two distinct languages, which will be referred to simply as the theoretical and operational languages. There appears to be no purely logical way of bridging the gap between the two" (Blalock, 1964, p. 6). The theoretical language of systems, forces and properties has indeed partly evolved in response to this limitation whereby the social scientist thinks in terms of systems, which are acted upon and respond in certain ways. The use of such abstract systems models in turn allows making certain predictions about what is expected to occur under given conditions, which are then assessed against reality.

Causal laws are in this sense working assumptions or tools of the social scientist (Frank, 1961). They are purely if-then hypothetical statements which can never be tested empirically in the strictest sense of the word. When they appear to be violated, they are reformulated so as to better account for existing facts. The validity of the causal principle itself, however, can not be demonstrated. The fact that causal thinking belongs on the theoretical level and that causal laws can never be demonstrated empirically does not mean, however, that it is not helpful to think causally and to develop causal models that have implications that are indirectly testable (Blalock, 1964). This is precisely the logic behind the research hypothetical model presented in Figure 1.

The research hypothetical model was thus deemed helpful for practical reasons, despite the limitations outlined above and the difficulties associated with operationalization and establishing direct causation. Such difficulties are, however, by no means unique to this research, but rather generally arise when measuring attributes in the domain of the social sciences. Causal laws are really only applicable in the physical sciences and to completely isolated systems. However, "the fact that causal inferences are made in the social sciences with considerable risk of error does not mean that they should not be made at all. For it is difficult to imagine the development and testing of social science theory without such inferences" (Blalock, 1964, p. 5).

Therefore, while acknowledging the difficulties of establishing causation and isolating the impact of particular variables, the research model was evolved to focus attention on some important contextual factors, which are hypothesized to condition the fate of reform initiatives in Lebanon. It thus advocates a 'context-based' approach to administrative reform and invites consideration and analysis of the cultural and political values and circuits of power, which link society and state. Consistent with this orientation, chapters 3-6 explore the peculiarities of the Lebanese social and political landscape to allow a better appreciation of specific opportunities and threats presented by the Lebanese environment in the pursuit of reform goals.

The hypothetical model derived here is consistent with most recent writings about administrative reform (Khan, 1981; Caiden, 1991; Wright, 1994; Hood, 1995; Pollitt and Summa, 1997; Peters, 1997; Turner and Hulme, 1997; Premfors, 1998; Knill, 1999; Maor and Jones, 1999; Guyomarch, 1999). It is also consistent with the 'new institutionalist' literature, which emphasizes that national political contexts and embedded institutional structures exert considerable influence on the scope and the dynamics of administrative reform (March and Olsen, 1989; Powell and DiMaggio, 1991). This makes it imperative to turn attention to the socio-historical-political context within which Lebanese reforms are designed and implemented. This is precisely the task that will be undertaken in the following four chapters.

## **CHAPTER 3**

# **PLURALISM, ETHNICITY, AND DIVERSITY**

### **INTRODUCTION**

Pluralism and heterogeneity are the most distinguishing characteristics of Lebanese society. Indeed, the realities of pluralism and communal coexistence have shaped the democratic institutions of the Lebanese republic and affected virtually every aspect of its political and administrative systems. It is therefore imperative, before engaging in an analysis of administrative reforms in Lebanon, to review the theoretical literature on pluralism and diversity and to present the leading theories explaining the endurance and resilience of ethnic and religious identifications across the world. In light of this review, the chapter introduces the main religious communities in Lebanon and highlights the relevance of one particular explanation – the interest-based explanation- in accounting for the continuing importance of ethnic attachments in Lebanese society today.

### **THE ENDURING CHALLENGE OF DIVERSITY**

“In most of the developing world, identity patterns derived from shared religion, ethnicity, culture, language or caste have been important, if not crucial determinants of political alignments and conflict. The power of the communal factor in politics was seriously underestimated at the time of independence, both by scholars and statesmen. Only gradually did this dimension of political development begin to receive the attention its evident importance merited. As studies began to accumulate and political leaders experimented with various formulas for coping with this challenge, awareness has slowly grown of its enormous complexity” (Young, 1976, p. 5).

Indeed, the flow of history in recent years lends indisputable confirmation to the enduring importance of ethnic and cultural cleavages. Recent political developments around the world have placed ethnicity in the center of public cognition of political struggle and attested to the continuation and endurance of ethnic consciousness and solidarity. Examples abound: the Blacks and Indians in the United States, the French in Canada, the Indians in some Latin American Countries, the Catholics in Northern Ireland, the Basques in Spain, and the Turks in Cyprus to say nothing of the many groups in South Africa.

The renewal of ethnic outbreaks throughout the world seems to suggest that ethnic identification is not withering away, and that it will continue to be a potent force in shaping human social history. It also seems to suggest that negotiable, socially constructed identities and cultural diversity – difference, heterogeneity, pluralism- are somewhat “the fate of the modern world” (Jenkins, 1997, p.30). Today, the notion of cultural and political homogeneity is no longer the

social norm. One rather speaks of fragmented, segmented, plural societies, and heterogeneous, ethnically hybrid polities. As Jenkins puts it, “the reality of monoism - of a social world which is, or was, an archipelago of discrete, bounded, culturally distinctive and homogeneous units – is no more plausible” (Jenkins, 1997, p.30). Stable culturally unified societies are being progressively replaced by a shifting culturally plural modernity.

### **THE PLURAL SOCIETY**

Plurality and diversity are therefore the realities of the modern world. Throughout human history, plural societies have occurred most often involuntarily, as a result of imperial conquest; “they have largely been the outcome of the imperial partition of the globe during the age of European expansion” (Young, 1976, p. 97). In the process of de-colonization, colonial boundaries were often drawn arbitrarily, taking little account of pre-colonial cultural and political conditions. After independence, most new states retained their colonial boundaries, which enclosed many different/segmented entities.

Demographic pluralism is partly the consequence of imperial politics, borders having been drawn to suit the convenience of colonial powers and to avoid conflict among them, with little or no regard for historic or demographic boundaries. These colonial boundaries have, however, enjoyed remarkable stability in the wake of political independence. The inheritors of the colonial states have shown little inclination to revise boundaries to make them more compatible with demographic realities (Esman and Rabinovich, 1988, p. 274).

But the term plural society is not simply synonymous for colonial societies and some of their successor states, though pluralism may find extreme expression in these societies. Rather, “it denotes societies characterized by certain conditions of cultural diversity and social cleavage, in whatever way these conditions of social and cultural pluralism arise from the contact of different peoples and cultures within a single society” (Kuper, 1969, p. 7).

The streamed or plural society thus implies the incorporation of different ethnic groups or collectivities into one societal or state system. Indeed, the basic components of plurality are the existence of two or more socially and politically significant aggregates, differentiated by cultural or other criteria who compete and interact within sharply demarcated boundaries –the sovereign territorial state. Moreover, the basis of their solidarity groupings are affinities of ethnicity, religion, language, race, caste, assumed blood tie, custom, and/or territory (Young, 1976).

By the mid 1960s, the plural society or the multi-communal state, a state embracing different peoples/affinities, was no longer the exception in the international community of nations, but the rule (Hanf, 1993). “The transformation of the Western Colonial system into the Third World of today only served to concentrate problem situations within the geopolitical confines of



smaller nation states, none of which can claim to be socio-culturally homogeneous” (Rhodie, 1978, p. 2). Indeed, the societies in nine out of the ten states that newly achieved independence were not culturally homogenous, and experienced various rivalries and conflicts over hegemony (Hanf, 1993). For most of these states the primary concern became that of regulating the coexistence of the different communities within the confines of the colonial boundaries.

## **CULTURAL PLURALISM**

Cultural pluralism thus denotes societies composed of separate culturally defined collectivities (Young, 1976). The early advancement of cultural pluralism as an ideological approach to ethnic diversity has its roots in the United States. As Milton Gordon notes, the damage done to bewildered immigrants “by those forces which impelled rapid Americanization” contributed to ethnic alienation, family disorganization, and other forms of disorientation (Gordon, 1978, p.197). Hence, the term cultural pluralism was advanced by various immigrant scholars to challenge the normative validity of the melting pot and assimilation models.

One influential early assessment of cultural pluralism was an article published in 1915, by Horace Kallen, entitled “*Democracy Versus the Melting Pot*” (Kallen, 1970). Kallen, like subsequent advocates of cultural pluralism was gravely concerned about the severity of the Americanization process, which compelled compliance and self-denial in the interests of the melting pot. He argued that the melting pot theory was an expectation, not a fact, and that the loss of a group’s identity was neither completely possible nor desirable.

Kallen further argued that no human being can cut himself/herself from socio-historical circumstances that shaped him/her. “Behind him in time, and tremendously in him in quality are his ancestors”. Moreover, “around him in space are his relatives and kin, carrying in common with him the inherited organic set from a remoter ancestry” (Kallen, 1970, p.94). Kallen concludes that there is a need, not for a program of coerced unity, but rather for a confederation of cultures and a democratic system which protects the rights/identity/values of the different ethnic communities.

Hence, as Gordon points out the doctrine of cultural pluralism was advanced “to oppose the assumptions and demands of the Americanization of Anglo conformity view point and in the process was to reject, also, the more kindly intended blueprint of the melting pot enthusiasts” (Gordon, 1978, p.160). Given this focus, the goal of cultural pluralism projected:

...A society where ethnic groups would be encouraged to maintain their own community, social structure, and identity and preserve certain values and behavior patterns which are not in conflict with broader values, patterns, and legal norms common to the entire society (Gordon, 1978, p.160).

Subsequent definitions and projected goals of cultural pluralism have concurred with these original concerns. An example of this focus is the definition of cultural pluralism by Antonio Pantoja et al. They point out that:

The cultural pluralism movement, has, at its core, the aspiration and value to create a new society, where culturally different groups that exist within one country can fully experience both the positive and distinctive attributes of their given and ascribed differences without penalties of loss of status, or educational, social, or political disenfranchisement (Pantoja *et al*, 1976, p. 126).

Viewed from such a perspective, cultural pluralism is a humane and attractive aspiration. But even such an understanding of the concept is not without problems. As Jenkins explains:

Since cultural diversity is increasingly, the fate of the modern world, and ethnic absolutism a regressive feature of late modernity, the greatest danger now arises from forms of national and cultural identity – new or old – that attempt to secure their identity by adopting closed versions of culture or community, and by the refusal to engage with the difficult problems that arise from trying to live with difference (Jenkins, 1997, p.29).

## **TYPES OF CULTURAL DIFFERENTIATION**

In the modern world, the sources of diversity and cultural differentiation are many and varied. But the major markers of difference have been identified as those of ethnicity, religion, race, caste and region (Young, 1976; Govers and Vermeulen, 1997). The fact that these cultural markers embody a great potency for fragmentation and segmentation is well recognized. “Divisions based upon race, ethnicity, religion, and caste evoke the most sensitive and cherished anxieties regarding self-definition and survival” (Young, 1976, p.142). For the purposes of this thesis, the two markers of ethnicity and religion will be emphasized as they have always been the most salient sources of diversity and cleavage in the context of the Lebanese society.

## **THE CONCEPT OF ETHNICITY**

In the English-speaking world, the concept of ‘ethnicity’ has now become prevalent. But it was not until the late 1960s that the concept became familiar in the social sciences. “Though the adjective ‘ethnic’ and the notion of ‘ethnic group’ were commonly used, the noun ethnicity was all but unknown” (Govers and Vermeulen, 1997, p.3). The late 1960s and early 1970s have witnessed a new scholarly look at the phenomenon of ethnicity. Such increasing popularity of the notion of ethnicity in the early seventies was related to broader developments in the social sciences, in particular the growing disillusionment with theories of modernization, development, assimilation, and nation-building.

In modernization theory, ethnic bonds were conceived as primordial, parochial ties, as “pre-modern phenomena predestined for extinction” (Hanf, 1993, p.11). The assumption was that

modernization was a powerful and irreversible historical process that will engulf the world and that parochial ties would lose much of their saliency as a result of modernization. From a developmental perspective, ethnic loyalties were regarded as obstacles to development, to be overcome, fought and/or eradicated. Assimilation theories predicted a gradual, linear, and unproblematic assimilation of ethnic minorities to the dominant, modern, majority culture. Finally, ethnicity tended to be viewed by another group of theorists as a destabilizing, potentially revolutionary force that threatened to disrupt the natural process of nation building.

In this sense, political science was dominated from the late 1950s to the early 1970s by the modernization paradigm, in which ethnicity was depicted as a remnant of tradition, inevitably declining in significance as cultural rationality and national integration developed. Ethnicity was routinely denounced as retrogressive and shameful, a 'cultural ghost', a 'residue deriving from the distant past' and an unwelcome interruption in the pursuit of modernity. The belief was thus in the universality of the Western model of development, in the inevitability of modernization, assimilation, nation building and integration, and in the transient nature of ethnic loyalties and affiliations. Crawford Young writes:

The widespread conviction that triumphant anti-colonial nationalism would eclipse cultural pluralism derived powerful reinforcement from the dominant paradigm of assimilation in the industrial world. Theories of political development and modernization which appeared in the 1950s virtually all rested on the premises, if only implicit, that the universe of industrial nation states was a model of the future of the underdeveloped world (Young, 1976, p.7).

However, by the late 1960s, the viability of this paradigm came under growing attack as evidence increasingly "confirmed that the integration of the modern state could not be an article of faith" (Young, 1976, p.8). Indeed, many of the normative assumptions and convictions, which pervaded the social sciences were seriously challenged by the events of the late 1960s. "A revolution in social science paradigms in the sixties and early seventies was influenced, if not instigated, by the anti-colonial struggles and ethnic movements of the early post-war period" (Govers and Vermeulen, 1997, p.4). Numerous new states were racked by civil war and in many parts of the world ethnic conflict acquired a new virulence. The resurgence of ethnic conflict even in the economically most developed states increasingly undermined the convictions of the previous era. Social scientists were now faced with an enormous task, namely to account for the continuing importance of ethnic attachments and explore the processes of ethnic revival and survival in many parts of the world.

#### **ETHNIC REVIVAL EXPLAINED (COMPETING EXPLANATIONS ADVANCED)**

Various theories have been suggested to explain the unexpected resurgence of ethnic identification within existing, internationally recognized political entities, both developing and

developed. One set of writings emphasizes the continuing power of primordial attachments - attachments that are so overpowering and coercive because they stem from immediate kin connection, or from being born into a particular religious community, or speaking a particular language and/or following particular social practices. Such loyalties are primordial, that is, are primeval or original, and are assumed to have a lasting influence on the behavior of people. "Rooted in history, passed on by upbringing, and often embedded in a particular environment, primordial bonds are permanent realities. Even if sublimated and seldom conspicuous, given the opportunity, they resurface" (Hanf, 1993, p. 15).

Such perspective on the roots of ethnic attachments is persuasive, even if not entirely adequate. Its inadequacy lies in its inability to explain why common origins, religious beliefs or language create group solidarity in some cases but not in others. Origins are of paramount significance in South Africa for example, but far less so in Brazil. In Northern Ireland, religious affiliation still plays an enormous role; this was formerly the case in the Netherlands too, though no longer. Language groups are far more relevant in Belgium and Canada than in Switzerland. Given this shortcoming, some writers have started to downplay the biological aspect of the concept of 'primordial attachments' in favor of its cultural dimension or connotation.

The cultural explanation thus emphasizes that ethnicity is not simply a matter of ascription and social organization, but rather a complex matter of consciousness, ideology, and imagination. Such new emphasis implies a definition of ethnicity in terms of 'subjective states'. It differs from definitions, which only include 'objective features' like sharing the same language, religion, territory or history. This is not to deny the relevance of such supposedly objective criteria but rather to underscore the importance of self-perception, self-identification, categorization and consciousness in motivating and mobilizing collective action. Indeed, ethnicity tends to become salient only when the parties involved become conscious of their differences. "A society may have multifarious cultural segments, but this segmentation will have no political consequences until self-awareness develops" (Hanf, 1993, p.20).

A second line of argument finds close parallels between the resurgence of ethnic identification and the spread of processes of modernization and social transformation, primarily those of urbanization, communication, and education. From this perspective, rapid urbanization has brought people into more intensive interaction with others. The potential for irritation and dislike has thus increased under conditions of close proximity and constant contact (Hanf, 1993). Moreover, the manifold increase in the scope and intensity of communications has greatly affected the process of spreading communal awareness and enlarged message flows which are shaped by communal solidarity (Young, 1976). The expanded educational system and

the spread of literacy have also helped accentuate cultural differences as better educated people can better articulate their communal interests and demands.

In short, the processes of change and modernization have profoundly altered the environment within which cultural pluralism occurred and enlarged the social capacity for solidarity patterns and networks (Young, 1976). Instead of eroding traditional, primordial, parochial loyalties, modernization processes have helped enhance ethnic solidarity and intensify communal conflict.

Communication, urbanization, and education frequently do not help to reduce cleavages, but rather work to emphasize and intensify them. Not infrequently, it is precisely the process of modernization that gives cultural markers their relevance, mobilizes group consciousness, and politicizes (Hanf, 1993, p.17).

The argument that an intensifying process of segmentation and social competition accompanies the overall process of modernization leads us to a third, and in my judgement, very powerful interpretation of the resurgence of ethnic identification, namely the “interest-based” explanation. It is argued from this perspective that economic development converts ethnic groups into competitors for economic resources and contestants for political advantage. As the role of government expands with modernization, ethnic structures become the most available instruments of collective mobilization. Through these structures, competitive claims for resource allocation can be promoted. The competition generated by modernization thus politicizes ethnic pluralism and makes it even more salient than in earlier periods.

The “interest-based” explanation is especially relevant in the context of developing countries, where struggles over limited resources and the allocation of benefits tend to be particularly intense. It is precisely under such conditions of intense competition that an interest-based ethnic movement comes to be perceived as the best instrument for improving the material well being of the group and enhancing its chances for attaining collective upward mobility. The interest-based ethnic movement may be used either to gain advantage by acquiring new economic and political resources or to defensively protect the established cultural, economic and political privileges of the group.

Interest based ethnic movements are also likely to develop because of real or perceived inequality or status inconsistency. The pursuit of economic and political interests by means of ethnic associations is indeed most commonly precipitated by the emergence of a collective and ethnically defined sense of absolute or relative deprivation compared with the position of significant others (Esman and Rabinovich, 1988). In such situations, the ethnic group movement is likely to gain saliency; “awareness of group identity can easily be enlarged and mobilized and a sense of relative disadvantage can be generalized to galvanize the social energies of the entire

collectivity” (Young, 1976, p.100). Ethnic-based mobilization hence frequently occurs when disparities become salient and a threat to permanent disadvantage looms (Young, 1976).

Interest-based ethnic movements do not develop only because of competition or inequality among groups. They also tend to appear when cultural communities collectively perceive serious threats to their identity groups as collectivities and “attempt to ensure their own security under conditions of anarchy” (Byman, 1997b, p. 48). The concept of anarchy is here used to refer to the existence of a weak central government whereby ethnic groups are forced to rely on themselves to ensure their own survival. Interest-based ethnic movements are also likely to develop when loyalty to the state is weak and alienation is pervasive “an interest-based ethnic movement gains salience because at least some of its members find within it a feeling of community in a setting that seems threatening and chaotic” (Yinger, 1994, p.48). “Fear, anxiety, and insecurity at the individual level can be reduced within the womb of the ethnic collectivity; at the same time, threats to the security of the group provide a mobilizing imperative for its members” (Young, 1976, p.20).

Hence, from this perspective ethnicity provides individuals and groups with their most important political resource in the competition for the scarce goods of modernity. Demarcation of ethnic differences takes on political importance to the degree it is relevant in legitimating claims to rights and resources and in providing individuals with both meaning and organized channels for pursuing culturally-defined interests (Berman, 1998). Ethnic identities in such contexts can be consciously manipulated and invested in economic and political competition. Indeed, the interest-based explanation emphasizes that the most important and salient aspect of ethnic group relations is the competition and conflict over differential access to resources.

An implicit assumption in this perspective is that ethnic identities do not only derive from intrinsic features but emerge from, and are reasserted in encounters, transactions, and oppositions between groups. It thus underlines the importance of the situational context and the attractiveness of a particular form of group affiliation under conditions of insecurity and threat. Ethnicity thus becomes particularly attractive as a basis for political affiliation because it fulfills two paramount criteria: emotional security and interest satisfaction. The ethnic group comes to be perceived by its members as a pseudo-kinship group, which promises to provide emotional security, practical support, and a powerful instrument for utilization in political competition (Brown, 1989).

But the ethnic group is of course not always a real kinship group; it is a fictive one. Here the interest-based explanation allows for a more comprehensive understanding of ethnicity as historically grounded and socially constructed. Hence, before ethnicity is the basis for political

mobilization and action, it must be a work of intellectual construction, an imagining or re-construction of a common history, religion, or culture. "Here we encounter the distinctive duality of ethnicity as a cultural identity and consciousness-laden with possibilities for political mobilization and as a discourse which arranges collective memory as a basis for political action" (Berman, 1998, p. 312).

In this respect, the historical cultural attributes of a society provide the limiting framework within which ethnic identities develop. "The kind of communal rivalries which develop, and the choice by these groups of the myths and symbols of ethnicity will depend upon the kind of threats to their emotional security and to the practical interests with which they are confronted in their political environments" (Brown, 1989, p. 8). Hence, a comprehensive understanding of interest-based ethnic movements must begin by an exploration of the historical patterns of security, threats and interest options, which develop in society.

In this sense, a focus on the historical development of ethnic groups within the confines of the state promises to be a fruitful orientation and a necessary complement to the interest-based explanation. There is today some recognition of the extent to which Third World states exhibit a 'mono-ethnic tendency'. Weiner (1988) notes that "in country after country, a single ethnic group has taken control over the state and used its powers to exercise control over others" (Weiner, 1988, p. 36). The central question regarding the state may thus be restated in terms of the degree of its ethnic neutrality or the extent to which it has allowed a dominant cultural group in the society to enhance or preserve its dominance through the instrument of state power (Brown, 1989).

The behavior of ethnic groups in a particular society is thus likely to be influenced by options made available by the state for political participation. Variations in such options are likely to influence the intensity, form and political salience of ethnic consciousness. Hence, rigid institutional arrangements that foster the dominance of one cultural group are typical precursors of ethnic conflict. When faced with limited options and with security threats to their existence, ethnic groups are likely to mobilize and take the form of interest-based ethnic movements. Fears of extinction and/or exclusion become real particularly for vulnerable minority groups living with memories of persecution and massacre.

The various explanations explored here regarding the persistence of ethnicity are not mutually exclusive. The analytic distinction among them is still important, however, because their comparative weight varies from setting to setting (Yinger, 1994). In the Lebanese context, all four explanations presented are relevant, but the interest-based interpretation will be emphasized as it will help explain most adequately the continued saliency of ethnic identities in the

Lebanese society. The interest-based explanation has indeed been widely adopted by recent writers on ethnic politics because it combines the deeply affective and emotional nature of ethnicity, with its contingent, situational, and circumstantial character.

## **THE PHENOMENON OF ETHNIC POLITICS**

Hence, at the present state of the art, there is no unified theory that can comprehensively explain the genesis and the dynamics of contemporary ethnic conflict. Instead, as we have seen, there are a variety of often competing and partial theories. Fortunately, however, there is some consensus and agreement amongst scholars on some of the basic issues, namely:

1. That ethnic and religious conflict is primarily a political problem;
2. That the relevant contemporary context is the territorial state;
3. That what is to be explained are the relationships and terms of coexistence among two or more solidarity groups and between them and the agencies of the state; and
4. That at stake are such fundamental values as relative power, wealth, security, equity, and status (Esman and Rabinovich, 1988).

The term ethnic-politics has come to be used to refer to such complex political interaction of different collective identity groups within the boundaries of the sovereign territorial state. As Ben Dor explains:

Politicized ethnicity, ethno-politics, ethno-nationalism, ethno-regionalism, ethno-secessionism, and so on, are all terms used in analyzing what happens when such entities bring their social, cultural, and economic interests, grievances, claims, anxieties, and aspirations into the political area- the intrastate and or the interstate arena (Ben Dor, 1988, p. 72).

The state then becomes the arena for ethnic conflict or ethnic politics. It is the institutional framework for the promotion or defense of ethnic group interests. One of the main functions of governments, therefore, is to manage the disputes that occur among groups within their territorial jurisdiction and between such groups and the state. Conceptually, and broadly speaking, two kinds of strategies are available for governments in their attempts to regulate ethnic conflict. The first is to eliminate pluralism, the second is to legitimize and manage it.

Unilateral strategies may include any one of an array of extreme and coercive policies- for example genocide, enslavement, expulsion, repression, compulsory assimilation, other forms of acculturation, divide and rule-like manipulations, discrimination, exclusion and belittlement of 'backward' ethnic cultures. However, as Crawford Young notes in his comprehensive study on pluralism, "coerced assimilation and cultural oppression are policies likely to incur high costs and yield minimal benefits" (Young, 1976, p. 524).



The alternative to eliminating pluralism is thus to manage it. In order to contain ethnic conflict within tolerable limits, and to diffuse its potential volatility, leaders of the state as well as those of various ethnic groups might find it useful to adopt one or more of various available regulatory political mechanisms. The ability to deal successfully with these conflict-containing techniques is a most important trait of political elite in multiethnic societies. A range of such mechanisms is available, including:

1. The deliberate de-politicization of issues that could, if they were activated and politicized, take on an ethnically divisive cutting edge;
2. Constitutional or institutional arrangements designed to keep potentially disruptive or divisive ethnic issues off the central government's political agenda and resolve them at other decision-making levels;
3. A form of consociationalism where advance agreement is reached by the several ethnic leaderships to persist within coalition governments regardless of the outcome of elections or oscillation of public moods;
4. The mutual veto, which assures that the leaders of important - even if relatively small-ethnic groups will not be relegated to political impotence. They are issued a right to veto policies genuinely perceived to be endangering the vital interests of their groups;
5. Proportional representation is another mechanism, which is similarly intended to assuage the anxieties of leaders of smaller, weaker, or subordinate ethnic groups and politically integrate them into the state's macro-system (Ben Dor, 1988, p. 76).

Managing ethnic conflict is thus a most critical and delicate task. Success depends, to a large extent, on the capacity to institutionalize some regulatory techniques and procedures of the variety explored here. A number of such mechanisms were successfully institutionalized in Lebanon, prior to 1975. Indeed, "for three decades –*since the country's independence in 1943*– Lebanon was held to be an example of successful, peaceful and democratic coexistence, as one of the few viable cases of consociation outside Europe". But the Lebanese model of consociational politics was soon to collapse into bloody warfare between conflicting confessional communities; "in the following decade and a half it became the proverbial case of a country torn apart by bloody and internecine warfare" (Hanf, 1993, p.40).

## **ETHNICITY IN RELATION TO LEBANON**

In this thesis, the term ethnicity will be used to refer to an identity distinguished from other social identities by a belief in a common origin, descent, history, and culture. It is a "self-perceived inclusion of those who hold in common a set of traditions not shared by others with whom they interact" (De Vos, 1996, p.18). Such traditions typically include attributes such as language, a sense of historical continuity, and common ancestry or place of origin. Although

religion is also customarily treated as an important marker of ethnic difference, in this thesis it will be considered separately, to emphasize its prime significance as a distinct line of segmentation in Lebanese society.

Religion offers a durable and all embracing social identity (Young, 1976). As an element in cultural pluralism, religion is however limited to the great world religions - Islam, Christianity, Buddhism, Hinduism, and Judaism. "The older folk religions, although aspects of them are incorporated in the universal religions which supplanted them in most parts of the world, lack the minimum requirements for becoming meaningful cultural segments in modern politics" (Young, 1976, p.52). In Lebanon, it is particularly Islam and Christianity that have been translated into generalized identity systems and become especially meaningful elements of ethnic group loyalty and identification.

Islam has frequently operated in the guise of an intensely political religion. It is an all-encompassing social system that admits of no distinctions between politics and religion. The consequence is invariably the politicization of religious identity in the fabric of Islamic society. Moreover, from its 7<sup>th</sup> century beginnings, Islam has periodically contributed to state formation, starting with the first caliphate, and continuing in subsequent political creations such as the Ottoman Empire, the Mughal Empire in India, the Fulani State in West Africa, and most recently, the creation of Pakistan, as the political homeland for Muslims on the Indian subcontinent. "As a religion of revelation, Islam readily becomes an expansive missionary faith, and by that fact may often be interpreted by other religious communities as a threat, thus contributing toward a dialectic of communal conflict" (Young, 1976, p.54).

Although frequently perceived as a threat, Islam is in reality far from a united political grouping. The major cleavage between Shi'ite and Sunni interpretations, dating back to an early dispute over succession to the Prophet, is one important example. Islam is also fractured by its relationship with both folk religion and contemporary secular ideologies. There is often a sharp distinction between those whose membership in the community of Islam is only nominal and those who devoutly pursue Orthodox Islam and are active in their faith. Moreover, in many parts of the Arab world, much political fragmentation has been caused by the difficult task of reconciling Islam with secular trends and ideologies.

Christianity has been an operative political identity almost wholly through its subgroups – Catholics, Greek Orthodox, diverse Protestant sects, Armenians and others. Often its political role has been in symbiosis with the affirmation of a nationality. One outstanding manifestation of Christianity in the Middle East is the strong coincidence of ethnicity with the faith. This has been, in part, attributed to a historical tight control by Christian communal leaders. "This pattern

of strong and continuous communal leadership played a major role in preserving the religious-ethnic integrity of these groups, and their sense of unique identity” (Karpat, 1988, p.42).

Religious identities tend to carry a high potential for political mobilization. The highly developed ritual and ceremonial practices associated with religious observance serve as a constant reaffirmation of identity; they constantly reinforce the sense of membership in a particular community. There are also, in every religion, various obligations and sanctions making it imperative to rally in the defense of the faith when it is presumed to be in danger. Moreover, there exists in all major religions, in varying degrees, a specialized, institutionalized clergy, or religious leaders whose claims as spokesmen command general assent.

The combination of divinely ordained solidarity imperatives and the structural and communications capability to transmit the message in times of crisis give a formidable political mobilization potential to communal attachments (Young, 1976, p.52).

Religious identities also tend to be relatively stable and durable; “they frequently have a limpet like persistence and may possess a vigor and tenacity which can virtually equal those which are rooted in our genetic constitution” (Govers and Vermeulen, 1997, p.19). Some have argued that this relates to the nature of the religions involved. Enloe maintains, for example, that ethnic boundaries are least porous and inter-ethnic relations most tense “when two ethnic groups confess different religions, each religion is theologically and organizationally elaborate and explicit” (Enloe, 1980, p.352).

Indeed, a religious definition of communal solidarity guarantees the persistence and salience of pluralism and lends an especially intractable character to the expression of ethnic politics.

Religiously defined solidarities, when politically mobilized, can produce rigid boundaries, persistent and bitter hostility, and maximal claims that are especially resistant to the normal arts of political diplomacy or to erosion by social change. They are more intractable than divisions based on language or common origin...unless religiously-based pluralism can be successfully de-politicized, it will continue to generate more intense, persistent, and violent conflict than pluralism based on other lines of cleavage (Esman and Rabinovich, 1988, pp. 286, 287).

Recent decades have shown the persistence of ethnic/religious pluralism in Lebanon, and in many societies around the world. Indeed, an objective look at contemporary political processes permits no other conclusion than a candid recognition that ethnic pluralism is an enduring reality in the modern world. Moreover, ethnic pluralism is not likely to wither away or be easily eradicated. A more realistic approach is to view it as a phenomenon to be recognized and accommodated. This is especially true in view of the fact that many modern territorial states have not achieved their desired degree of homogenization and have been forced to come to

terms with the realities of social pluralism. As Esman concludes in his comprehensive review of contemporary issues in ethnic politics and pluralism:

...Ethnically defined collectivities must be accepted and accounted for on their own terms as legitimate political actors. They are not the manifestations of deeper realities such as class. Nor are they destined necessarily to dissolve into individualism or to wither away in the inexorable processes of modernization and nation building. Though their contours, their tactics, and even their boundaries may change, ethnic solidarities are likely to be around for a very long time in many parts of the world, to influence and in many cases to determine the course of events (Esman and Rabinovich, 1988, p. 24).

### **THE INTEREST-BASED EXPLANATION IN THE CONTEXT OF LEBANON**

Lebanon has provided a refuge for a host of beleaguered and persecuted ethno-religious minorities fleeing hardships and persecution. Their early historical encounters and entrenched doctrinal beliefs provided ample room for mutual suspicion and hostility. The Christians felt marginalized and relegated to second-class status under the millet system of the Ottoman Empire. Similarly, the Muslims felt the winds of exclusion under the French mandate. Existential fears and insecurities were reinforced upon independence. While the formula adopted –the National Pact of 1943- sought to promote confessional power-sharing among the various communities, the exchange remained asymmetrical perpetuating the hegemonic posture of the Maronite community.

With time, the dynamics of inter-communal conflict in Lebanon evolved from religious rivalries to political struggles and competition. Indeed, since independence, the main issue of contention has been the nature of the political community. Demarcation of religious differences took on political importance to the degree that it was relevant in legitimating differential claims and access to resources. Given the sectarian-based formula adopted at independence, religious and ethnic identities were consciously manipulated and re-asserted as powerful instruments for utilization in the ensuing political competition. The behavior of religious communities in Lebanon was thus largely influenced by the confessional formula adopted by the state as the basis for political participation.

Following is thus a review of the historical development of the main religious communities in Lebanon. The review lends support to the interest-based explanation explored at the beginning of the chapter. It also confirms that ethnicity is indeed the product of a continuing historical process, always simultaneously old and new, grounded in the past and perpetually in creation. While the emotional and affective character of ethnicity is no doubt important, the circumstantial, situational and contingent use of ethnic identification in the pursuit of material advantage cannot be underestimated. Ethnic collective action in Lebanon is thus essentially a process of strategic political interaction between self-interested communities with divergent and mutually exclusive interests.

## THE MAIN RELIGIOUS COMMUNITIES IN LEBANON

Lebanon is a nation of communities. As one author argues:

There can be few countries, which can claim to be so deeply and intrinsically composed of minorities as Lebanon – especially one so small that it could fit into one quarter of Switzerland. There is not a single resident in Lebanon who can, in one sense or another, truthfully claim not to belong to a minority. It is the conflicting aspirations and fears of these different components of Lebanese society, confined in a small and rapidly urbanizing area, which lie at the heart of the continuing crisis in Lebanon today (McDowall, 1982, p. 7).

The Lebanese communities are commonly divided into two religious categories: Christian and Muslim. However, cleavages in Lebanese society far exceed the traditional Christian-Muslim divide as there are several complex sub-divisions within these two general classifications.

The history of Lebanon has been viewed in a prism of dualism; in the nineteenth century, the Druze-Maronite schism was the norm, and in the twentieth century, the Christian-Muslim schism became the norm. Such a view neglected other major demographic components of Lebanese population, and under-estimated the degree of sectarian frictions between sects of the same faith (As'ad, 1988, p.36).

Lebanese society comprises seventeen different religious sects, six of which can be considered politically salient. A sect is defined as “a group of people united by a common opinion or doctrine that distinguishes them from other groups of people in society” (As'ad, 1988, p. 29). The criterion for regarding a sect or community as politically salient requires “that the cleavage in question be sufficiently intense and durable to give members of the respective groups a distinctive and persistent outlook or cultural orientation that is different from that of other segments in society” (As'ad, 1988, p. 123). The roots of the divisions between the main religious sects in Lebanon are different religious convictions or cultural orientation and/or disputes over the legitimacy of religious leadership.

### **The Maronite Community**

The *Maronites*-followers of the 5<sup>th</sup> century Monk *Maron*-are the dominant group among Lebanon's Christians. Their monolithic doctrine put them in conflict with the Byzantine Church from its foundation in the 5<sup>th</sup> century onwards. As a result of persecution at Byzantine hands, the *Maronite* community retreated from northern Syria into the northern mountains of Lebanon between the 7<sup>th</sup> and 11<sup>th</sup> centuries. “It was from one group of Christians from Syria seeking sanctuary on the mountain that the *Maronites* emerged to politically and economically dominate modern Lebanon” (Mackey, 1989, p. 84).

Alienation from Arab (Byzantine) culture and religion was thus a characteristic feature of *Maronite* ethnicity from its very inception. “*Maronite* sectarian ethnicity is derived from

feelings of separateness in a larger Muslim and Arab world, and from the fear of persecution and extinction” (As’ad, 1988, p.96). The *Maronites* simultaneously developed a growing sense of affinity with Christian Europe. Their contact with Europe was initiated during the Crusades and continued intermittently until they formally entered into union with Rome in 1736 (McDowall, 1982). Such Western affinity was deliberately fed by France, who, starting in the 17<sup>th</sup> century, openly assumed protective responsibility for *Maronite* interests in Lebanon.

Despite their French protectors, the *Maronites* fearfully clung to the mountainous slopes, jealously guarding their separate identity. Their worst anxieties materialized during the war of 1860 between them and the Druze.

The events of 1860 became the touchstone of *Maronite* psychology, and when the question of security from the Muslim threat arose in *Maronites*’ minds, as it did increasingly with the rise of nationalism throughout the Arab world, 1860 became a potent symbol of what could not be allowed to happen again (McDowall, 1982, p. 9).

The most enduring result of the conflict, however, was the incurable trauma it inflicted on the *Maronites* of Lebanon. They became consumed in fear, even paranoia over their survival. *Maronites* fear persecution, inequality, and absorption into an expanded Arab nation. But they mostly fear losing the political and economic prerogatives which they have managed to acquire under French rule. “Though accused by other Lebanese of believing they are a bit more than first among equals, the *Maronites*’ basic fear is that stripping them from their economic and political prerogatives is the prelude to driving them from Lebanon” (Mackey, 1989, p.45).

Indeed, *Maronites* view Lebanon as the only place in the Arab World where Christians can be genuinely free and where they can aspire to the highest social, political, and economic status. They insist that while the Muslims among them are to be treated as equal citizens, the reins of power must remain in their own hands. Their chief objection to living under Islamic rule is that in the Islamic community, state and church are identified as one. Therefore, yielding power to the Muslims is perceived by the *Maronites* as a serious threat both to their social/economic/political status and to the sovereignty and independence of Lebanon.

The demands of the *Maronites* have mainly centered on maintaining their long cherished privileges, despite the fact that they no longer constitute a numerical majority in Lebanon. Such privileges most notably include the presidency of the republic as well as a number of key administrative posts (the command of the army, the directorates of military intelligence and state security, the governor-ship of the Central Bank, and the chairmanship of the State Council) which had been regarded, since the French mandate, as the traditional preserves of the *Maronite* community. As in the dispute over the Presidency, *Maronites* claim that their privileges serve as necessary guarantees for the Christians in Lebanon (Hanf, 1993).

The demands of the *Maronite* community were thus mainly political, stemming from their existential fears and insecurities as a small minority trapped in a sea of Islam. It is therefore no coincidence that the *Maronite* community was the first to mobilize in the war of 1975. A burgeoning Arab nationalism coupled with the proliferation of a Palestinian resistance movement in Lebanon during the early 1960s and 1970s were perceived by the *Maronites* as a serious threat to their security and hegemony. Their response to these threats evolved in terms of an early communal mobilization, which swiftly translated with subsequent developments, into collective violence and hostility.

### **The Greek Orthodox Community**

The *Greek Orthodox* is the second largest Christian group in Lebanon. They are the descendants of the established church of the Byzantine Empire, and have faithfully adhered to its theology. The *Greek Orthodox* living in Syria and Lebanon fall under the Patriarch of Antioch in Syria. “As part of the far wider church, the Orthodox have always felt loyalty to their Patriarchate and the Syrian Christian community in its broadest sense” (McDowall, 1982, p.7). Hence, though Christians, the *Greek Orthodox* see themselves as an integral part of the Arab world and feel the least threatened by Lebanon’s and other Muslims.

Lebanon’s *Greek Orthodox* Church always stayed centered in geography and theology in Syria with its patriarch, and its members accepted themselves as Arabs. As a result, today’s *Greek Orthodox* relate to the Muslims and adopt ideologies of the Arab world and pan-Arabism itself more readily than either the Maronites or the Melkites (Mackey, 1989, p. 38).

From its inception, *Greek Orthodox* sectarian ethnicity was relatively independent of religious affiliation. Indeed, *Greek Orthodox* ideologues commonly postulated that the people living in the geographical area of Syria and Lebanon constituted an ethnic unity that had existed since pre-history, one that was independent of racial origin or religion. Hence, they sought to recreate this unity through the political realization of greater Syria. “The central theme of the Syrian state was that it would be based not on the religious solidarity of Islam, but rather on the idea of a distinct historical, cultural, and geographical entity” (Mackey, 1989, p. 38).

The idea of a larger Syrian nation particularly appealed to the *Greek Orthodox* of Lebanon because it promised the possibility of creating a state larger and stronger than Lebanon. More importantly, it promised the possibility of creating a state, which was free of the strong hold and hegemony of the Maronites. Indeed, in the decades following independence, there was a growing resentment among members of the *Greek Orthodox* community of the Maronite monopoly of power in Lebanon, as it excluded them from the powerful offices of the state.

Within a decade of independence, most *Greek Orthodox* had ended their quest for a union with Syria. But they remained the least committed of the Christians to an independent Lebanese state. Hence, *Greek Orthodox* and Maronites in Lebanon differ in the extent of their commitment to a sovereign Lebanese state. They also differ markedly in their Arab cultural orientation. “While the Maronites conceptualized Lebanon as a country in but not of the Middle East, the *Greek Orthodox* accepted themselves as an Arab people living in an Arab state” (Mackey, 1989, p.38).

### **The Greek Catholic Community**

The *Greek Catholic* community is a splinter from the Orthodox community, which as a result of painstaking work by Catholic missionaries came into union with Rome in the 18<sup>th</sup> century. While recognizing Papal supremacy, *Greek Catholics* have nevertheless retained their oriental customs and rituals.

Catholic missionaries attempted with painstaking patience to separate the Orthodox from their Eastern roots. The effort was partially successful. In 1717 a segment of the Greek Orthodox surrendered, assuming the name *Greek Catholics or Melkites*. Today’s *Melkites*, like the Maronites, are of the Roman Church, yet apart from it. While classifying themselves as Roman Catholics and professing allegiance to the Pope in Rome, the *Melkites* have retained their oriental rites and rituals (Mackey, 1989, p. 36).

As the evolution of their loyalty to Rome implies, the *Greek Catholics* look West as well as East in cultural and political matters. In this sense, they can be seen as the bridge between the Maronites, the Lebanese Christians most closely tied to the West, and the Greek Orthodox who lean more toward the Arab world in culture and political orientation.

The three Lebanese Christian groups large enough to be politically relevant -the Maronites, Greek Orthodox, and *Melkites*- differ in the degree of Arab cultural identity they accept. The Maronites reject inclusion in the Arab world outright; the Greek Orthodox accept their status as part of that world; and the *Melkites* vacillate between the two attitudes. However, all Lebanese Christians perceive as imperiled their survival as a religious minority trapped in a sea of Islam (Mackey, 1989, p.30).

The non-Maronite Christian communities turned out to be the political victims of the Lebanese war. The erosion of their political power was such that the various pre-Taif attempts at reconciliation were conducted in their total absence. Unable to conceive of any alternative and feeling insecure and isolated many Greek Orthodox and Catholics joined the Maronite mainstream during the war. The war thus served to enhance the standing of the Maronite community, so much that many local commentators dropped the old confessional classification (three Christian communities and three Muslim ones), in favor of another one: Christians, Sunni, Shiites, and Druze (Salame, 1986).



In the same way as Lebanese Christians do not constitute a monolith but a collection of distinctive groups possessing marked diversities, Muslims in Lebanon also divide into three major sects or communities: the Sunnis, the Shiites, and the Druze.

### **The Sunni Community**

The *Sunni* Muslims are the orthodox adherents of the Sunna, or the body of traditional Islamic laws based on the words and deeds of Muhammad and his immediate successors. “The *Sunnis* are the mainstream within Islam. To be *Sunni* means to follow the path or the way of the Prophet. In general terms, it means to accept the Prophet’s original teachings unadorned by heavy cultural variations” (Mackey, 1989, p. 57). Hence, *Sunnis* regard the Quran, supplemented by the traditions of the Prophet, as the sole and sufficient repository of the faith.

*Sunni* Islam has traditionally been the confession of government in the Middle East and, under the Ottomans, this gave the *Sunni* community in Syria and Lebanon an implicitly superior status to their co-religionists and members of other faiths. However, with the creation of the modern state of Lebanon, the *Sunnis*’ political status was vastly diminished. “*Sunni* sectarian ethnicity is the product of the creation of Greater Lebanon, an event that brought the decline of *Sunni* sectarian status from a majority in the Ottoman Empire to a mere minority in the Republic of Lebanon” (As’ad, 1988, p. 112).

A major outlet of *Sunni* sectarian ethnicity has been Pan-Arabism – the idea of a shared Arab identity, which can be expressed in some type of political unity. Indeed, the *Sunnis* in Lebanon have repeatedly underlined their commitment to Pan-Arabism as a goal, and as a threat in the event their political demands were not met. This orientation was meant to offset the Maronites’ attachment and identification with the Christian West. “The Arab orientation of *Sunni* political inclinations helped to balance Maronite reliance on Western support” (As’ad, 1988, p. 113).

Given their Arab credentials, the *Sunnis* succeeded in breaking into the Lebanese power structure upon independence. Their opposition to the Lebanese political system remained centered, however, around the relationship between the President and the Prime Minister. The arrangement set up by the Constitution was considered to be too presidential, and too biased to the advantage of the Maronites. Their demands for political parity with the Maronites thus grew louder in the years following independence.

The expression of *Sunni* political opposition, however, remained moderate and non-revolutionary. Indeed, while a process of radicalization may have occurred among the *Sunni* masses in the 1950s-60s in response to Nasserism and other forms of Arab nationalism, the *Sunni* establishment remained inextricably tied to the status-quo. This is because *Sunni* elite and

politicians shrewdly realized that they can continue to wield political power in Lebanon only by preserving the sectarian formula and abiding by the rules of the Lebanese political game. Indeed, the *Sunnis* of Lebanon were often accused of sacrificing Muslim interests in order to safeguard their position as the privileged partners of the Maronites.

During the war years, the Lebanese *Sunnis* were in a most precarious predicament. Their dispersal throughout the country's large cities (Beirut, Tripoli and Sidon) precluded a strong geographic nucleus (Salame, 1986). Moreover, the multiplicity of competing locally circumscribed patron-client networks in the *Sunni* community has had the effect of eroding their influence over the evolving course of events (Khalaf, 1991). In the absence of effective political organization, the *Sunnis* found their community largely fragmented throughout the war. This in turn affected both their capability and their will to form a separate militia of their own.

### **The Shiite Community**

The *Shiites*, the largest Muslim community and the largest confession in Lebanon today, derive their collective name from the word 'sect' or 'party' of Ali, son-in-law of the Prophet Muhammad. *Shiism* rose out of the great schism that befell Islam within fifty years of the Prophet's death. The division resulted from a rancorous dispute over who would succeed to the leadership of the faith after the Prophet himself. The *Shiite* insisted that the supreme authority should be a descendant of the Prophet. The majority of other Muslims, however, did not endorse this view and called themselves the Sunnis as opposed to *Shiites*.

The *Shiites* had been the opponents of the Sunnis in the succession struggle, being partisans of the Prophet's son-in-law, Ali. Although they lost the struggle, they clung to the Alid cause with fervent devotion, intensified by the persecution they suffered from time to time (McDowall, 1982, p. 9).

With the exception of Lebanon, *Shiism* resides at the eastern edge of the Muslim Middle East and most prominently in Iran. Iran is indeed the only country in which the *Shiite* religion commands the overwhelming majority of the population. "Mainstream *Shiism* has for centuries been the established faith of Iran, and explains the particular interest many Lebanese *Shiites* have for the Iranian Revolution and the person of Ayatollah Khomeini" (McDowall, 1982, p.9). Like other persecuted minorities who fled the Arab hinterland to seek refuge in Lebanon, the *Shiites* sought to preserve their doctrine and to achieve independence from Sunni hegemony.

*Shiite* sectarian ethnicity in Lebanon is the product of a long history of persecution by successive Sunni governments of the *Shiite* doctrine. It is also a function of the inferior social, economic, and political status that the *Shiites* have occupied ever since Lebanon was created. "In the rural areas, the *Shiites*, in character with centuries of persecution and suffering, have

remained the poorest and most exploited, politically the least represented, and socially the least educated group in Lebanon” (McDowall, 1982, p.9). Rejected as heretics, downtrodden by economic/political policies imposed by the dominant Sunnis, the *Shiites* of Lebanon were relegated to the bottom of the social order.

Increasingly, Lebanon’s *Shiites* grew angry not only over their economic status, but because they were derided by Christians and Muslims alike. Hence, key to the evolution of *Shiite* sectarian ethnicity was the growing sense of injustice and inequality and the perceived insensitivity on the part of other Lebanese towards their grievances.

While the concept of equal partnership as a demand for modifying the distribution of political power and the relationship between the president and the prime minister dominated the ideology of Sunni sectarian ethnicity, insistent calls for justice and equality have shaped the ideological movement of *Shiite* sectarian ethnicity in its various political stages (As’ad, 1988, p. 109).

The different ideological contents of the Sunni and *Shiite* political movements reinforced the separate agenda of *Shiite* sectarian ethnicity, which could not be reconciled with the reformist aspirations of Sunni politicians. Indeed, the rise of *Shiite* sectarian consciousness in the 1970s started to manifest itself in a radical sectarian agenda among some members of the community. The espoused goals were to overthrow the Maronite-Sunni establishment, which perpetuated *Shiite* deprivation and to establish an independent *Shiite* political entity. Some have even suggested that such an entity would eventually forge an alliance with the Republic of Iran.

By the beginning of the war, the *Shiite* community experienced a full-fledged coming of age. Their heightened self-consciousness crystallized and coincided with the rise of Imam Musa al Sadr, a charismatic figure, who took on the task of organizing a *Shiite* populist confessional movement. The movement first set out institutional objectives and requested the creation of an autonomous Higher *Shiite* Council in the South. However, with the mobilization of other Lebanese sects, the movement evolved into a separate militia known as Amal (Hope) whose leader, Nabih Berri, replaced the charismatic Imam upon his disappearance in Libya in 1978.

Following Israel’s invasion of Lebanon in 1982, *Shiite* political activism took on another military component, with the birth of Hezbollah (Party of God) militia. The movement was originally funded and inspired by Ayatollah Khomeini in Iran, but gradually gained appeal in the *Shiite* community because of its open confrontation with Israel. More importantly, Hezbollah provided the Lebanese *Shiites* an assortment of social, educational and medical services designed to redress their material grievances and their self-image as the most deprived of all Lebanese communities.

## The Druze Community

The third main pillar of the Muslim community in Lebanon are the *Druze*. The *Druze* sect emerged from another dispute over leadership within Islam. In the 8<sup>th</sup> century, the Shiites, who already had divided over the issue of the Prophet's successor, split again over the question of the rightful successor to the six Shiite Imam. "The *Druze* are a splinter group of Shiism who broke away from mainstream Shiism in the 8<sup>th</sup> century over succession to the Imamate" (McDowall, 1982, p. 8). The name *Druze* is derived from al-Darazi, a follower of the 10<sup>th</sup> century Egyptian Caliph al-Hakim, who taught that he was the ultimate incarnation of God in human history.

Historically, the *Druze* spring from the claim of the Fatimid Caliph of Egypt, al-Hakim (996-1020AD), to be the emanation of God in his unity. This teaching was brutally suppressed in Egypt on al-Hakim's disappearance in 1020 but some of his disciples escaped to the hill country of Lebanon where the doctrine was propounded amongst Shiite inhabitants. They founded a sect named after an early follower of al-Hakim, al-Darazi (McDowall, 1982, p. 8).

The esoteric beliefs of this community have historically led to its persecution by other Muslims. While theoretically a part of Islam, the *Druze* shun orthodox conformity to the five pillars of Muslim faith. They believe in God as composed of several principles, which proceeded from one another, each becoming incarnate in man. They also believe in supernatural hierarchies and in the transmigration of souls. It is precisely the belief in reincarnation that most causes mainstream Muslims to consign the *Druze* to the status of heretics. "While they classify themselves as Muslims, the *Druze* are rejected as heretics at best and nonbelievers at worst by most other Muslims" (Mackey, 1989, p. 59).

Given their history of religious persecution, the *Druze* have evolved into a very secretive sect. "It is the secretiveness of the *Druze* faith that is perhaps its most distinguishing characteristic" (Mackey, 1989, p. 61). Religiously speaking, the *Druze* are divided into two distinct groups. The initiated are those who master the secrets of the faith and who respect its dictates in their daily lives. Through these men, knowledge of the faith is passed on and perpetuated. The other 90 percent of the community, the non-initiates, are expected to lead a moral life, but are relieved of the obligation of observing the rites of their religion.

Most of the *Druzes* have always been almost as ignorant as outsiders as to the nature of their faith, which has remained in the custodianship of those few *Druzes* who follow the steps of initiation into the levels of truth within a religious hierarchy (McDowall, 1982, p. 8).

The *Druze* sect is also renowned for its cohesiveness and its strong bonds of solidarity.

It is this cohesiveness of the *Druze* and their success in remaining closely united over a thousand years of turbulent Levantine history that distinguishes them among Lebanon's minorities. Because of the strict code of moral conduct for which they are renowned, the *Druze* have maintained a degree of social solidarity that few others can match and a reputation as extremely formidable adversaries (Mackey, 1989, p. 61).

Given their esoteric beliefs, their secrecy, and cohesiveness, the *Druze* engender suspicion, and sometimes hostility among other Lebanese minority groups. It is precisely such attitudes which have helped reinforce *Druze* sectarian ethnicity and their strong feelings of solidarity. "*Druze* sectarian ethnicity is primarily derived from the historical persecution that *Druze* were subjected to and from the history of Maronite-*Druze* conflicts and tension in Mount Lebanon prior to the creation of Greater Lebanon" (As'ad, 1988, p.101).

Survival has thus become the prime concern of the *Druze* community. "Survival defines *Druze* politics. For the *Druze*, loyalty to the community exceeds allegiance to either economic ideology or ethnic nationalism. In the interest of survival, the *Druze* will identify with any arrangement that promises to safeguard their community interest" (Mackey, 1989, p. 62). Over the years, they have fought fiercely for an independent Lebanon in which some communal consensus will guarantee *Druze* survival and interests.

Although they never constituted more than seven percent of the population of Lebanon, the *Druze* community and its notables have played a prominent role in Lebanese history and politics. However, their political role was vastly diminished with independence. During the war, the *Druze* community regained its prominent role under the leadership of its feudal leader Kamal Jumblatt. And although Jumblatt was assassinated in 1977, his leftist organization, the Progressive Socialist Party continued to ally itself with the other Muslims in their struggle for political reform and more equitable representation. Table 5 presents summary characteristics of main religious communities in Lebanon.

Table 5. Summary Characteristics of Main Lebanese Religious Communities, Adapted from Deegan, (1993)

<i>Religious Community</i>	<i>Summary Characteristics</i>
Maronites	A formerly Aramaic speaking Christian people, native to the Syrian area, who settled in Mount Lebanon to escape persecution during the tenth century. Entered into communion with the Roman See in 1736, retaining own rites, ceremonies, canon law and bishops, but recognizing the Pope's Supremacy.
Greek Orthodox	The Arabic-speaking followers of the Eastern Church.
Greek Catholics	A splinter group from the Greek Orthodox Church who have entered into communion with Rome as a Uniate Church, also known as Melkites.
Sunni	The mainstream school of thought in Islam.
Shiite	A branch of Islam, which split from the Sunni over the question of succession to the Prophet Muhammad.
Druze	A secretive sect adhering to the mystical teachings of Fatimid Caliph al-Hakim (996-1021 AD), often considered as non-Muslim by many Muslims.

## SUMMARY AND CONCLUSIONS

Until recently, social science theorists had paid little attention to the enduring saliency of ethnic or cultural identification. Ethnic loyalties were commonly perceived as pre-modern phenomena pre-destined for extinction with the processes of modernization, assimilation, nation-building, and integration. However, recent political events and developments have seriously challenged such convictions and attested to the continuation and endurance of ethnic identification. Social scientists were now faced with a new task, namely to explore the processes of ethnic revival and account for the continuing importance of ethnic attachments.

Various explanations have been advanced to explain the continuing endurance of ethnic identification. One line of reasoning stresses the coercive-ness of primordial attachments-attachments that stem from the givens of social existence: immediate kin connection or from being born into a particular religious community, or speaking a particular language, and or following particular social practices. Such affinities of blood, speech, and custom are assumed to have an overpowering coercive-ness and the loyalties they evoke are said to have a lasting influence on the behavior of individuals.

Another explanation emphasizes the importance of subjective states like consciousness, ideology, or imagination in evoking loyalty sentiments and mobilizing collective action. It differs from the earlier perspective, which stresses only objective features like sharing the same language, religion, territory, or history. The point is not to deny the relevance of such supposedly objective criteria but rather to underscore the importance of self-perception, self-identification, imagination, categorization, and consciousness in motivating individuals and mobilizing collective action.

The processes of modernization have also been argued to activate ethnic attachments and intensify the potential for conflict. The processes of urbanization, communications and education for example have greatly enlarged the possibility of spreading communal awareness and helped accentuate cultural differences by providing people with the means to articulate their communal concerns and demands. So instead of reducing cleavages and eroding traditional parochial ties, modernization processes have helped enhance ethnic solidarity and intensify communal conflict.

A final explanation, the interest-based explanation suggests that modernization intensifies inter-group competition and converts ethnic groups into fierce competitors for economic and political advantage. This view implies that ethnic solidarity might have a good deal in common with the phenomenon of political mobilization. Modernization mobilizes men along familiar solidarity lines and intensifies struggles over limited resources. Increased competition and rising expectations in turn convert ethnic structures into readily available instruments for collective mobilization. From this perspective, ethnic identities are readily manipulated and reasserted as powerful instruments for utilization in the competition for the scarce goods of modernity.

All these explanations are relevant to explain the continued salience of ethnic loyalties in Lebanon. But the interest-based explanation seems most promising given the specific dynamics of access to resources in Lebanon and the lingering importance of ethnic structures in promoting competitive advantage and mobilizing collective action. The review in this chapter indeed makes clear that rigid religious demarcations took on political importance in Lebanon to the extent that they were relevant in legitimating differential claims and access to resources. Ethnicity thus provided individuals and groups in Lebanon with their most important political resource in the competition for the scarce goods of modernity.

Although trying to account for the resilience of ethnic attachments in Lebanese society is by no means an easy task, it was nevertheless an important undertaking to shed more light on the first – and most important- component of the research hypothetical model (cultural/societal factors). The ethnic and sectarian cleavages of Lebanese society indeed remain the key to understanding the whole picture. As the analysis in the following chapters will make clear, the realities of pluralism and diversity have shaped the democratic order, permeated policy circles, and dictated peculiar political power configurations and administrative styles. It is to a more detailed account of the historical evolution of these cultural cleavages that we shall now turn.

## CHAPTER 4

# THE GENESIS OF ETHNIC POLITICS IN THE MIDDLE EAST AND IN LEBANON

### THE GENESIS OF ETHNIC POLITICS IN THE MIDDLE EAST

Ethnic pluralism has been an important dimension of politics in the Middle East during most of the twentieth century. As Esman explains, “the manifestations and expressions of ethnic politics in the Middle East are in most respects similar to those that have been observed throughout the Third World. The principal exception is the greater prominence and salience of the religious definition of communal solidarity in the Middle East” (Esman and Rabinovich, 1988, p. 271). This can be traced to the Islamic and Ottoman legacies that defined communities and peoples primarily in religious terms. Despite secularization, urbanization, and modernization, religiously defined loyalties have not been de-politicized in the contemporary Middle East; instead they have acquired new virulence/saliency and become important motivators on the political scene.

The Ottoman ethnic and confessional legacy in the Middle East dates back to the fifteenth century, when the inclusion in the Ottoman state of large non-Turk and non-Muslim groups necessitated the promotion of the religious community as the main unit of social organization. The *millet* system evolved over the second half of the fifteenth century during which the Christian Orthodox *millet*, the Armenian *millet*, and the Jewish *millet* were successively established. The institutionalization of the existing religious communities, with formal recognition of their legal status, marked the transformation of the early Ottoman state into an imperial entity in which groups of different religious persuasions were the main divisions (Karpas, 1988).

The predominantly Muslim Ottoman state carried out its mandate to provide a place for non-Muslims with a high degree of sophistication. It concentrated its organizational efforts on the three broad categories of non-Muslim religious faith but it did not try to eliminate all the interfaith divisions stemming from the different ethnic characteristics of various sects, so long as those ethnic characteristics were useful in consolidating the community and especially the state. The government’s reliance on the religious communal organizations of the various ethnic groups helped maintain cohesion within these groups; “the idea of ethnic identity based on language, religion or modes of life were considered objective factors useful for achieving communal cohesion, and treated as such for administrative purposes” (Young, 1976, p. 31).

Karpas notes that “the Ottoman approach was realistic and in many ways modern for its time” (Karpas, 1988, p. 36). Instead of tampering with the sense of group identity and solidarity based on community of faith that prevailed in the Middle Eastern society, the Ottoman rulers



maintained and bolstered this loose system, giving the religious communities organization and an avenue for political expression that had not previously existed. The Ottoman government thus managed to preserve the integrity of the ethnic religious community by making it the foundation of political organization. This conscious use of an existing social-religious structure as the constitutional foundation of a state political system was unique. It helped materialize the Ottoman ideal of the synthesis of ethnicity, religion, and community, which had been the main legacy of the Ottomans in the Middle East.

Today, religiously defined groups in the Middle East expect their boundaries to be respected and insist on exercising the internal autonomy to which they have become accustomed during centuries of Ottoman rule. “The heritage of centuries of experience with the Ottoman millets has endowed religious communities with a proto-national character that reinforces religious solidarity and undermines other claimants to political authority, especially the secular territorial state” (Esman and Rabinovich, 1988, p.284). Moreover, there is little evidence that religiously defined loyalties are losing their salience in the Middle East so that religion might be eventually de-politicized. Thus the religious definition of much of the pluralism in the Middle East guarantees the persistence and salience of pluralism and lends an especially intractable character/harsh tone to the expression of ethnic politics.

### **THE GENESIS OF ETHNIC POLITICS IN LEBANON**

Lebanon is located along the Eastern shores of the Mediterranean (Figure 2) extending about 225 kms. and an average width of 48 kms. The country is divided into six administrative districts (Muhafazahs), which are further divided into counties known as Cazas (Figure 3).

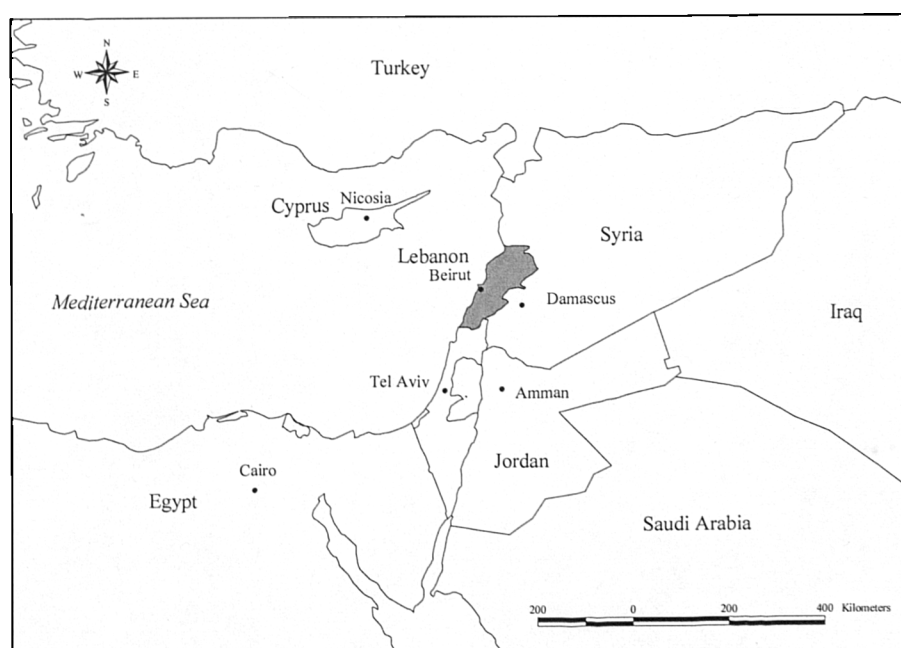


Figure 2. Lebanon's Location in the Middle East

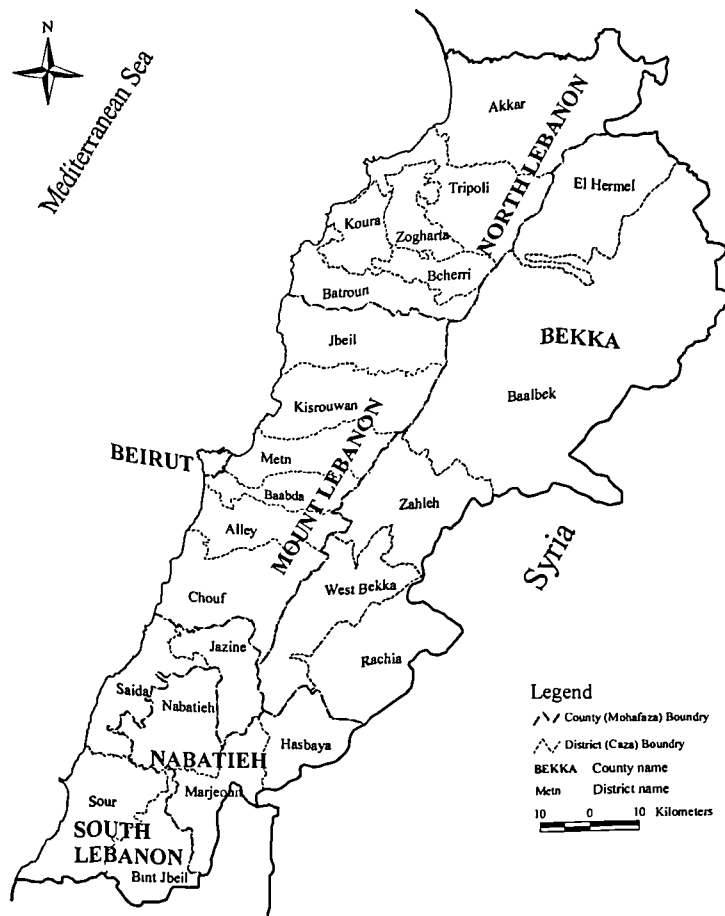


Figure 3. Lebanon Administrative Subdivisions

Lebanon is primarily a religio-ethnic society. In the words of Albert Hourani,

The primary divisions inside the Near East are religious: whether a man is Moslem, Christian, or Jew, and which branch of the Moslem, Christian or Jewish community he belongs to. The secondary division is into ethnic groups, that is to say, communities of which the members have a common historical experience to give them a significant degree of identity (Hourani, 1961, p.72).

Nowhere is this statement more valid than in the case of Lebanon. In fact, Lebanon today comprises a variety of religious and ethnic groups. The primary division in Lebanese society is between Muslims and Christians, which are in turn subdivided into six major sects: Sunni, Shia, Druze, Maronite, Greek Orthodox, and Greek Catholic, respectively. The secondary division is along ethnic lines whereby Lebanon is a unique mosaic of Arabs, Persians, Assyrians, Armenians, and Kurds. The history of Lebanon is indeed the history of the difficult and often uneasy coexistence of these different minorities, who settled progressively on this land, often fleeing hardships and persecutions.

Characteristics peculiar to Lebanon helped attract these minorities and determine the ultimate ethnic/religious composition of its population, namely, geography and topography. By virtue of its central position in the Eastern Mediterranean, Lebanon has always been a gateway to East and West, and been historically and continually involved in the great power struggles of the region. Indeed, Lebanon has been caught in the middle of countless struggles for power between Abassids and Fatimids, Crusaders and defenders of the faith, Mamlukes and Turks. The different Lebanese minorities are in this sense descendants of the various invaders, such as the Egyptians, the Persians, the Romans, the Arabs, and the Turks.

Topography has also exerted an important influence on Lebanon's history. The ruggedness and inaccessibility of Lebanon's mountains has made it an ideal "home for lost causes" (Hitti, 1957, p.6). Minorities of many beliefs and persuasions have sought refuge behind the natural fortifications of Lebanon's mountains. "But if this terrain with its steep slopes, few passes, and isolated valleys provided security for the persecuted, it also rendered communication difficult and contact infrequent" (Nelson, 1976, p.66). Indeed, for centuries the people of this area lived in close proximity, yet in separate geographic locates with little contact or exchange. Divisions and cleavages were thus left to perpetuate in isolation, and identity patterns were gradually polarized and localized.

Hence, in order to understand present-day Lebanon, with all its cleavages, its social structure, and its political and administrative styles, it is necessary to examine the historical development of the divisions in Lebanese society. The historical dimension is indeed very important as the present can only be comprehended properly in terms of the past. Moreover, the present Lebanese system is the by-product of historical continuity and cumulative historical developments. "The elements which make up the Lebanon of today did not always exist or stand to each other in their present relationship. It was only gradually and by a piecemeal process that there appeared the shape of the Lebanon we know" (Hourani, 1966, p.14).

### **The Ottoman Period**

The basic ingredients of modern Lebanese politics were fixed by Ottoman times. This does not mean, however, that Lebanon's more ancient history exerts no impact. For example, the ideological repercussions of Lebanon's Phoenician legacy, which dates back to the third millennium BC, continue to be of significance today. Some Lebanese have sought to mold from this heritage a non-Arab, secularized national identity for Lebanon. But the structural /institutional/ political consequences of earlier historical events are limited, in the sense that it was primarily during the period of Ottoman rule that communal identification and cleavages became salient, politicized, and institutionalized.

Hence, it is important to begin with the period of Ottoman rule (1516-1918) in order to understand how the existing religious cleavages originated and evolved. The early history of Ottoman rule can be divided into three main stages: the Feudal Period (1516-1840), the Kaymakamiah Period (1841-1861), and the Mutassarifiyah Period (1861-World War I).

### *The Feudal System (1516-1840)*

During the Ottoman period, Lebanon was essentially understood to be Mount Lebanon and its environs. The Ottoman Sultan Selim I assumed control over this territory in 1516 A.D en-route to destroying Mameluke power in Egypt. This initial change in ruler-ship recorded no large-scale impact on Lebanon as the Sultan confirmed the existing feudal order. The feudal lords of the mountain were left in their places of authority conditional upon forwarding to the Ottoman government a stipulated annual tribute and maintaining order among the people of the territory under their jurisdiction. Hence, the main concerns of the Ottoman government were with the collection of taxes, the maintenance of a minimal degree of law and order, in addition to the protection and expansion of Islam.

Indeed, the Ottoman Empire considered itself as the representative par excellence of Islam and the ultimate defender of the faith. It was hence viewed as legitimate by the vast majority of its Sunni Muslim subjects, so long as it capably performed this function. With respect to the other minorities, the Ottoman government drew upon the principles of the Islamic theological concept of *dhimmi*. This concept involves the recognition of Jews and Christians as “Peoples of the Book” who should be protected and exempted from forceful conversion to Islam given that they shared Islam’s monotheism and its prophetic tradition. In accordance with this doctrine, Jews and Christians were granted relative autonomy under traditional Islamic rule.

Such special position of non-Muslim minority groups, commanded by the doctrine of *dhimmi*, was later institutionalized under the Ottoman Empire in the form of the *millet* system. The *millet* system organized all non-Muslim groups into separate entities, each under its religious heads, who were held responsible for the governance of their community in accordance with the traditions of their own sects. Accordingly, the religious leaders of the various communities administered the laws pertaining to divorce, marriage, inheritance, adoption, and other aspects of personal status. They also supervised religious education and religious foundations (Ofeish, 1996). The tolerance and relative autonomy promoted by this system were intended to compensate for the absence of political rights and equal status. From its onset, however, the system had the potential of allowing non-Muslim communities to develop differently and separately from their Muslim counterparts. Indeed, the *millet* system gradually increased the isolation of different sects, even within the same religion, and intensified ‘in-group’ feelings.

While the Ottoman *millet* system had the virtue of allowing religious groups relative autonomy, and left them free to practice the religion of their forefathers without interference, it simultaneously made differences between confessions more conspicuous, reinforced inward-looking propensities, and restricted social communications between groups (Neslon, 1976, p. 71).

The growing sense of religious consciousness and distinctiveness between the communities gradually turned into suspicion and dislike.

By the early fifteenth century, the feudal structure of Mount Lebanon had solidified enough to evolve into the *Imarah* system or Princedom, a central unifying institution under the leadership of a prominent feudal lord (1590-1842). The *Imarah* of Mount Lebanon emerged in part due to the increasing weakness of central Ottoman government control. But it was also made possible due to the ability and ambitions of certain feudal lords, particularly Amir Fakhereddine El-Maani who ruled from 1590 to 1635 and Amir Bashir El-Shehabi whose rule lasted from 1788 to 1840. Both Amirs were proclaimed leaders of all feudal lords in the country under the nominal control of the Sultan. They enjoyed authority and legitimacy and managed to retain relative independence from the Ottoman government.

The internal strength and viability of the *Imarah* of Mount Lebanon depended primarily on the solidarity and cohesiveness of its feudal elite. Indeed, the *Imarah* system was successful in fostering a close and enduring union between a number of separate and independent feudal lords. The leaders of various factions (Druze, Christians, and Shia) were also attracted to the *Imarah* by its policy of religious tolerance, as all had a common desire to maintain the maximum possible freedom from Sunni (Ottoman) domination. In this sense, the *Imarah* system served essentially as a symbol of unity and a focus of leadership for cooperative endeavors. It gave the region of Lebanon some temporary semblance of political coherence.

The relevance of the *Imarah* today stems not only from the continuing influence of its feudal remnant, but also from the way scholars and politicians alike interpret its memory. The efforts of Fakhereddine and Bashir to consolidate their power and secure the autonomy of Lebanon from Ottoman control are held up as evidence of long standing sentiments of Lebanese nationalism and sense of political community. Hence, to Christian and Druze historical memory, the *Imarah* stands for Lebanese independence. To the Sunnis, however, the *Imarah* represents nothing more than an unimportant phase of Ottoman rule.

Many factors of both internal and external origin led to the downfall of the *Imarah* system in the days of Bashir II (1788-1840). Internally, Bashir's reign witnessed the ascendancy of the Maronite Church as a potent economic and political confessional force. The Maronite Patriarchy and Clergy drawn from the peasantry and inspired by Rome were able to develop a centralized

organization, which gradually asserted its independence from the Lordly families. The increasing involvement of this organization in the social and political activities of its followers, and its infusion of a new communal consciousness among them served to erode the legitimacy of the feudal order leading eventually to the collapse of the feudal system in 1861.

The Maronite Church acting upon the contradictions and weaknesses inherent in the feudal system dealt it the final blow. Through a series of internal reforms, the Maronite Church developed a modern bureaucracy that was able to mobilize the peasantry, enrich itself economically and spread an ideology inimical to the feudal system. The peasant revolts of 1820, 1821, and 1859, coupled with the emergence of a mercantilist middle class which enjoyed the support of the Church and the European powers, led to the downfall of the *Imarah* system in 1842, and the abolishing of the feudal system in 1861 (Baaklini, 1976, p.57).

Externally, Bashir allied himself with the ruler of Egypt, Mohammad Ali, in an attempt to overthrow Ottoman rule. For this purpose, he began to rely more heavily on the Maronites and pitted them against the Druze. At one point, Amir Bashir even armed the Maronites and used them to put down a Druze revolt. This action greatly increased tensions and distrust between the two sects. Meanwhile, the growing educational and political advantage of Maronites seriously offended conservative Muslims and politicized their religious identification. The consequence was the downfall of the *Imarah* system, the decline of the feudal order, and the subsequent rise of communalism/sectarianism as new sources of identification and legitimacy. With the downfall of the *Imarah* system,

The historical Druze-Maronite feudal coalition which had assured Lebanon relative freedom-independence was irreparably shattered. The old order of authority and mode of conflict resolution, the tradition of a secular authority extending over the whole mountain was destroyed. The only focus of identity and source of protection that remained for the people to fall back upon was the confessional group (Nelson, 1976, p.79).

The recognition of the reality of this social situation was soon institutionalized in the form of a new system or governance structure - the two-district system or the dual Kaymakmiyah.

### ***The Two-District System or The Kaymakamiyah Period (1841-1861)***

Hence, the year 1842 ushered the end of the *Imarah* system of Mount Lebanon, and along with it the decline of feudal-based rule. After a period of deliberations between the Ottoman government and the major European powers, an agreement was reached on a new governing arrangement for Lebanon. The new system involved dividing Mount Lebanon into two administrative districts (or *Kaymakamiyah*): a southern district (predominantly Druze) to be headed by a Druze, and a northern district (predominantly Maronite) to be ruled by a Maronite. This was to be the first, but not the last institutionalization of communalism and sectarianism as formally recognized elements of government in Lebanon.

The two Kaymakams were held to be the supreme governors in their regions. They were assisted in each district, by a regional administrative council, consisting of twelve members, recruited in equal numbers from all the major sectarian communities (Maronite, Druze, Sunnis, Shiite, Greek Orthodox, and Catholic). Moreover, there were to be two *Wakils* (peoples' representatives), one Christian and one Druze, in mixed districts. Each *Wakil* had authority over his co-religionists, and mixed cases or disputes involving Christians and Druzes were to be adjudicated jointly by the two representatives.

This delicately assigned territorial division did not, however, contribute to long-lasting social and political stability. Hence, in 1858, a Maronite peasant revolt against their feudal lords in the northern district was easily converted into confessional strife, especially as the revolt was allowed to spread southward into the Druze proctorship. The social upheaval gradually turned into an inter-communal conflict, culminating in the famous massacre of 1860. Though the Druze were fewer in number, they were better organized and managed to inflict heavy losses on their antagonists. It is estimated that somewhere in the vicinity of 15,000 Christians lost their lives in the sectarian turmoil of 1860.

The five European powers in the Concert of Europe- Britain, France, Russia, Prussia and Austria- would not let the incident of 1860 pass without overseeing a general settlement of their own. Already each European state had attempted to establish durable ties with the different religious communities: France with the Maronites, Russia with the Greek Orthodox, Austria with the Greek Catholics, and Britain with the Druze. Hence, the sectarian massacres of 1860 brought a forceful European intervention and a new governance structure for Mount Lebanon, the Mutassarifiyah system, formally established in June 1861.

### ***The Mutassarifiyah System (1861-World War I)***

The new system was engineered by the representatives of five major European powers (France, England, Austria, Russia, and Prussia) in cooperation with the Ottomans. It reunited the mountain into a single autonomous governorate, the *mutassarifiyah*, headed by an Ottoman/Non Lebanese Christian Governor (*Mutassarif*). An integral part of the new system was a new constitutional document, known as the Organic Law, which provided Lebanon with a significant degree of independence in managing its national administration and internal affairs. The new *Mutassarifiyah* system gave official sanction to the principle of proportional sectarian representation, by allowing for a central administrative council to assist the *Mutassarif*, whose members were to be elected in equal numbers from the six major sectarian communities.

Under this new system, Lebanon was divided into seven administrative districts, called *Caza s*, which were in turn subdivided into counties. Each district or *Caza* was to be administered by a

*Kaymakam*, appointed by the *Mutassarif*, to whom he was directly responsible. The district administrator was to have the same religious affiliation as that of the dominant sect in his region. Many feudal lords were also integrated into the power structure of the new system through admissions to the council and appointments to leading governmental offices. Thus, while by 1861, the feudal system had been formally abolished, the power of the feudal lords had not been completely eliminated; many of them were absorbed into the new system and continued to play an important role in Lebanon's politics. With its delicate balancing of political forces, greater centralization of authority, international guarantees, and local representation, the *Mutassarifiyah* system was able to provide Lebanon with relative autonomy, tranquillity, and prosperity until the outbreak of World War I.

### **The French Mandate**

World War I is usually considered a landmark event in Middle Eastern history in general, and Lebanese history in particular. After the War, Lebanon was put under the mandate of the French. The substitution of the Turkish rule by the French mandate in the aftermath of the war evoked mixed reactions from the different sects. The French were viewed as the traditional protectors of the Christian Maronites, and hence were welcomed by a sizeable portion of this community. Sunni Muslims, on the other hand, were unanimously opposed to French rule as the worst of all conceivable alternatives. Thus, for the Christians in general, French intervention was equated with security and prosperity; for the Muslims, however, it meant subservience and humiliation. Devoid, however, of the necessary means to resist, the Sunnis could do little more than refuse to participate in the operation of the political system.

Perhaps the most important act performed by the French under the authority of the mandate was to expand the borders of the *Mutassarifiyah* of Mount Lebanon in 1920 to form *The State of Greater Lebanon*. The annexation of the predominantly Muslim inhabited coastal provinces of Tyre, Sidon, Tripoli, and Beirut to the area of Mount Lebanon caused a major disruption to the traditional sectarian composition of the population and "restated the problem of Lebanon all over again" (Hourani, 1966, p.24). Given that the added territories were mainly inhabited by Muslims, the Christians were no longer a comfortable majority, and the sectarian equilibrium was disturbed. The new challenge facing Lebanon was to restore the equilibrium and reshape the balance of power among the various sects now forming the State of Greater Lebanon.

The creation of the State of Greater Lebanon had far-reaching consequences for the country, perhaps extending to the present. While it certainly had the advantage of making Lebanon a more economically viable entity, "it established a polity with artificial boundaries, no coherent majority, no shared historical experience, enormous socio-religious heterogeneity, and sizeable groupings who refused to accept the legitimacy of the political community" (Nelson, 1976,



p.86). Hence, “what the country gained in area, it lost in cohesion. It lost its internal equilibrium, though geographically and economically, it became more viable” (Hourani, 1966, p.22-25).

Soon after the initiation of Greater Lebanon, the French advanced the political position of their Maronite allies through elections of the first Representative Council in 1922. Ten of the thirty seats of the Council were allocated to Maronite representatives, even though they constituted less than one third of the population of Greater Lebanon (Ofeish, 1996). Such increasing advancement of Maronite interests served to alienate the Muslim community and increase their anxiety over Western and Christian Imperialism. It also intensified their calls for an annexation of Lebanon to Arab (and largely Muslim) Syria.

In 1925, a Druze revolt, which broke out in Syria, soon turned into a national revolt against the French, spreading to Lebanon as well. This accelerated French efforts towards framing a new constitution for Lebanon, approved by the Council on May 23, 1926, and transforming the State of Greater Lebanon into *The Lebanese Republic*. But within the provisions for the erection of the Republic, the French High Commissioner retained the power to veto legislation, dismiss the legislature, and remove the President, as well as handle external affairs. Indeed, over the short period of remaining French rule, the constitution was suspended twice, and French cultural supremacy was vigorously protected.

In the end, the French, by their autocratic attempt to prevent the Lebanese from obtaining their independence, did provide the one unifying historical experience, which brought Muslim and Christians into closed ranks. In November of 1943, the newly elected Council or Parliament, under the leadership of President El-Khoury and Premier El-Solh amended the Constitution and ended the French Mandate over Lebanon. The French reacted by arresting the President and most of his cabinet members. “The arbitrary arrest and confinement of Lebanon’s President, and all but two of his cabinet members by the French in November, 1943, rallied all sectors of the Lebanese political spectrum to the nation’s right to unrestricted independence” (Nelson, 1976, p. 91). Under pressure from the United States, Britain, and the Arab Countries, France released the prisoners and recognized the independence of the Republic of Lebanon.

### **The Independence Period**

Lebanon embarked on its independence with all its historical, political, social, ethnic and religious cleavages intact, and with a fragmented political process characterized by “the lack of national solidarity, devotion to sectarian or personal ends, the ceaseless squabble for place and power, the interventions of political dignitaries into the political fray, and the difficulty of purging waste, abuse, and corruption” (Iskandar, 1964, pp.22-23).

If the long era of Ottoman sovereignty over Lebanon left a heritage of fragmentation, religious autonomy, suspicion of government, foreign interference, corruption, and Christian fear of Muslim dominance, the twenty odd years of French supremacy did nothing to reduce any of these imperfections and indeed reinforced most of them, while adding new negative legacies (Nelson, 1976, p.91).

### *The 1943 National Pact*

An essential building block of independent Lebanon was a compromise agreement between Muslim and Christian leaders on the internal distribution of power and the conduct of Lebanon's Arab and foreign policies. This informal, unwritten agreement, which came to be known as *the National Pact* established the foundation upon which Lebanese Politics had been grounded from 1943 until the present. Essentially, *the National Pact* was the product of an understanding between Muslim and Christian leaders in which Christians agreed to renounce their Western orientations, and Muslims agreed to renounce their Arab or Syrian orientations. Both parties acknowledged simultaneously Lebanon's Arab character and special identity.

Also implied was an agreement on an equitable sectarian representation and distribution of offices within the political system. Hence, it was informally agreed that Lebanon's President was to be a Maronite Christian, the Prime Minister a Sunni Muslim, and the head of Parliament a Shia Muslim. Moreover, a ratio of six Christians to five Muslims was to be preserved in the composition of parliament. The Pact thus embodied a conventional balance of power between the communities and an institutionalization of sectarian representation. This compromise arrangement was, in many respects, an essential prerequisite for the erection and continuation of an independent Lebanese State.

To some critics, however, the National Pact (which is a symbol of ideological symbiosis) has only succeeded in perpetuating the balance of power between the ethno-religious communities. According to such critics, the Pact has failed to build a sound and enduring basis of national identity for all Lebanese. Instead, it helped maintain the various conflicting ideologies and helped preserve the parochial, sectarian loyalties and identifications (Koury, 1972).

## **ADMINISTRATIVE REFORMS IN LEBANON UNDER OTTOMAN AND FRENCH RULE**

From the standpoint of the administration, the four hundred years of Ottoman rule represent a period in which Lebanon first acquired some of its present administrative and governmental characteristics and procedures.

Within that time, taxation procedures were fixed, land titles and rights were recorded, and principles of local government and administration took on the respect and permanency of several centuries' existence. Heavy Turkish influence remains today in the courtesies, customs, and traditions of Lebanese government offices, and in the patterns of local

government, which a Turkish Law of 1857 recognized and established (Grassmuk and Salibi, 1955, p.3).

It is specifically during the *Kaymakamiyah* and *Mutassarifiyah* periods of Ottoman rule that Lebanon saw the genesis of administrative developments and reforms. During this period, the country was divided into separate administrative districts or *Caza s*, which were in turn subdivided into smaller counties. Such system of local administration has continued, although with minor modifications, during the French mandate and up to the present. Moreover, under the Ottomans, a new judicial system was established, laying down a hierarchy of courts to handle civil and criminal matters and disputes.

Under the authority of the French mandate, the administrative apparatus was further expanded and rationalized. Administrative reforms during this period mainly took place in the fields of public finance, personnel, and judicial administration. In the field of public finance, the Ottoman tax practices were discontinued and a new system of direct taxation was established. Moreover, a new currency was introduced, and the administration of customs was improved. In the field of personnel administration, the French promulgated two laws, which regulated many aspects of personnel administration (appointments, promotions, discipline, and discharge) and established the foundations of a modern civil service. In the field of justice, new judicial codes were issued, new courts were established, and the judicial system was re-organized.

However, “the French, borrowing on their own experience, also left a heritage of over-centralization and stultifying legalism” (Neslon, 1976, p. 91). This was manifested by the many exhausting restrictions and governmental controls as well as an over-emphasis on legalistic qualifications for high governmental administrative offices. Moreover, throughout the French mandate, the administration found it utterly impractical to follow strictly the guidelines of proportional representation without simultaneously suffering in efficiency because of political sectarianism, political clientele, favoritism, and nepotism (Namani, 1984). The sacrificing of efficiency for other latent socio-political objectives is a practice that lingers on today.

## **SUMMARY AND CONCLUSIONS**

The history of Lebanon is the history of a pluralistic society, characterized by serious ethnic, religious, and sectarian cleavages. Three main stages have marked the historical development of this fragmented entity, namely the Ottoman, the French, and the Independence periods.

Under the Ottoman *millet system*, the religious community was promoted as the main unit of social organization. Although this practice contributed to stability, it also made the differences between the religious communities more conspicuous and reinforced communal separateness and distinctiveness. During the *Imarah* system, Lebanon acquired the semblance of political

stability and coherence, but this system was soon shattered by the ascendancy of the Maronite Church and the growing sense of political/communal consciousness among its members. This necessitated the replacement of the feudal system by new systems based on communal-confessional identifications, the *Kaymakmīyah* and *Mutassarfiyah* systems.

The new *Kaymakīyah* system of 1845 divided the country into two administrative districts, one predominantly Christian to the North, and the other predominantly Druze to the South. It also created a Central Administrative Council which represented the various religious communities. Moreover, the new system established a sectarian balance of power between the two *Wakils* (or people's representative) in the mixed districts. The *Mutassarfiyah* system of 1861 embodied similar changes. The country was however reunited into a single political unit/structure, which was subdivided in turn into seven administrative districts (*Cazas*). Hence, Lebanon witnessed the first formal institutionalization of communalism/sectarianism under Ottoman rule. It also acquired its main administrative and governmental features during this period.

Under the French Mandate, new provinces – predominantly Muslim- were added to Mount Lebanon. This caused a major disruption to the traditional sectarian composition of the population and “restated the problem of Lebanon all over again”. The problem was no longer one of Christians versus Druzes, or Christians versus Moslems; rather it became one of reshaping the balance of power among the various sects – Maronite, Sunni, Druze, Shia, Greek Orthodox, Greek Catholic and others. It is exactly this problem that is still manifesting itself today and impacting all aspects of Lebanese politics. Hence, the period of French rule was characterized by an increasing polarization among the religious groups, in addition to some administrative reforms, particularly in the areas of public finance and personnel administration.

Lebanon embarked on its independence with all its historical, political, social, ethnic and religious cleavages intact. The reality of this situation necessitated the enactment of a new compromise agreement between Muslims and Christians, *the National Pact of 1943*. The National Pact was a re-confirmation of the need to institutionalize communalism, and to preserve a delicate sectarian balance of power between the many ethno-religious communities. It is precisely this Pact which has established the foundation upon which Lebanese politics had been grounded from 1943 until the present.

Hence, Lebanon's history, recent and medieval, shows a chronicle of conflict between religious sects, rival feudal families, central authorities and rebellious locals. This conflict coupled with the Islamic heritage of the Ottomans and the Western heritage of the French has led to a politicization of religious identities and an exacerbation of sectarian hostilities. Indeed, ethnic and religious cleavages have become deeply rooted in Lebanese society, and identity clearly

grounded in religious affiliations. These cleavages represent the 'givens' of Lebanon, 'givens' that will continue to impact and influence Lebanon's political and administrative processes.

Although this chapter is mainly grounded in history, it was nevertheless perceived to be important to shed more light on the historical forces which have shaped the evolution of the sectarian divisions of Lebanese society. Indeed, a historical approach provides a better starting point for understanding present day Lebanon with all its cleavages, social structure and peculiar political and administrative styles. It also promotes a more in-depth understanding of the cultural/societal factors which were hypothesized as salient in the research hypothetical model. The next chapter will examine how those cultural cleavages and divisions -the givens of Lebanon- have shaped in turn the democratic order of the Lebanese Republic.

# **CHAPTER 5**

## **SECTARIAN DEMOCRACY, THE LEBANESE WAR AND THE TAIF AGREEMENT**

### **INTRODUCTION**

As the previous chapter makes clear, sectarianism was first introduced to the system of government in Lebanon under Ottoman rule (1516-1914). The notion of distributing offices on a sectarian basis was gradually solidified in the Greater Lebanon system under the French Mandate (1920-1943). Sectarianism was then formally adopted by the Lebanese government upon independence as the only means to foster a democratic process in a deeply divided society. Understanding the peculiarities of the Lebanese sectarian system becomes essential, given that national political styles have been hypothesized in chapter 2 to exert a considerable influence on reform dynamics and trajectories.

Many scholars have considered the system of sectarian democracy which has evolved in Lebanon as a successful form of consociationalism. Hanf (1993) for example writes, “for three decades –*since the country’s independence in 1943*- Lebanon was held to be an example of successful, peaceful and democratic coexistence, as one of the few viable cases of consociation outside Europe”. But the Lebanese model of consociational politics was soon to collapse into bloody warfare between conflicting confessional communities; “in the following decade and a half Lebanon became the proverbial case of a country torn apart by bloody and internecine warfare” (Hanf, 1993, p.40).

How did the Lebanese consociational model function in the pre-war period? Why did it breakdown? This chapter is partly an attempt at answering those questions. The chapter will thus begin by shedding light on the main pillars of the Lebanese consociational model, namely: 1) the Constitution of 1926; 2) the Census of 1932; and 3) the National Pact of 1943. The chapter will then briefly explore the causes of the Lebanese civil war and the main actors and issues, leading to the accord, which finally brought this war to closure, namely the Taif agreement of 1989. The chapter concludes by a critical examination of the prospects for Lebanon after Taif, as well as the potential implications of the Lebanese system of consociational politics for administrative reform.

### **SECTARIAN DEMOCRACY IN LEBANON**

Lebanese democracy has become an oddity not only in the Arab world where representative government has almost vanished, but among the world’s democracies. This is so precisely because a unique democratic order has evolved in Lebanon in response to the imperatives of historical development and sectarian coexistence. “The development of Lebanon’s democratic

order is inextricably linked to the confessional structure of society and to the tradition of communal coexistence and pluralism that existed in Mount Lebanon and was later introduced in the state's modern institutions" (El-Khazen, 1987, p. 282).

Indeed, to contend with the segmentation of its plural society, Lebanon adopted a unique democratic tradition known as sectarian democracy. This term is commonly used in Lebanon to describe the institutionalization of religious representation into the rules of government. It is in this sense a special political arrangement aimed at stabilizing the Lebanese political system by balancing/representing its basic social units. "Confessionalism is a political arrangement whereby different ethnic and religious groups (confessions) are balanced to perpetuate the status-quo" (Koury, 1975, p.1).

Confessionalism is the institutional means by which the system's sub-national groups are permitted legitimate representation in the state's political, governmental, and administrative structures in relative proportion to their numbers based on the sectarian breakdown as revealed in the official census of 1932 (Entelis, 1974, p.6).

Sectarian democracy or confessionalism was in this sense Lebanon's unique response to the dilemma of democratic representation in a plural society. This political arrangement takes into account the prerequisites of both individual freedom and political cohesion and seeks to generate unity within diversity by enabling the diverse communities to participate in the system freely, while preserving their political rights and their social identities. Sectarian democracy was thus "Lebanon's home-grown approach to overcome the birth defects of society" (El-Khazen, 1987, p. 84).

Sectarian democracy in Lebanon has three main pillars or foundations: 1) the constitution of 1926; 2) the census of 1932; and 3) the national pact of 1943.

### **The Constitution of 1926**

The Lebanese constitution was initially promulgated in 1926 with the creation of the Republic of Lebanon. The 1943 regime (regime of independence) re-confirmed the 1926 constitution, after simply deleting all the clauses relating to the French mandate. A close examination of this document reveals that the renowned Lebanese sectarian system has very weak constitutional grounds. Indeed, a single clause in the constitution (article 95) addresses the notion of sectarian quotas. This article states:

*Article 95:* As a provisional measure and for the sake of justice and amity, the sects shall be equitably<sup>2</sup> represented in public employment and in the composition of the Ministries, provided such measures will not harm the general welfare of the state.

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<sup>2</sup> Equitably in fact means proportionally to the numerical size of each community.

The significance of this article resides in its expression of a Lebanese political consensus regarding the establishment of a sectarian quota system as the basis of the political system. However, article 95 directly contradicts article 12 of the same constitution, which states that the right to occupy public office among Lebanese is based on merit and competence.

*Article 12:* Every Lebanese shall have the right to hold public office, no preference being made except on the basis of merit and competence, according to the conditions established by Law.

Article 95 also contradicts article 7 of the constitution, which stipulates unequivocally that all Lebanese citizens are equal before the Law.

*Article 7:* All Lebanese shall be equal before the Law. They shall equally enjoy civil and political rights and shall equally be bound by public obligations and duties without any distinctions.

The constitution includes two other articles recognizing the sectarian-affiliated concerns of communities and individuals, but not addressing the issue of sectarian quotas per se. Article 10 allows religious communities the right to maintain their parochial schools. And Article 9 protects the rights of individuals to have their personal status regulated by the religious authorities of their sects. Those few articles contradict the overall secular spirit of the constitution and emphasize sects as fundamental clusters of Lebanese society.

Other major provisions of the sectarian system were not covered in the constitution, including the allocation of the three highest positions along confessional lines, and the distribution of parliamentary seats on a sectarian basis. Hence “excluding article 95, the primary tenets of the sectarian system were left without any constitutional foundations” (Ofeish, 1996, p. 300). The fact that article 95 emphasizes temporality may account for its continued survival.

Article 95 of the constitution survived the social and political changes, because no time limit was attached to its applicability. By using the term provisional measure, the constitution satisfied both those who wished to maintain the sectarian distribution of political/administrative posts and benefits, and those who wished either to re-arrange the distribution or to abolish the arrangement altogether (As’ad, 1988, p.46).

The absence of other major sectarian provisions from the constitution of 1943 strongly suggests its founders’ interest in keeping the entire sectarian system extra-legal and perhaps temporary. It may have been realized that the sectarian structure presents a direct contradiction to the concept of equality before the law, and could therefore upset the legitimacy of the state if legalized constitutionally. Moreover, a vague postulation of sectarianism leaves ample flexibility for adjustment and accommodation if and when deemed necessary. “The article also suited the evolution of the Lebanese political system, because its vague and ambiguous phrasing enabled



political leaders to enact minor modifications in the quota system at times of major crises” (As’ad, 1988, p. 46).

### The Census of 1932

Proportional political/governmental representation as per Article 95 of the constitution has been, since its formalization in 1926, a major source of friction between rival sects in Lebanon. The decision of a Sunni Muslim to stand for the Presidency in 1932 was met by strong opposition in Maronite circles. Under the cloud of this political dispute, the French conducted the census of 1932. It was the last formal census ever to be conducted in the country. “Although it is over 50 years since Lebanon gained its independence, it must be one of the few countries in the world never to have attempted a census as a self-governing-state” (Moore, 1997, p. 13).

The census of 1932 confirmed that Christians were slightly more numerous in Lebanon than Muslims. The slight Christian numerical edge was also increased if non-resident Lebanese were included (Table 6). The issue of non-residents has since then become politicized in Lebanon and has practically precluded a census in the past half century.

Table 6. Religious Communities by Population (%) – 1932 Census (Hanf, 1993)

<i>1932 Census</i>	<i>Resident Citizens</i>	<i>Registered Citizens</i>
Maronites	29	30
Greek Orthodox	10	11
Greek Catholic	6	6
Armenians	4	4
Other Christians	1	1
<b>All Christians</b>	<b>50</b>	<b>52</b>
Sunnites	23	22
Shiites	20	18
Druze	6	7
<b>All Muslims</b>	<b>49</b>	<b>47</b>
Others	1	1

Since 1932, there have been endless debates on how to define Lebanese. The crucial issue is the Lebanese abroad. The most extreme Muslim view is to ignore them completely, the Christian counterpart is to count all as Lebanese emigrants. The inability to reach agreement on this question has precluded a census in the past half century. The debate has evolved into a ritual. Muslim politicians or institutions demand a census, Christian politicians or institutions agree, provided that all Lebanese abroad are included. So long as a census is not held, each of the confessional blocs can maintain that it is in the majority and make corresponding demands with respect to the distribution of power in the state (Hanf, 1993, p. 90).

The resident census itself was surrounded with controversy. Muslim leaders accused the French of tampering with the data in order to legitimize the existing sectarian formula. They also argued that many Muslims did not take part in the census either for ideological reasons (participation was equated with an official recognition of the mandate and of the newly created republic) or because of widespread illiteracy. Finally, the census of 1932 was conducted amid wide rumors about French intentions to recruit Lebanese for its army. It was thus argued that Muslim fear of conscription was a major factor behind their boycott of the census, and hence behind their low numerical counts.

But even had the proportions of the 1932 census been accurate, the assumption that they would indefinitely remain static was simply untenable. Indeed, Lebanon experienced a high population increase from the late forties onwards, and this increase was characterized by higher birth rates amongst Muslim (mostly Shiite) communities than amongst others.

A clear trend between the 1920s and the 1980s was the speed with which the Muslim share of the total population expanded relative to the Christians'. Estimates published in 1984 by the Lebanese Association for Family Planning found that the Shiite community was growing at an annual average of 3.6 per cent, with the Sunni expanding by 2.8 per cent per year and the Maronites and other Christian sectors of the population increasing by a relatively modest 2.1 per cent annually (Moore, 1997, p. 14).

In most states, such a demographic shift might have scant political relevance. But in Lebanon, it had serious implications as it challenged the myth that supported the intricate governmental structure. Hence, the myth conferred legitimacy on the political structure based on the principle of proportional representation. But, when it became clear that the Muslims had surpassed the numerical size of the Christians, it was no more possible to claim that the confessional distribution of political power was based on a numerical count. Hence, the legitimacy conferred by the myth was seriously questioned.

By the mid-sixties most Lebanese recognized that the fine confessional balance in politics was based on a myth. It was inevitable that those who felt disadvantaged by the myth should begin to ask for a fairer slice of the cake, though the political establishment was reluctant to listen (McDowall, 1982, p.11).

To accommodate new demographic realities, two rhetorical stances have usually been invoked. The Muslims have traditionally called for political secularization with the anticipated consequence of dismantling Maronite political dominance. The Christian leadership has usually countered by an insistence on total secularization in Lebanon, claiming that secularization can only be achieved if confessionalism is abolished at the social and political levels simultaneously. This option, however, has invariably been unacceptable to Muslims for whom matters of personal status ought to be handled by their own religious courts, subject to the interpretation of the Islamic canon law (or Sharia).

Thus in Lebanon, an essentially confessional bid for political secularism came to be countered by an equally confessional bid for total secularism, the political motives behind each of the two bids being highly cynical and devious, known to all but the most innocent and gullible (Salibi, 1988, p. 197).

### **The National Pact of 1943**

Lebanon's confessional politics were finally legitimized and rationalized in the National Pact of 1943 (also referred to as the Covenant of 1943), an unwritten agreement between Christian and Muslim leaders to promote the independence of Lebanon while preserving its system of sectarian politics. Indeed, the Pact formalized the practice of allocating the top political offices on a sectarian basis (Maronite President, Sunni Prime Minister, and Shiite Chamber Speaker). It also assigned parliamentary seats and key administrative positions on a sectarian basis (6:5 ratio). In this sense, the National Pact formally inaugurated the sectarian system of the independent state.

The Pact also inaugurated a new Maronite-Sunni partnership in the state. The evolving dominant Sunni role in the independence period was less a reflection of the numerical size of the community than an explicit recognition of Sunni Arab credentials/qualifications. Sunni involvement indeed symbolized Lebanon's admission in Arab political circles. "The Sunni community's partnership in the state and the National Pact gave Christian Lebanon the stamp of Arab/Muslim legitimacy. Hence, the Sunni community became the de-facto rival/partner of the Maronite community in any national agreement in Greater Lebanon" (El-Khazen, 1987, p.353).

But any viable agreement between Maronites and Sunnis necessarily needed to address the thorny issues of Lebanon's identity and foreign policy. Hence, the most ingenious aspect of the Pact came about through a compromise formulation on those two issues. In this respect, it was agreed that Lebanon would be neither Eastern nor Western, but an independent country in its own right. It would retain its cultural and spiritual links with the West, but also collaborate closely with all Arab states. Lebanon was thus defined as a country with an Arab face, Arab features and Arabic tongue, as a part of the Arab world, but with a special, independent character (Hanf, 1993).

The Pact therefore constituted an agreement between two ideological proponents, creating for the Lebanese state a new national identity based on the peaceful coexistence of the religious sects. It essentially meant that the Christian and Muslim communities would henceforth temper their ideological excesses, and operate under an internal system of loyalty to an independent, sovereign Lebanese state.

The National Pact was not only a settlement between two religious sects. Rather, it was the fusion of two ideologies, one that called for the dissolution of Lebanon into another

country (Syria), while the other called for its retention under foreign protection (French). The Pact removed by mutual understanding and agreement, these two conflicting movements, and replaced them with one national Lebanese faith (Namani, 1984, p.118).

Despite the fact that the National Pact endured for more than a quarter of a century (1943-1975), there are some who still regard it as a simple expedient contract among a few politicians (Binder, 1966), and who attribute to it many of the country's frailties (e.g. immobilism, perpetuation of confessional identification and hindrance of organized non-sectarian political parties/organizations). Although it certainly had its drawbacks, it should be emphasized that the National Pact provided a pragmatic instrument for accommodating the realities of a state whose origins had been contested, whose borders had been carved rather arbitrarily, and whose pluralistic political culture was nourished simultaneously by universal religions and local, sectarian loyalties.

The National Pact of 1943 was certainly far from perfect. Its most obvious shortcoming was that it provided more leverage to the Maronites and the Sunnis, while paying inadequate attention to other social groups who often felt the cold winds of exclusion (Bose, 1991). The legitimacy of this unique contract thus risked being eroded by an insufficient broadening of political participation (Hudson, 1985).

The Maronite-Sunni partnership in the formulation of the Covenant gave rise to a situation where the leaders of the two communities at the highest levels and with few exceptions, looked at the entire Lebanese scene through a bi-sectarian prism. This prism tended not only to relegate to irrelevance the concerns and interests of the other sects, but also to cause the Sunni and Maronite leaders at the highest levels to become obsessively involved with one another (Khalidi, 1991, p. 37).

The evolving Maronite-Sunni partnership was itself asymmetrical with the Maronites monopolizing the presidency and key positions in the ministries, the army and the courts. Yet, as Khalidi (1991) emphasizes, the Pact was essentially based on the principle of reciprocity – a reciprocity that was not always symmetrical to be sure- but one that did exist *grosso modo* in the totality of the package (Khalidi, 1991). The fact that this covenant managed to hold such a volatile society together for over three decades is a tribute to its architects, the so-called fathers of independence (Khalaf, 1991). It is essential to emphasize in this respect that the Taif agreement, which brought closure to the Lebanese civil war, was essentially a re-formulation/extension of the National Pact of 1943.

## **THE NATIONAL PACT AND CHANGING REGIONAL EVENTS**

While the National Pact represented a major breakthrough in 1943 and promised an opportunity for political compromise and greater national integration, these positive expectations were soon to fade away as the events of the Middle East began to unfold after World War II. The first

event to challenge the essence of the Pact and provoke serious rift in Lebanese public opinion was the rise of Egypt's Gamal Abdel Nasser who, starting in the 1950s, lent eloquence and voice to Arab unity. His concept of Arab nationalism strongly appealed to Lebanese Muslims (primarily the Sunni masses) who pressed for Lebanon's alignment with Nasserite policies.

The second event was the massive influx of Palestinian refugees to Lebanon and their ascending revolutionary aspirations on Lebanese land. Palestinians arrived in Lebanon in successive waves, beginning in 1948 and 1967 as a result of the Arab-Israeli wars and then again in 1970 as a result of the crushing of the Palestinian armed movement in Jordan. "Jordan and Syria had both driven the Palestinians out of their respective territories by the end of 1971, which left Lebanon, with its proximity to Israel, as the natural magnet for Palestinian armed forces in the Middle East" (Moore, 1997, p. 5).

The Lebanese government accepted the Palestinians, albeit reluctantly, and attempted to regulate their presence and activities through the signing (under Egyptian patronage) of the Cairo Agreement of 1969. This agreement gave the Palestinians the right to establish and arm units in the border zone between Lebanon and Israel. Not surprisingly, such agreement was bound to deepen splits between rival Lebanese factions. "What to the Muslims was natural solidarity with other Arabs was to the Christians further proof of the Muslims' double standards of loyalty. Lebanon's conflict of identity was clearer than ever" (Hanf, 1993, p. 555).

The Christians thus claimed to have genuinely adhered to the spirit of the National Pact, and accused their Muslim counterparts of violating it by allowing their organic affiliation to the Arab world to supersede affiliation to the Lebanese entity. Their basic contention was that the Cairo Agreement constituted an encroachment on Lebanese sovereignty, in the sense that there was an inherent incompatibility between the requirements of effective government in the country and the implications of inevitable Palestinian military presence (Sirriyeh, 1989).

Hence, ascending Palestinian militancy in Lebanon helped drive a further wedge between Lebanese and seriously challenged the essence of the National Pact of 1943: "In addition to established rivalries, including Nasserism, Baathism, and Communism, the Palestinian revolutionary movement accelerated ideological divisions at both the elite and mass levels. Certainly, the National Pact had neither the institutional capabilities nor the ideological flexibility to handle the high rate of Arab ideological production" (El-Khazen, 1987, p. 338).

In many respects, the Palestinian military presence in Lebanon made the country a fertile breeding ground for revolution and contributed to its destabilization. Internally, it activated the political consciousness of the Muslim masses, exhausted Christian tolerance of Muslim

inclinations, incited Lebanese Muslim and Christian factions to arm, and changed the balance of power- both between Muslims and Christians and within the Muslim community. Regionally, it provoked massive Israeli retaliatory measures against Lebanese territory.

By 1975 all the elements of confrontation were present, waiting for a simple spark to ignite: military pressure from a regional neighbor (Israel) demanding action, a large number of armed and unrestrained Lebanese and Palestinian actors on alert, a divided leadership, a weak central authority, a heightened sense of insecurity among all factions, increasing discontent and displacement of the Southern Shiites in the wake of Israeli blows, and a precarious parity of forces, which instead of strengthening mutual, calculated deterrence, induced the temptation to fight (Sirriyeh, 1989).

Moreover, by the early 1970s, a number of internal inadequacies had become blatantly obvious and very disconcerting to some Lebanese minorities. First, an unbalanced pattern of economic development and rising economic disparities across communities and regions left the Muslim (mostly Shiite) segments of the population particularly disadvantaged. Shiite dis-satisfaction was further compounded by new demographic realities and their realization that their status as the largest community was not adequately reflected in the power structure of the Lebanese state. The potential for conflict was thus implicit in the domestic structural situation as well.

Hence, the thorny issue of Palestinian militarism, coupled with existing frustrations and insecurities polarized the Lebanese communities along sectarian lines, and set Lebanon on the course of protracted violence. By 1975, the cleavages and contradictions of the region as a whole had become centered in Lebanon and closely entangled with local domestic problems. Neither the weak Lebanese state nor the National Pact of 1943 proved capable of withstanding the pressure. The Lebanese scene thus erupted in 1975 into internecine warfare and violence.

As this brief overview makes clear, there is considerable legitimacy to the claims made by a growing number of observers that the destabilization of Lebanon, at least at that critical juncture, was more the outcome of broader regional tensions, particularly the Palestinian-Israeli struggle, and ideological rivalries in adjacent Arab regimes, than internal disparities and/or deeply-rooted communal hostilities (Khalaf, 1991). There is no doubt that a number of domestic factors hastened the erosion of the National Pact formula, but it was the external environment which, starting in the 1960s, impinged with increasing devastation on the system and dealt it repeated massive blows (Khalidi, 1991).

Regional politics in the 1950s and 1960s contributed to the intensity of the war and influenced both its direction and its duration. The Arab-Israeli conflict and the Palestinian

situation, Israeli incursion into Lebanon, and inter-Arab discord all had a strong impact on the war (Abul-Husn, 1998, p. 59).

The impact of regional and international events on inter-communal relations in Lebanon merits a separate investigation that is beyond the scope of this thesis. However, external pressure and outside influence on Lebanon's domestic politics are hardly new, and history shows continuity in political patterns there. The Lebanese situation has always been and continues to the present day to be linked in significant ways to the Arab-Israeli conflict. Today, Lebanon has come to be viewed as a strategic buffer and vital zone of influence for Syria in its process of reconciliation with Israel. Specifically, the South of Lebanon has become a magnet for regional powers (Syrian/Iranian) intent on engaging Israel without jeopardizing their borders.

There is no mistaking of the fact that, the appearance of Israeli-Lebanese bilateral discussions notwithstanding, the fate of southern Lebanon remains hostage of the game of move and countermove between Damascus and Tel Aviv...Thus the Lebanese discovered, once again, that their situation was deeply enmeshed in the geopolitics of the region, and particularly the relationship between Syria and Israel...The risk, in this moment of peace-process euphoria, is that Lebanon will be the last frontier in the Arab-Israeli conflict, in effect, the hold box for those problems that are too tough to solve (Norton and Shewedler, 1993, p. 77).

#### **THE LEBANESE WAR (1975-1989): THE MAIN CAUSES, ACTORS, AND ISSUES**

The preceding discussion is not meant to imply that the roots of the Lebanese conflict lay in the regional environment. The root causes were rather inherent in the historical evolution of a fragmented social and political culture that encouraged suspicion and hostility. There is no doubt, however, that foreign --regional-- intervention played a decisive role in the evolution and direction of the war. To say the least, regional events played a catalytic role in igniting the Lebanese war and contributed directly to its intensification and prolongation. This tendency in turn, reinforced and reinvigorated a process of fragmentation in the social and political culture.

Indeed, the conventional literature on the Lebanese conflict has been dominated by three hypotheses. The first argues that the basic source of the conflict was a malfunctioning sociopolitical and economic structure. The second suggests that the conflict was a function of the inter-play among Lebanon's domestic, regional, and international environments. And the third contends that the conflict was determined solely by the intervention of foreign powers. The second hypothesis displays the most promise in accounting for the war in Lebanon.

The Lebanese conflict was in fact triggered by myriad factors, both internal and external. On the domestic level, there were social and economic problems and raging disputes over communal entitlements. The Muslims (specifically the Shiites and the Druze) felt marginalized in the politics of Lebanon and relegated to an inferior status in a Christian-dominated state. By 1975,

the divergent communal interests, and the lack of serious remedial action on the part of the establishment, had become a major threat to national cooperation and accommodation.

Regional politics in the 1950s and 1960s added turbulence to an already strained social structure. Although Lebanon refrained from taking a direct military part in the Arab-Israeli wars, it was clear by the early 1960s that no Arab state could stay aloof from Arab regional issues. The Palestinian armed presence in Lebanon and the inability of the Lebanese government to contain it spelled inevitable confrontation between Muslims and Maronites. Fear of loss of control led to an early mobilization on the part of the Maronite community, and the emergence of Maronite militancy.

The Maronites perceived the Palestinians in Lebanon, both as a community and as an independent armed resistance movement, as a threat to the delicate sectarian balance and the sovereignty of the state. The failure of the Lebanese government to control their activity prompted the Lebanese National Front (mostly Maronite) to claim for itself the responsibility of curtailing their rising power. Besides their concern with territorial integrity, the Maronites were also anxious over the distribution of political power within Lebanon, realizing that the presence of 400,000 Palestinians, 95 percent of whom were Sunni Muslims, could tip the balance of power in favor of the Muslims.

The Ain-al-Rummani incident that sparked the war occurred on the 13th of April, 1975: Maronite gunmen ambushed a bus and killed twenty-seven of its predominantly Palestinian passengers. This incident engendered heavy fighting between Maronite Phalangists and the Palestinian resistance movement in Lebanon. The Palestinian armed movement at that point aligned itself with the Muslim bloc. The fighting gradually developed into inter-communal clashes, spread like shock waves through Beirut, and gradually engulfed the whole country.

A detailed account of the war is beyond the scope of this thesis (for such an account please see Hanf, 1993; Picard, 1996; Winslow, 1996). Suffice it to say that the Lebanon during the war split into two diametrically opposed factions: the status-quo coalition including the Lebanese Front and the Christian establishment and the reformist camp consisting of the Lebanese National Movement, the Muslim establishment and the Palestinian resistance movement. The first coalition was concerned with the territorial integrity of Lebanon and the maintenance of the existing communal balance of power. The second coalition sought extensive political reforms to ensure a more equitable distribution of power and resources. Moreover, the two main domestic camps were certainly not the only actors in the protracted conflict. There were also a number of external participants, including Syria, Palestine, Israel, and Iraq.



It is important to point out in this respect that Syria played a major role in almost every stage of the conflict. Due to both its own security concerns, and its historical ties to Lebanon, Syria came to be directly involved in the Lebanese conflict. A complete historical account of Syria's involvement in Lebanese affairs is again beyond the scope of this thesis, but the details of its intervention especially during the war years and up to the present need to be discussed, given their implications for current Lebanese political developments and events.

Syria's activities in the Lebanese war progressed from early mediation, to interference by proxy, to direct military and political intervention. With each new development, Syria found itself plunging deeper and deeper and deeper into the Lebanese quagmire, whether by accident or design. Syria's motivations for involvement in the Lebanese crisis are complex, but they primarily stem from its own security concerns, given its geographical proximity to Lebanon. As revealed by President Asad himself, the main reason for Syria's involvement was to thwart the establishment in Lebanon of a radicalized regime, that might have a destabilizing effect on Syria, or draw it into conflict with Israel (Hafez al-Asad, speech, 1976).

Not surprisingly, the Lebanese factions assessed the Syrian intervention from the perspective of their own interests. While the status-quo coalition initially invited and welcomed it, the reformist camp opposed it vehemently. Later, these positions were reversed. For most of the war, Syria backed the reformist camp but restrained it from administering a crushing defeat to the status-quo coalition by holding back military assistance. The reasons for this reversal in Syrian policy remain obscure, but it has been strongly suggested that it was not in Syria's best interest to tip the balance in favor of a Christian victory and to risk the establishment in Lebanon of a strong and independent Christian government that is by definition more prone to normalize/strengthen its relationships with Israel.

By mid-October 1976, Syrian involvement in Lebanon was endorsed by a full Arab Summit in Cairo. One of the main resolutions of that conference was to create an Arab Deterrent Force (ADF) to supervise a ceasefire and oversee the disbanding of the militias in Lebanon. Representatives agreed that the ADF should be composed of 30,000 troops drawn from several Arab countries. Syria initially contributed half of the number, but as the other Arab forces pulled out of the ADF, it came to be dominated entirely by Syria (Abul-Husn, 1998).

The Israeli invasion of Lebanon in June 1982 only reinforced Syria's resolve and intentions. On June 6, 1982, Israeli forces invaded Lebanon from the south and advanced northwards towards the capital. Within a week, they laid siege to west Beirut, the Chouf Mountains, and part of the Beq'a valley. Israel's basic aims were to destroy the PLO in Lebanon, to resurrect a Maronite-

dominated central government that would eventually sign a peace agreement with it, and to oust the Syrian forces from the country (Abul-Husn, 1998).

In reality, the Israeli invasion achieved only one of its three declared objectives: it weakened the military and political infrastructure of the PLO in Lebanon. However, it ultimately failed in its attempt to place in power an Israeli-influenced Maronite regime. And although Israel pushed the Syrian army out of Beirut and eclipsed the Syrian role in the Lebanese crisis temporarily, Syria regained its prominence as the most important actor in the domestic conflict, once Israel withdrew from Beirut in 1983 under pressure from the US government.

From 1983 to 1989, the Lebanese conflict continued unabated. Political confrontation between the two camps escalated, leading to a total immobilization of government functions. In September, 1988 the Presidency of Lebanon was rendered vacant<sup>3</sup>. A military government, headed by the commander of the Lebanese Armed Forces, General Michel Awn, was appointed by the outgoing President to fill the vacuum. The existing government headed by Sunni Muslim Prime Minister, Salim-al Hoss, declared the newly appointed interim government illegal.

For the next two years, Lebanon had two governments, but no President. This was one of the worst periods of the war. The Muslim-led government represented the reformist camp and was fully supported by Syria, the Arab countries, and the world community. The rival military government could not extend its authority beyond the Maronite enclave in East Beirut. With the presence of two rival governments East and West, each claiming authority and legitimacy, the conflict escalated to unprecedented levels of violence and fears of partition loomed large.

General Michel Awn first attempted to impose his authority over the other militias in his own enclave and then extend it to the rest of Lebanon. The clashes had a devastating effect on the Maronite community and on East Beirut in particular. Failing to achieve decisive victory on that end, he shifted his attention from the co-religionist Lebanese Forces to the Syrians and launched his famous 'war of liberation' against the Syrians. Devastating clashes with the Syrian troops in Lebanon ensued. And instead of curtailing the Syrian presence in Lebanon, the 'war of liberation' actually enhanced it by necessitating a new inflow of Syrian troops into the country. It should be pointed out that this re-expansion in Syrian troops and their ultimate ousting of Awn was with Arab and Western acquiescence. This regional and international acquiescence

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<sup>3</sup> Two attempts to fill the Presidency by a pro-Syrian candidate were foiled by Syria's Maronite opponents, who prevented Maronite deputies from attending parliamentary sessions, thus denying a quorum.

was partly to curry Syrian favor and cooperation in the evolving Gulf crisis and to avoid derailing the Arab-Israeli peace process<sup>4</sup>.

As a reaction to the devastation of the 'war of liberation' and the intra-confessional battles, public intolerance for the continuation of the war and support for a quick and effective settlement grew sharply. The marginalization of the militias and the rebuilding of the state were viewed as the only rational way out. There was also a general acceptance that none of the warring factions could decisively win the war, and that there was no alternative to a new compromise settlement to ensure the continuity of the country. Internal changes hence coincided with developments on the regional and international levels that also favored a political settlement in Lebanon.

This constellation of favorable domestic and regional/international events explains why the Taif agreement succeeded at bringing closure to the war, when many previous attempts had failed. Indeed, the Taif accord was born in the wake of at least four serious attempts to resolve the conflict over the past fifteen years, namely the Constitutional Document of 1976, the National Entente Program of 1980, the National Dialogue Conference of 1983 and 1984 which took place in Geneva and Lausanne respectively, and the Tripartite Agreement of 1985. And although none of these stylized proposals produced a lasting solution to the conflict, many of earlier agreed upon issues found their way into the Taif Agreement of 1989.

## **THE PROCESS LEADING TO THE TAIF AGREEMENT**

The escalation of the war and the constellation of domestic, regional and international events placed new pressures on mediators to renew their attempts to resolve the Lebanese conflict. The League of Arab states took the initiative and appointed a six-member ministerial committee (chaired by Kuwait and including the foreign ministers of Algeria, Jordan, Sudan, Tunisia, and the United Arab Emirates) to hold exploratory discussions with leaders of the various factions and report its findings back to the League. The committee spent three months listening to the two prime ministers of the rival governments, leaders of the warring factions, and heads of religious denominations.

As soon as the report of the committee was completed, King Hassan II of Morocco initiated an Arab League Summit in Casablanca in May 1989 to discuss its contents and devise a strategy to resolve the conflict. A Tripartite Committee was then appointed to mediate the conflict, which included King Fahd of Saudi Arabia, King Hassan II of Morocco, and President Benjedid of

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<sup>4</sup> The Gulf crisis of 1990/91 shifted allegiances in the Middle East. In exchange for nominal Syrian participation in the war against Iraq, Damascus was given the 'green light' it had long sought in Lebanon.

Algeria. The Tripartite Committee had two goals: 1) to achieve an immediate cease-fire and 2) to initiate peace deliberations between warring factions under the auspices of the Arab League.

Failing to achieve its first objective, the Tripartite Committee called on sixty two Lebanese deputies (those still alive of the ninety-nine originally elected in 1972 - 31 Christians and 31 Muslims) to meet in the city of Taif, Saudi Arabia, to discuss a national reconciliation document that had been already prepared by the Tripartite Committee, after much consultation with Syria, the United States, other Arab states, the PLO, and various Lebanese leaders. As per the invitation, the Lebanese parliamentarians met on September 30, 1989. After long and heated deliberations for twenty two days, the deputies reached agreement on October 22, 1989 and endorsed, with minor modifications, the 'Document of National Reconciliation', which came to be known as the Taif Accord.

The 1989 Taif accord is considered a turning point in the civil war, and maybe even in the political history of Lebanon. It was a formal agreement endorsed by a formal institution – indeed the only remaining legitimate institution in the country. It was not a tacit/unofficial agreement like the National Pact of 1943 nor was it an agreement between militia leaders. The choice of parliamentarians was based on the assumption that they represented all the different factions, were legitimately nominated as their representatives, and could therefore engage in authoritative discussions on their behalf. “The 1989 Taif accord was unique in one significant respect: It was the product of the elected officials, who were not, in most cases, belligerents in the war” (Norton, 1991, p. 461).

Following the signing of the document, the Tripartite Committee called on the Lebanese parliament to meet as early as November to ratify it and elect a new President. The parliament met on November 5, 1989 in the northern town of Qlaiat rather than Beirut, in order to avoid intimidation by General Awn, who had dissolved the parliament a few days earlier. The legislators elected one of their colleagues, Rene Muawad, as President, and unanimously endorsed the Taif accord. President Muawad, however, was soon assassinated in a car bomb in Beirut on November 22. Two days later, the parliament met again, outside the capital, to elect deputy Elias Hrawi as his successor.

General Awn condemned and vehemently rejected the Taif Accord for failing to include a provision on a scheduled withdrawal of Syrian troops from Lebanon. He regarded the new accord as nothing but a subtle submission to Syria's will and control. Others, however, saw the agreement as a satisfactory compromise and as the only rational exit to the war. General Awn escalated his opposition to the accord and mounted a campaign of terror against the Christian deputies in his jurisdiction. His intransigence prevented the parliament from mustering a

quorum to pass the new amendments into law. The parliament finally managed to meet in August 1990, signed the amendments to the constitution, and declared the birth of Lebanon's Second Republic.

Despite his almost complete domestic and international isolation, Awn remained adamantly opposed to all efforts at reconciliation. He refused the new government's call for him to reconsider his position, relinquish his hold of the army, and join the cabinet or go into opposition within the system. Finally, on October 13, 1990, the Lebanese army, under its new commander in chief, and with assistance of Syrian troops and air force, forced Awn out of his presidential palace in Baabda. He managed to escape to the nearby French Embassy, where he sought and was granted political asylum. All government institutions on either side of the green line were subsequently reunited.

### **THE MAIN PROVISIONS OF THE TAIF AGREEMENT**

The 'Document of National Reconciliation' addressed the basic issues in the conflict and prescribed workable solutions to them. To recapitulate, the three main issues around which the conflict revolved were: 1) reforms of the political order implying an amendment to the power sharing arrangement of the National Pact; 2) the question of national identity; and 3) the sovereignty of the state and the presence of foreign troops on Lebanese soil entailing settling on a view of the country's relations with the Arab world, particularly Syria.

On the issue of political reform, the new document provided for the balancing of communal interests and the redistribution of power/authority in Lebanon. To this end, the accord endorsed the transfer of many executive powers from the President to the Cabinet, which would continue to be divided equally between the two confessional blocs. The Council of Ministers would henceforth be the real custodian of executive authority in Lebanon. Moreover, the nomination of the Prime Minister by the President would be based on binding parliamentary consultations. The accord also extended the term of office of the Speaker of the House, a post customarily reserved to Shiites, from one to four years. Table 7 shows the new equilibrium in the Lebanese system resulting from Taif.

Table 7. New Equilibrium in the Lebanese System (Norton, 1991)

	<i>Taif</i>	<i>Pre-Taif</i>
Chamber of Deputies	<ul style="list-style-type: none"> <li>❑ 108 seats divided equally: Christian-Muslim parity</li> <li>❑ Enhanced political role for the Shiite Speaker: 4-year term</li> <li>❑ Chamber is given sole power to cast no-confidence votes and dismiss ministers</li> </ul>	<ul style="list-style-type: none"> <li>❑ 99 seats divided according to a 6:5 ratio in favor of Christians</li> <li>❑ Shiite Speaker served a one-year term and was subordinate to PM and President</li> <li>❑ Chamber shares with the President the authority to dismiss ministers</li> </ul>
Sunni Prime Minister	<ul style="list-style-type: none"> <li>❑ PM appointed by the President based on binding parliamentary consultation</li> <li>❑ PM forms a government based on non-binding parliamentary consultation</li> <li>❑ PM presides over the Council of Ministers as has ultimate executive authority</li> </ul>	<ul style="list-style-type: none"> <li>❑ President selects the PM after non-binding parliamentary consultation</li> <li>❑ PM and President shared the task of forming a government</li> <li>❑ President presided over Council of Ministers and retained ultimate authority</li> </ul>
Maronite President	<ul style="list-style-type: none"> <li>❑ The President has no vote in the Council of Ministers</li> <li>❑ The Council of Ministers has ultimate authority over the Lebanese Armed Forces</li> <li>❑ The President may not block legislation by refusing to promulgate laws</li> </ul>	<ul style="list-style-type: none"> <li>❑ The President presided and ruled over the Council of Ministers</li> <li>❑ The President possessed ultimate authority over the Lebanese Armed Forces</li> <li>❑ The President exercised a tacit veto by simply refusing to promulgate laws</li> </ul>

With regard to the distribution of parliamentary seats, the principle of Christian-Muslim parity was adopted (to replace the previous 6:5 ratio). The total number of seats in the Chamber was thus increased from 99 to 108 to be filled equally by the two confessional blocs. Hence, nine new Muslim seats were to be added to the Chamber of Deputies, creating a 54-54 seat balance. The accord provided for the new government to make appointments (on a one-time exceptional basis) to the new seats as well as those that had been vacated throughout the war. Table 8 shows the new confessional division of the Lebanese Parliament in comparison to that of 1972.

Table 8. New Confessional Division of the Lebanese Parliament (Norton, 1991)

	<i>1972 Parliament</i>	<i>1989 Taif Accord</i>
Christians		
Maronites	30	30
Greek Orthodox	11	11
Greek Catholic	6	6
Armenians	5	5
Other Christians	2	2
<b>Subtotal</b>	<b>54</b>	<b>54</b>
Muslims		
Sunni	20	22
Shiites	19	22
Druze	6	8
Alawi	0	2
<b>Subtotal</b>	<b>45</b>	<b>54</b>
<b>Total</b>	<b>99</b>	<b>108</b>

In theory, the accord also proposed to phase out the confessional system and abolish the requirements of sectarian qualifications for appointment in the lower ranks of government positions, the army, judiciary and public enterprises (though it retained the qualifications for the higher ranks). To this end, it called for the establishment of a national committee under the direction of the President to devise policies for unification/deconfessionalization. Yet, although deconfessionalisation was stated as an explicit goal in the agreement, no specific deadline or time table was provided for its actualization. Hence, as Norton puts it: “The accord effectively concedes the futility of any serious attempt to expunge political sectarianism in Lebanon, at least for the foreseeable future” (Norton, 1991, p. 461).

With respect to political reforms, it could be said that the accord has effectively enhanced the powers of the Prime Minister and the Council of Ministers as a collegial body. It has also elevated the status and powers of the Chamber of Deputies vis a vis the President, and resulted, in theory at least, in a political system that is more parliamentary than it is presidential. Overall,

The collective status of the Muslim communities was enhanced by the increase in their share of political power. The authority status of the Christians, particularly the Maronites, was generally diminished and diffused throughout the state hierarchy. The release of the high governmental and administrative positions from the fetters of confessionalism would necessarily loosen the Christian grip on the ranks of the state hierarchy and allow other communities to gain legitimate authority in the central institutions of the state (Abul Husn, 1998, p. 116).

The Taif accord was very explicit on the question of the identity of Lebanon. Article I states that “Lebanon is Arab in its affiliation and identity”. On dealing with the question of sovereignty, the Israeli occupation of part of southern Lebanon was the prime focus. The document referred to the Israeli occupation as a flagrant breach of the country’s sovereignty, and stressed the need to implement the United Nations Security Council Resolution 425 of March 1978, which calls for the withdrawal of Israeli forces from South Lebanon. The document also stipulated a security plan by which the government would disband all militias within six months of the election of a new President.

The one question that was not firmly addressed pertained to the Syrian presence in Lebanon. Many of the deputies meeting in Taif refused to equate the Syrian presence in the country with the Israeli occupation of the South, claiming that the Syrian troops were in the country at the invitation of the Lebanese authorities (Abul Husn, 1998). According to the accord, the Syrian troops in Lebanon would continue to assist the government in maintaining law and order for two years after the ratification of the reforms. At the end of this period, the governments of Lebanon and Syria could re-deploy the Syrian troops to the Beq’a Valley in Eastern Lebanon. Both governments would be involved in deciding the size of forces and the period of their stay.

Hence, although the Taif accord required the phased withdrawal of Syrian troops from Beirut and its suburbs within two years of the ratification of the political reforms, it failed nonetheless to make a firm commitment to the timing of their withdrawal from Lebanese territory. Furthermore, relations between Lebanon and Syria were portrayed in the document as distinctive, acquiring their strength from kinship, history and common strategic interests. These relations would be nurtured in cooperation and coordination between the two countries, within the context of mutual respect for the sovereignty, unity and security of each. The full text of the Taif agreement is attached in Appendix A.

## **PROSPECTS FOR LEBANON AFTER TAIF**

The Taif agreement constitutes another peculiar compromise agreement among Lebanese. It tackled many important points pertaining to the structure of the political system and to the sovereignty of the Lebanese state. More importantly, it terminated the immediate hostilities and restored a modicum of political tranquility to a war-weary community. However, the agreement itself leaves much to be desired in terms of the prospects for long-term stability and integration in Lebanon. It is strongly doubtful whether the agreement as it stands today can be the foundation for a modern, democratic, and stable political system in Lebanon.

To start with the Document of National Understanding or Taif agreement hardly represents a radical departure from previous attempts to reform the Lebanese system. The political reforms, although effectuating a minor re-distribution of power among the communities, did not fundamentally alter the Lebanese political structure, which is still largely predicated on sectarianism. And although the agreement explicitly calls for the elimination of sectarianism, it has retained much of the transitional language that was characteristic of previous reform attempts, most notably the Constitution of 1926 and the National Pact of 1943.

Indeed, there are many who argue that the agreement signed in Taif is not radically different from the National Pact of 1943. In many ways, “the main hallmarks of pre-war Lebanon have been retained in a milder and more palatable form” (Mallat, 1990, p. 17). With minor modifications, it could be said that the National Pact has been transformed from a kind of common law into a formal constitutional document. Indeed, the philosophy of confessional representation and reconciliation has remained the same. In this respect, “the Taif agreement implicitly ratifies the National Pact with its emphasis upon confessional compromise and inter-communal cooperation” (Norton, 1991, p. 461).

Moreover, inter-communal allocations have not been fundamentally adjusted with the new accord. And although the collective status of the Muslim communities was relatively enhanced, while that of the Maronites was generally diminished or diffused, the agreement has not granted



the Druze any substantial change of status (although their share of power was increased slightly within the general increase of Muslim authority). Nor did the agreement adequately address Shiite grievances and concerns. More importantly the agreement failed to provide for future mechanisms to accommodate new demographic changes and realities.

Another optimistic assumption of the agreement is that it has officially settled the issue of Lebanon's national identity. However, while this matter has been settled on paper, it is doubtful whether affiliations, which are shaped over centuries of socialization/indoctrination have been effectively transformed. To the Muslims, and the Sunnis in particular, affiliation with other Arab countries is not unnatural. And although the issue of Pan-Arabism has lost much of its salience today because of the changing realities of the Arab world, one cannot expect the tendency of the Muslims to relate to this world to be forever transformed. The issue of identity cannot be under-estimated given that it has been central to the conflict since the 1920s.

Another area of considerable importance, which was omitted from the accord altogether has to do with Lebanese-Palestinian relations. Although the issue of Lebanese-Palestinian relations was central to the conflict in its early stages – with the Palestinian resistance movement virtually igniting the war-- its influence and importance has gradually receded, especially after the massive Israeli blow to the PLO in 1982. The Taif accord only included the Palestinians in its provision for the disarming of Lebanese and non-Lebanese militias in the country, failing to address the future of thousands of Palestinian refugees still living in Lebanon.

Another issue that was not adequately addressed in the Taif accord, and which could be a serious source of friction on the long run, has to do with the continued Syrian presence in the country. The Syrian presence was tacitly linked in Taif to future developments in the Syrian-Israeli peace process. Today, Syria, largely under this pretext, continues to enjoy a heavy presence in the country. This has recently invited critics to refer to Assad as the 'godfather of Lebanese politics', and to Lebanon as a 'fictitious state under Syrian captivity' (The Editors, *The New Republic*, 1996a). Yasir Arafat has on one occasion referred to the 'government of Lebanon and its President Assad' (The Editors, *The New Republic*, 1996b).

These accusations are not totally devoid of merit. Indeed, the special relations with Syria mentioned in the Taif accord have recently been formalized in the signing of the Treaty of Brotherhood, Cooperation and Coordination between Syria and Lebanon in May, 1991 (Appendix B). This agreement has called for cooperation and coordination between the two states on all political, economic and security issues. However, considering the imbalance in the political and military power of the two states, as well as the continued presence of 35,000 Syrian

troops in Lebanon, there are those who claim that the Treaty has in fact turned Lebanon into a Syrian protectorate.

One poignant expression of this view is found in a recent book, *Between Damascus and Israel: Lebanon and the Middle East Peace* (1997). In it, the author argues that following the 1989 Taif accord, Lebanon has been gradually absorbed by Syria in a way that virtually amounts to occupation or annexation. He writes:

At a time when dictatorships and their captive nations are on the decline around the world, Lebanon finds itself being forced to march against the tide of history: Lebanon's satellite status with respect to Syria is one of the Middle East's most arresting anachronisms. No matter how the current situation and the near term are assessed, it is not in Washington's long-term interests for Lebanon to remain subjugated by Syria. There can be no real or lasting Middle East Peace with the perpetuation of such circumstances of occupation (Malik, 1997, p. xv).

Finally, the Taif agreement failed to settle the future of one key area of Lebanon namely the South, which remains, until the present, beyond the authority of the central Lebanese government<sup>5</sup>. Here the Israeli-supported South Lebanon Army (SLA) and the Iranian-Financed and Syrian-Guided Muslim militia -Hizballah- continue to vie for control in an anarchic no man's land. In a recent article, Hirst (1999, p. 5) portrays the low-grade war being waged in South Lebanon's 'security zone', "the last hot spot of the Arab-Israeli conflict". He writes:

This little corner of a little country is strategically critical; for it is here that, with treaties between Israel and Syria and Lebanon, the Middle East peace process may achieve its final breakthrough or collapse altogether. Meanwhile, like some strange survivor from a bygone era, it remains the last military active frontier of the Arab-Israeli struggle (Hirst, 1999, p. 6).

Many argue that it has been in Syria's best interest to keep Hizballah on the loose as a way of engaging Israel without jeopardizing its borders and that the fate of Southern Lebanon remains hostage of the game of move and countermove between Damascus and Tel Aviv (Norton and Shcwedler, 1993). But so long as the fate of this little strip of land –10% of Lebanon's territory—remains undecided, there is a realistic basis for concern that the anarchy of Southern Lebanon might spread north once again and that the era of 'dialogue by the gun' may not be completely over.

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<sup>5</sup> Since its inception by Israel in 1974, the 'security zone' has been a magnet for violence in Lebanon. For a brief moment in the recent history of this unfortunate region, it seemed that Lebanon and Israel might liquidate the zone and jointly impose a security regime. But the agreement of May 17' 1983, a product of Israel's invasion of Lebanon in June 1982, was eventually renounced by the government of Lebanon as a result of Syrian pressure.

## **LEBANESE SECTARIAN POLITICS: IMPLICATIONS FOR ADMINISTRATIVE REFORM**

Up till 1975, the Lebanese political order was largely built on the principles of consociational democracy as outlined by Arend Lijphart. Since the early 1960s, Lijphart presented consociationalism as a viable alternative to majoritarian democracy and as a particularly suitable model for deeply divided societies. Consociationalism in a pluralist society is characterized by a grand coalition of all component communities, mutual veto in communal decision-making, proportional representation and segmental autonomy (Lijphart, 1967). These various instruments are designed to turn a fragmented political culture into a stable democracy.

Lebanon's attempt to institutionalize these devices into its political structure met initially with relative success. The Constitution of 1926 and the National Pact of 1943 tried to introduce a power-sharing formula that allowed the various communities to play a meaningful role in the political life of their society. The National Pact indeed incorporated all the characteristic components of Lijphart's model in an attempt to accommodate diversity and diffuse potential communal conflict. But while the National Pact acted as a successful conflict regulation mechanism in the early years, bestowing upon Lebanon the label of a successful consociational democracy, it was soon to collapse under a myriad of domestic and regional factors.

On the domestic level, the dynamics of modernization started taking effect in Lebanon, exerting considerable pressure on the social and political structure. Socio-economic inequities had been allowed to fester, and take on an increasingly sectarian flavor. The neglect of South Lebanon and the Bqaa' as well as the slum belt around Beirut (all mainly dominated by Shiites) unquestionably facilitated the disintegration of the fragile national consensus. The state's inability to rectify Shiite or more generally Muslim perceptions of relative deprivation was also exacerbated by new demographic realities that were deliberately ignored and not reflected in the state's representative structures.

The Middle Eastern unsettled regional environment during the 1960s and 1970s also contributed to Lebanon's vulnerability and eventual collapse at that critical juncture. The Palestinian influx into the country following the creation of Israel and the inability of the government to effectively regulate Palestinian military activity in the South of Lebanon led to a process of intensifying polarization along sectarian lines. Growing Palestinian militarism on Lebanese land and their creation of a 'state within a state' exhausted Christian tolerance, who finally decided to take matters in their own hands. Regional politics of the 1950s and 1960s thus added turbulence to an already strained social structure.

The consequence was a violent war that raged in Lebanon for nearly fifteen years, defying the best efforts at peace-making and negotiation. During the period of the war, countless proposals to resolve the conflict in Lebanon were advanced, including federalism, politico-administrative decentralization, and even secession, but none proved viable or satisfactory. Ironically, the exit to the war came through a revival of the National Pact and its consociational principles, while introducing minor changes to the power-sharing formula to reflect new communal realities. The Taif Accord thus culminated in the restoration of the principles of consociationalism to the Lebanese democratic order.

The Taif Accord, which has been adopted as the new constitution of the second Lebanese Republic, has marked a turning point in the history of Lebanon. It terminated the hostilities and restored a modicum of tranquility to a war-weary community. More importantly, the Taif Accord provided a powerful re-confirmation that the continued survival of the country depended first and foremost on communal coexistence and mutual accommodation. Indeed, the significance of this agreement lies in its expression of a widespread national consensus on the need to restore to Lebanon the politics of accommodation.

What are the implications of consociational politics or the politics of accommodation for administrative reform? While consociational devices undoubtedly provide distinctive opportunities for promoting communal coexistence and diffusing conflict, they also generally restrict the government's ability to formulate comprehensive political and administrative reform programs. Administrative adjustments have to take place within existing consociational principles. Such traditions, with their emphasis on bargaining and compromise are likely to constrain the possibility of path-breaking/fundamental transformations, encouraging instead patchy/incremental change.

The influence of the Lebanese system of sectarian democracy and consensual politics on reform endeavors will be re-visited in chapters 7, 8 and 9. Meanwhile, this chapter has sought to shed some light on the democratic and political power configurations which have evolved in Lebanon as a first step towards mapping out the political scene and the peculiarities of the Lebanese political landscape (i.e. the political factors which have been highlighted as salient in the research hypothetical model). By probing the micro and macro politics of Lebanon in more detail, the next chapter proceeds with an exploration of the peculiarities of the Lebanese political context as a prelude to analyzing administrative reform in the remaining chapters.

## **CHAPTER 6**

# **POLITICS IN LEBANON: MICRO POLITICS AND MACRO POLITICAL INSTITUTIONS**

### **INTRODUCTION**

Consistent with the overall orientation discussed in chapter 2 and the potential salience of the political factor in any account of administrative reforms, this chapter probes the micro and macro politics of Lebanon. At the micro-level, the chapter examines the patron-client networks that have historically developed in Lebanon and that remain the fundamental state-society linkage today. The traditional and sectarian character of Lebanese politics helps account for the survival of those networks. At the macro level, the chapter examines the main institutional structures -Presidency, Parliament, and Cabinet- before and after the war- and shows how these have come to formally reflect the characteristic cleavages and realities of Lebanese society.

### **CONTEXTUAL BACKGROUND**

Political clientelism constitutes a familiar and enduring reality of Lebanese politics. In Lebanon, as in other developing countries, this phenomenon is largely a legacy of the colonial days. The Ottomans, for example, have long practiced a form of indirect rule in Lebanon through local chiefs and village headmen. The essence of this relationship has largely been unchanged. And although the days of colonialism and feudalism are over, clientelism in Lebanon has simply evolved and grown stronger by diversifying its instruments, modalities, and areas of intervention (Picard, 1996).

A number of conditions peculiar to Lebanon help account for the vitality and survival of its brand of political patronage throughout the centuries. Examples are persistent wealth disparities and the realities of isolated/closely-knit communities and factional/partisan rivalries. More important, however, is the fact that patronage is cemented in Lebanon by ties of kinship and ethnicity, which make it all the more resilient and ubiquitous. Indeed, patronage is largely sustained in Lebanon by highly personalized networks of reciprocal obligations and primordial (confessional) loyalties (Khalaf, 1987).

In circumstances of fragmentation and instability, kinship and ethnicity ties have provided for Lebanese networks of mutual support and trust. Patrons, in this respect, have consistently met the moral obligations of reciprocity to both kin and other members of the community. In time, the vertical relations of patrons and clients involving mutual obligations of support and assistance extended into the wider structures of politics. Networks of patronage have come to be legitimate and organized channels for pursuing community interests and providing access to the resources of modernity.

Various institutional factors have also helped reinforce the patronage phenomenon in Lebanon and infuse it with more vigor and tenacity. Most important in this respect is the electoral law of 1926, which has come to be viewed as “the tool par excellence for institutionalizing Lebanon’s political clientelism” (Picard, 1996, p. 51). The 1926 law, which has undergone only minor modifications, distributed seats in parliament according to a two-fold proportionality, regional and communal. The intent was to mitigate sectarian tensions by prohibiting the clash of candidates of different sects. However, these same constitutional safeguards have served to enhance the power of the Zuama.

The safeguards or constitutional peculiarities of the Lebanese electoral system may have done much to promote harmony, justice, and balance among the various communities, but they accomplished little in curtailing the power of the Zuama. If anything, the division of the country into small electoral units gives the Zuama a freer hand to assert their influence and perpetuate their power over local communities. Each of the Zuama reigns supreme in his district and runs virtually unchallenged electoral contests (Khalaf, 1987, pp. 92-93).

Evidently, the survival of patronage networks (enhanced in large measure by peculiarities of the electoral system) has had serious implications for political relationships at the micro level and for macro-institutional processes more generally. Most importantly, political clientelism has undermined the chances of secular and ideological parties to have a real impact on the system. It has also crippled the role of the cabinet and legislature and eroded the powers of the state. Needless to say, political clientelism has also fostered corruption and has undermined efforts at reform and change.

The drawbacks of a patronage culture are well documented in the literature. Kurer (1996), for example, has identified a number of institutional characteristics that tend to be associated with a political culture where patronage behavior is prevalent, namely: factionalism, politicization, a high level of administrative corruption, and a low degree of legitimacy and state autonomy (Kurer, 1996). Hence, the more a political culture resembles the ideal-type of clientelism, the more likely it will exhibit those structural features, which have been associated with it (Kurer, 1996, p. 647).

Moreover, Kurer (1996) maintains that a clientelist culture precludes the existence of a developmental state. A developmental state is characterized by a commitment to economic development, a high degree of state autonomy, and a powerful, competent and insulated bureaucracy. He writes,

In a clientelist world, on the other hand, considerations of maintaining political power take precedence over commitments to economic growth, the bureaucracy is incompetent and ineffective, economic growth is slow and legitimacy is weak. Thus a clientelist state is the antithesis of a developmental state (Kurer, 1996, p. 648).

Other scholars have reached the same conclusion. Berman (1998), for example, writing about patronage in the context of the African states, argues that patron-client networks tend to penetrate institutions of civil society and liberal democracy, undermining programs of socio-economic and political reform (Berman, 1998, p. 305). He writes,

Not only does ethnic and patronage politics inhibit the development of a coherent national dominant class with a project of social transformation, but also the fragmentation and privatization of state power undermines its ability to act as the agent of such a project of national development (Berman, 1998, p. 339).

In the end, the pattern of state and society, ethnic construction and patronage politics created in colonial Africa had a fundamental contradictory relationship with the foundations of modernity, capitalism, and the secular nation-state (Berman, 1998, p. 332).

Both authors further argue that political clientelism has a tendency to penetrate all sectors of society, particularly the bureaucracy. "Clientelism suggests that bureaucracies grow because it suits the interests of those in power" (Kurer, 1996, p. 651). "The administration thus becomes penetrated by clientage networks originating in the political world" (Kurer, 1996, p. 656). "Civil service departments constitute virtually bottomless financial reservoirs for those who manage them and for the political authorities which head them" (Berman, 1998, p. 334). Hence, clientelism is likely to foster the growth of government administration as one of the most coveted benefits for patronage has proved to be positions in the public administration.

Against this background, it is now possible to probe the micro and macro politics of Lebanon in a more meaningful and contextual way.

## **MICRO POLITICS IN LEBANON: ZUAMA AND RELIGIOUS LEADERS**

### **Traditional Political Leaders or Zuama**

A *Zaim*, in the specifically Lebanese sense, is "a political leader who possesses the support of a locally circumscribed community and who retains this support by fostering the interests of as many as possible from amongst his clientele" (Hottinger, 1966, p. 85). He is thus the unquestioned leader of a tightly knit community rooted in family, religion, or confession. His relationship to his constituency is one of clientelism, whereby welfare services of various kinds are exchanged for political and electoral support. Clientelist relationships of this sort are indeed a pervasive feature of Lebanese socio-political relations and culture.

Two themes tend to dominate the description of clientelist structures in Lebanon. The first is the provision of services and favors to the in-group. "The persisting influence of patrons stems from their ability to provide services, goods, and values that no other group has so far been able to provide as effectively" (Khalaf, 1987, p.100). The second theme is the mediation role that the

*Zaim* plays between his constituency and the outside world, including the central government. “The key function of *Zaim-ship* is to mediate between his supporters and the authorities, and to represent his confession in the struggle for advantage and balance in Lebanon” (Nelson, 1976, p. 115).

Such mediation role indeed serves as a two-way communication channel. The *Zaim* at once interprets the government to his clientele and services their demands before the government. “Thus he serves to channel whatever favors are available to himself and to his group. For the government, he is necessary to reach the people and to obtain commitments from the group via his person” (Hottinger, 1966, p.91). This monopoly on mediation persisted despite repeated modernizing or rationalizing attempts from central governments. Hence, “the *Zaim* still mediates between his community and the alien world, whether this was the reformist regime of the 19<sup>th</sup> century Ottoman Empire, the modernizing regime of the French mandate, or the democratic structures of independent Lebanon” (Preisler, 1988, p.155).

Note that besides mediation, the *Zaim* serves important social, economic, and political functions. He serves the interests of his clients through dispensing political favors, finding jobs, facilitating the resolution of conflicts with the bureaucracy, mediating inter-group disputes, helping out those in need, voicing expressed needs, and in general, making sure that his people get their fair share of the pie. Moreover, the military function of the feudal *Zaim* has not entirely disappeared. Part of the *Zaim's* power is his ability to put armed men in the field during times of unrest, thus contributing to the protection of his group as well as his confession (Nelson, 1976).

“Since the institution fulfills such important functions, it is not surprising that *Zaim-ship* prospered even after feudalism was abolished. Not only are some old families able to keep their positions, but new families also grow into the established pattern” (Hottinger, 1966, p. 91). Indeed, in addition to members of politically important families entrenched in Lebanon’s feudal past, there are today patriotic leaders, urban *Zuama*, lawyers, businessmen, bankers, and politicians who retain a sufficient amount of the attributes of a *Zaim* to be classified as such.

Indeed, four types of *Zaims* have been repeatedly discerned in Lebanon’s political life. First are the *Land-Based Zaims* who are most closely tied to the feudal order and whose power dates back to the days of the Ottoman Empire. Examples are the Jumblat, Frangieh, Khazin and Arslan. The second type are the *Traditional Zaims* - lawyers and trained administrators- who arose to power from the social disturbances of the 1840-1860 period, fulfilling the desire of their respective communities for replacing the feudal *Zuama* with more useful administrators. Examples are families such as the Khourys and the Solhs, secretaries and administrators during the Ottoman government (Koury, 1972).



The third type of *Zaims* are the *Business Zaims* consisting primarily of rich businessmen who made fortunes through their own effort and private enterprise and were able to use their possessions to influence the political system. They differ from the Land-Based Zaims in that the basis of their wealth has not been inherited. An example of this category would be Emile Bustani, an Engineer who after greatly expanding his engineering company and fortune, managed to become the parliamentary deputy of his village Dair-Al Qamar. The fourth type of *Zaims* are the *Big City Zaims* who are mostly radical urban politicians with a value-oriented/ideological style. "They are the *Zuama* of the masses, the representatives of those people who seem to have been left behind" (Koury, 1972, p. 185).

From the preceding discussion, it becomes clear that the most distinguishing characteristics or outstanding features of Lebanese *Zaim-ship* are the following: land and/or family prestige, special skills under special circumstances, wealth, ideological appeal, and ability to dispense favors and services. More importantly, in Lebanon, there appears to be one paramount precondition for preserving the important loyalty of the people, namely religion. "In order to win and hold the confidence of his client group, the *Zaim* had to be, and still is, of the same religious community as the people over whom he rules and for whom he speaks and takes action" (Hottinger, 1966, p. 89).

Indeed, several theories have been advanced to explain the perpetuation/persistence of Lebanon's *Zuama*. Prominent among them are the policies of the Ottomans and the French, who for reasons of efficiency, expense, and/or divide and rule found it expedient to co-opt the existing community leadership. The monopolistic provision of goods and services has also been cited as key to the continued viability of these feudal leaders. But perhaps the most important factor in perpetuating traditional leadership has been the continuing predominance of kinship loyalties and ethnic/ confessional identification over other cleavages in Lebanon.

The continuing influence of Lebanon's *Zuama* becomes apparent just by accounting for their near monopoly of the high offices of the state. "Even a cursory look at the membership of parliaments and cabinets of independent Lebanon indicates the dominance of this traditional class of *Zuama* in the nation's politics, while a more sophisticated investigation would reveal the penetration of the apparatus of government by their clientele and proteges" (Nelson, 1976, p. 115). Office holding, however, is often a consequence of *Zaim* power, not its basis. This is true because whether or not the *Zaim* holds an official position he remains the mediator between his constituency and the government (Preisler, 1988).

Given the personalized, localized nature of Lebanese politics, many *Zuama* thus manage to hold office despite their lack of a clear ideology or commitment to the public good. Unlike their

Western counterparts, Lebanese leaders establish their political base by inheriting or less frequently building up a personal entourage of clients and followers. Seldom do they experience the need to articulate a program or take a stand on a specific problem. “As creatures of Arab culture rather than of Western institutions, they (*Zuama*) were not expected to grasp and articulate public issues and problems. They existed to deal in personal favors, not ideology and public policy” (Mackey, 1989, p. 97).

Even the younger aspirants for public leadership, with rare exceptions, also seek to establish their political base, not by articulating a program or identifying critical issues or specific problems requiring reform, but by building up a personal entourage of clients and followers. Much like the *Zuama*, the bulk of their time is devoted to interceding with public officials on behalf of their clients. Both the personal interests of clients and the political careers of patrons are served by such a system of patronage. This, more than any other feature, accounts for the relatively small part played by Lebanese politicians in formulating broad policy issues of national significance (Khalaf, 1987).

Since a *Zaim's* power ultimately depends on the level of patronage he could deliver, patronage became a potent and permanent phenomenon in the Lebanese political system. “*Zuama* ran Lebanon like a private club, swapping cabinet offices, government contracts, positions in the bureaucracy, and favors in the private sector as spoils of the privileged” (Mackey, 1989, p. 101). Their monopoly over patronage has also eroded the power of any alternate avenue to privilege or opportunity. “The few political parties that did exist were so closely associated with sectarian groups that they collapsed upon themselves when they failed to deliver on the patronage at the fingerprints of the *Zuama*” (Mackey, 1989, p. 97).

Invariably, the abiding concern of Lebanese *Zuama* once in power is to enlarge the scope of their patronage fiefdoms. Hence, the erosion of legislative and executive powers and the reduction of the entire political process to one of squabbles over patronage rights and boundaries.

Accordingly politics, like practically everything else in a society sustained by the reciprocal exchange of favors, becomes a delicate art of distributing and managing patronage. Squabbles, over civil service appointments, jurisdictional competition, allocation of public funds—all essentially patronage squabbles—assume more prominence over controversies involving substantive issues of national and public policy (Khalaf, 1987, p. 95).

Lebanon’s political structure has thus become deeply absorbed with parochial and personal rivalries over benefits/privilege that it was incapable of mobilizing the population to grapple with the broader aims of society. “Behind every public debate were the personalized pragmatic

politics of patronage, transaction relations, and changing factional alliances in which the prize to be won was not victory for one set of values over another, but the achievement of high political office and personal gain” (Mackey, 1989, p.98). Important issues (e.g. administrative reforms) thus tend to become obscured and the reputation of politicians and the political system in general is consequently impaired.

### **Religious Leaders**

The *Zaim-ship* however is not the only traditional institution with which the individual identifies himself in Lebanon. The ecclesiastical leaders, be they Christian, Moslem, or Druze are also important. Indeed, as long as Lebanon is the composite of minority communes, men of religion will continue to perform essential social, economic, and political functions. “It is not surprising to find in a religiously plural society like Lebanon, where much of the content of politics revolves around securing the position of various sects, that the men of the cloth should continue to play a prominent role as shepherds to their respective flocks” (Nelson, 1976, p. 120).

Visible signs of the political importance of the clergy, especially the Maronite Patriarch and the Sunni Mufti, are everywhere apparent. The press gives widespread coverage to their public pronouncements, which are as frequently political as religious. A constant stream of prominent politicians seeks their counsel and blessings in the midst of every crisis. Moreover, they are “often consulted by legislators and executive officials when it comes to cabinet formation, appointment to higher civil service jobs, and general legislation” (Baaklini, 1976, p.299). It is their position in a religiously divided and delicately balanced republic that consigns the clergy of Lebanon to a built-in political mission.

Religious institutions, especially those of the Maronites, are well organized and serve as an effective means for disseminating ideas and information. Indeed, the hierarchical organization and corporate identity of the Maronite Church conferred upon its community an organizational advantage over other sects in Lebanon. “Politicized, organized, and reinforced by strong external supports, the Maronite Church gave the Maronite community an organizational advantage over other sects in the struggle for political supremacy” (Nelson, 1976, p. 121). The Patriarchy consequently became one of the most powerful institutions in Lebanon exercising a significant political leverage for the Maronites.

Similarly, the office of the Mufti of the Republic of Lebanon has evolved into a powerful institution involved in articulating and promoting Sunni interests and demands. The office was established in 1955 at the urging of prominent Sunnis who maintained that they desired to have the independence of their sect formalized. However, “the suspicion remains firm that the true

motivation for the creation of the Mufti's office was the desire to have an institutionalized Sunni spokesman with stature commensurate with the Maronite Patriarch" (Nelson, 1976, p. 123).

Given all the peculiarities of Lebanon and the fact that religious identity continues to be valued as a source of personal security and political action, it is thus not surprising nor unusual that religious leaders and institutions continue to play a prominent role in Lebanon's political life.

Religion continues to exert a strong hold over the minds and identities of men in Lebanon. As long as one's political self is largely defined in terms of one's religious community, those who occupy important institutional positions within their religion and who can claim with some authority to speak for their sect will continue to have real clout in the political system (Nelson, 1976, p. 120).

By representing/interceding on the behalf of their community, religious leaders can be viewed as a subtle extension of the Lebanese patronage network. Indeed, religious clusters in Lebanon retain many of the classic attributes of clientelism namely, intimate interactions, relationships of mutual support and trust, voluntary exchange, and obligations of reciprocity. Moreover, coalitions between religious and political leaders are not uncommon, allowing both parties to effectively enhance their scope of influence and hence exert more impact on political outcomes. Clientelism is thus also sustained in Lebanon by the persistence of religious ties of deference.

Khalaf (1987) argues that much like confessionalism, patronage has become institutionalized into the Lebanese body politic. Further, he suggests that patronage networks are likely to persist as long as the primordial kinship and confessional sentiments remain firmly rooted in the Lebanese culture. Not only are the traditional loyalties rooted in culture, some have long been legitimized by the political system. He warns that any attempt to tamper with the clientelist system and with the sovereignty of the Zuama 'spells political suicide', as the crux of the Lebanese patronage system is the organization and regulation of exchanges and resources between the various communities (Khalaf, 1987).

Khalaf further points that political clientelism in Lebanon has positive integrative aspects in the sense that it has brought the different communities into an adaptive equilibrium.

Among other things, it has offered a relatively viable form of political action that allows individuals and groups a greater measure of leverage in securing benefits, services, and a more equitable distribution of resources. In this sense, patronage in Lebanon is one of the most accessible and effective strategies for coping with vulnerability and relative deprivation (Khalaf, 1987, p. 101).

Yet he also recognizes that political clientelism has grievous drawbacks and shortcomings, including corruption, fragmentation, politicization, and a low degree of legitimacy/state autonomy.

The shortcomings and abuses of patronage are many and grievous and have been variously underscored by several observers: endemic corruption, nepotism, favoritism, the erosion of legislative and executive powers, the reduction of the entire political process to one of squabbles over patronage rights and boundaries, the absence of any serious concern for formulating broad policy issues of national and civil significance and the consequent sacrifice of long-range planning for short term expediency (Khalaf, 1987, p. 100).

Hence,

Lebanon, as it were, is gripped by the horns of a nagging predicament: the very forces that *enable* the Lebanese at the micro and communal level and from which they derive much of their social and psychic supports, *disable* them at the macro and national level by eroding their civic consciousness and symbols of national identity (Khalaf, 1987, Preface).

## **MACRO POLITICS: THE PRESIDENCY, THE PARLIAMENT AND THE CABINET**

As might be expected, confessional-patronage networks have also permeated the institutional structures of the Lebanese decision-making body rendering them fragmented and ineffective. This was largely the case before the war where the occupant of the Presidency was often called upon to arbitrate between various factions to diffuse tensions and where the Parliament exhibited much hesitation and impotence. The Taif agreement has arguably ushered a new era in Lebanese democracy. Hence, this section provides an account of macro-level processes before the war and attempts to compare those with current institutional practices in Lebanon.

### **The Presidency before Taif**

In constitutional theory, Lebanon is a parliamentary democracy with a freely elected and sovereign parliament. In practice, however, Lebanon has for long operated as a presidential regime governed by one powerful head of state. Indeed, in pre-war Lebanon, the President of the Republic enjoyed extensive political influence due to considerable constitutional powers granted him, his pivotal position in the balancing process, and the factionalism, which seriously weakened potential rival institutions like the Cabinet and the Chamber of Deputies.

To start with, the constitutional prerogatives of the President were indeed considerable. He designated the Prime Minister (article 53), appointed and dismissed ministers (article 53), proposed laws (article 18), requested reconsideration of approved legislation (article 57), presided over the Council of Ministers and called it for extraordinary sessions when deemed necessary (article 53), negotiated and ratified inter-nation treaties (article 52), and appointed top officials in collaboration with the Council of Ministers (article 53).

Moreover, the Constitution of 1926 empowered the President with the right to dissolve Parliament. Indeed, the President could, in cooperation with the Cabinet, decide to dissolve

Parliament before the expiration of its term (article 55). The Constitution also provided the President with the power to act if the Parliament did not do so. Thus, if Parliament failed to act within forty days, on a bill declared by the President as urgent, the bill was automatically promulgated into law (article 56). It is precisely through this mechanism, which was intended to expedite legislation, that the President came to dominate the legislature.

However, even prior to the Taif constitutional amendments, Presidential powers in Lebanon were by no means unlimited. Indeed, the lack of genuinely effective political organizations left all the Presidents of independent Lebanon without a stable power base from which to govern. Most Presidents were thus reduced to manipulating the factional rivalries amongst political notables in order to maintain control. Unfortunately, such coalitions were normally based on interest and were usually too ephemeral to provide the basis for prolonged/decisive action. Consequently, even the most well-intentioned Lebanese Presidents were frequently frustrated in their desire to effectuate change.

Another impediment to forward planning and change was the consumption of the President in balancing communal interests and ensuring that each faction received its due share. The President acted in this respect as the trustee, or arbitrator, adjudicating disputed claims and carrying out incremental confessional allocations to satisfy the demands of various communities as articulated by their leaders. Hence, one of the main functions of a Lebanese President was to regulate inter-confessional disputes and to maintain the delicate confessional balance of power upon which Lebanese politics was based (Kerr, 1966).

It is precisely this function of arbitration and adjudication, which has invited some critics to refer to the Presidency as the most distinguished of patronage institutions. The President came to be viewed as the ultimate patron, enjoying virtual monopoly and authority over vital services and entitlements.

In short, he becomes the supreme patron, manipulating or coordinating the unscrupulous and skillful machinations of lesser patrons and their own clients, who, ad infinitum, are the patrons of yet other clients, all seeking a greater share of the spoils and the privileges of office (Khalaf, 1987, p. 96).

Hence, in prewar Lebanon the President of the Republic was clearly the main locus of power and the ultimate executive authority in the country. Besides his formal constitutional prerogatives, the President also enjoyed a formidable amount of unofficial powers that he could easily muster and mobilize. All the powers vested in his office allowed him to effectively motor the system, but also put him in an ideal position to demand compliance from those around him. Exaggerated Presidential powers were thus a source of much contention in pre-war Lebanon and one of the immediate concerns that the Taif agreement needed to handle/address.

## The Presidency after Taif

The Taif agreement has effectively reduced the powers of the Presidency and spread authority between Parliament and the Council of Ministers according to the principle of checks and balances. Hence, the President of the Second Lebanese Republic appoints his Prime Minister after binding parliamentary consultations. He may also attend the meetings of the Council of Ministers but not vote. The President can no longer block legislation by refusing to promulgate laws. Some critics have argued that the new constitutional amendments have reduced the Presidency to a mere symbolic and ceremonial function (Norton, 1991).

President Elias Hrawi was elected as the first President of the Second Republic on November 22, 1989. And although the Lebanese constitution expressly forbids a President succeeding himself in office, Hrawi's term was extended in 1995 due to 'extenuating circumstances in the country'. The real reason behind this breach of the Lebanese constitution was Syria's desire to maintain the status quo in Lebanon and avoid rocking the ship of state. Malik (1997) writes,

In the fall of 1995, the summer-long speculation about Lebanon's presidential elections was suddenly put to an end in the most contemptuous manner when the government, with the appropriate nod from Damascus, amended Article 49 of the constitution – which limits the President's term in office- to extend the term from six years to nine years. Then, in similar mechanical fashion, the Lebanese Parliament convened to approve the amendment and voted to extend the tenure of current pro-Syrian President Elias Hrawi by three years. This cynical blow to what was left of Lebanese sovereignty resulted from Syria's desire to freeze the status quo and put everything in Lebanon on hold pending further developments in the stalled peace negotiations with Israel (Malik, 1997, p. 29).

Norton (1997), comments on this unusual presidential term extension in a similar way:

Thus, despite the constitutional prohibition, the Parliament voted on October 19, 1995, to extend Hrawi's term of office for three years. Syria subtly signaled its preference, but Lebanese politicians strain hard to read Syrian signals and are willing, as in this case, to contort and even ignore Lebanese laws to please their Syrian brothers (Norton, 1997, p. 9).

Hence, not only did the President lose much of his executive powers after Taif, the Presidency itself lost much of its legitimacy and credibility due to the open secret of Syrian influence and hegemony.

Under the *Pax Syriana*, nothing -- including the constitution -- is sacrosanct any longer in Lebanon. Taif effectively castrated the Lebanese Presidency, rendering the occupant a pathetic figurehead; With the amendment of Article 49, nothing less than the cancellation of the Lebanese state – or what was left of it – occurred amidst an atmosphere of tangible intimidation (Malik, 1997, p. 29).

## The Chamber of Deputies before Taif

Prior to the war, the Lebanese Chamber of Deputies consisted of 99 members (54 Christians and 45 Muslims) directly elected in 26 electoral districts across the nation. Each region was traditionally allocated a number of districts and seats proportionate to its population and to its confession (Table 9 and Table 10). The allocation of seats on a confessional basis was intended to moderate sectarian tensions through prohibiting the direct clash of candidates of different sects. In this way, the Lebanese electoral system mitigated against sectarian competition.

Table 9. Distribution of Parliamentary Seats by Sect (1947-1972) (Baaklini, 1976)

	<i>Sect</i>	1947	1953	1957	1960-72*
Christians	Maronite	18	13	20	30
	Greek Orthodox	6	6	7	11
	Greek Catholic	3	3	4	6
	Armenian	2	2	3	4
	Minorities	1	1	2	3
Muslims	Sunni	11	9	14	20
	Shia	10	8	12	19
	Druze	4	3	4	6
	Total	55	44	66	99

\* Since 1960, there have been three elections – in 1964, 1968, 1972. The sectarian distribution remained the same as in 1960.

Table 10. Distribution of Electoral Seats and Districts by Region (1947-1972) (Baaklini, 1976)

<i>Region</i>	1947		1951		1953		1957		1960-72*	
	<i>S</i>	<i>D</i>	<i>S</i>	<i>D</i>	<i>S</i>	<i>D</i>	<i>S</i>	<i>D</i>	<i>S</i>	<i>D</i>
Beirut	9	1	13	1	7	5	11	2	16	3
Mount Lebanon	17	1	23	3	14	9	20	6	30	6
North Lebanon	12	1	16	3	9	8	14	7	20	7
South Lebanon	10	1	14	1	8	7	11	7	18	7
Biqā	7	1	11	1	6	4	20	3	15	3
Total	55	5	77	9	44	33	66	25	99	26

S= Seats. D= Districts

\* The number of electoral districts in 1964, 1968, and 1972 remained the same as in 1960.

The same electoral system, however, undermined the process of national competition. Indeed, no party or grand coalition ever contested even a majority of the seats in Parliament. The election process also lacked serious issue-discussion (e.g. economy, development, social policy). Campaigning rather centered on what the candidate can contribute to his district/area. “The style of campaigning and the absence of debate on the issues confirmed once again the parochialism of Lebanese elections” (Nelson, 1976, p. 208).



Such parochialism and localism naturally enhanced the influence of traditional leaders. Indeed, since independence, membership in the Lebanese Chamber of Deputies had been almost the exclusive monopoly of local Zuama, especially those with inherited traditional rank and authority. “Almost a quarter of the 1960 Chamber, for example, was composed of deputies who had inherited their parliamentary seats; people who are heirs of a long political tradition” (Koury, 1972, p. 270). Table 11 reveals the almost inherited political power of some of Lebanon’s most prominent extended families.

Table 11. The Inherited Political Power of Some Lebanese Families  
Number of Parliaments – 16 Period: 1920-1968 (Koury, 1972).

<i>Family Name</i>	<i>Times in Parliament</i>	<i>Family Name</i>	<i>Times in Parliament</i>
Al Asaad	12	Karami	7
Arslan	14	Kazaoun	12
Chamoun	7	Al Khatib	12
Chehab	10	El Khazen	7
Edde	11	Al Khoury	11
Fadel	8	Lahoud	7
Frangieh	11	Osman	4
Ghosn	12	Osseiran	11
Haidar	11	Pharaon	5
Hamadeh	12	Salam	6
Hraoui	11	Al Solh	6
Husseini	14	Talhok	7
Joumblatt	12	Zouein	10

Besides the traditional political heirs, the system allowed parliamentary access to a number of lawyers, businessmen, and professionals (Nelson, 1976). The resulting composition of the Chamber, although homogeneous in socio-economic terms, had destabilizing effects given its non-representation of other classes. Such restricted composition often translated into a visible reluctance on the part of deputies to initiate major changes and/or reforms. “On the whole, the Lebanese national assembly is conservatively oriented with too great a stake in the existing system to countenance radical change” (Nelson, 1976, p. 213).

Moreover, the rivalries/factionalism of the myriad groups found in the Lebanese Chamber rendered the creation of a working majority extremely difficult and never permanent. Indeed, temporary parliamentary coalitions had become the accepted norm for political maneuvering and negotiation (Koury, 1972). The Chamber of Deputies was also hindered in the pursuit of its tasks by the paucity of its infrastructure. Deputies had no offices and were devoid of legislative assistance. Committees had no expert staff and were rarely allocated tasks in a systematic

fashion. The parliamentary library was poorly equipped and organized. Hence the Lebanese Chamber lacked the tools and the skills to effectively legislate even its was not plagued with the ills specified above (Nelson, 1976).

The net effect was a “legislative power, which was congenially mediocre and fragile” (Rondot, 1966, p. 133). This accounts for the fact that the Lebanese Chamber found it imperative to periodically abrogate its legislative function to the executive. Indeed, some of the most important policies in Lebanon were enacted through decree laws by the executive rather than through legislative acts of parliament. “It is a sad fact that 80 percent of Lebanon’s most important social and economic laws have been promulgated under decree powers granted to the Cabinet by the Chamber of Deputies under article fifty-eight of the Lebanese Constitution” (Nelson, 1976, p. 215).

Besides recurrent abrogation of legislative power, the Chamber was also notorious for its subservience to the executive. This subservience is traditionally explained by the dependence of members of Parliament on the President and his ministers for patronage benefits as well as their ever-present ambition to become Cabinet ministers themselves. Consequently, parliamentary members were often reluctant to form and impose an independent policy consensus of their own in accordance with the substantial powers granted them (Kerr, 1966). Dekmejian contends in this respect that political aspirants in Lebanon regard Parliament mainly as a major pathway or stepping-stone into the Cabinet (Dekmejian, 1975, p. 34).

To be sure, the performance of the Lebanese Chamber was weak when compared to its formal constitutional powers. Indeed, the Lebanese Chamber could, in theory, impeach the President and his ministers, amend the constitution, and determine the general policies of the state. “However, if one considers that Lebanese electors primarily send their deputies to Beirut to protect their interests, redress grievances, and bring home a fair share of the spoils, then judgment on how well the Lebanese assembly performs and what might be expected of it might perhaps become more reasonable” (Nelson, 1976, p. 213).

Moreover, the Lebanese Chamber latently performed some functions which were vital to the well-being of the political system. Most important in this respect was its role in reconciliation, mediation, and communication. “Parliament, despite acknowledged corruption, distortions in representation, and immobilism is still the one place that provides a forum for the diverse sects to engage in a dialogue and to maintain contact, even as disputes rage” (Nelson, 1976, p. 222). “The assembly of Lebanon is both a place of political meeting and an agent of inter-confessional union” (Rondot, 1966, p. 133).

Overall, the Lebanese legislature of pre-war Lebanon operated more as a representative body than as an effective law-making institution (El-Khazen, 1994). Lebanese deputies have indeed acted more as spokesmen of their communities, defending and promoting their entitlements and interests. “Deputies emerge more as political brokers concerned with the parochial and often petty interests of their local constituencies than with formulating and articulating broad policy issues of national significance” (Khalaf, 1987, p.123). Besides representation, parliamentary access is also important as it provides a competitive advantage in the clientelistic race of Lebanese politics. “Apart from personal prestige, many deputies regard parliamentary representation as an economic investment, given the clientelistic nature of Lebanese politics” (Khashan, 1997, p. 43).

### **The Chamber of Deputies after Taif**

The Taif agreement has theoretically strengthened the role of Parliament and redressed the balance of power between the executive and legislative branches. The preamble to the new constitution clearly states that ‘Lebanon is a democratic parliamentary republic’. The term of the Speaker was extended from one to four years to coincide with the term of the Chamber and the selection of the Prime Minister was made subject to binding consultations with the Speaker and members of Parliament. Moreover, an explicit provision was made in the new constitutional document prohibiting laws to be promulgated without the prior approval of Parliament.

Upon the endorsement of the new constitutional document in 1990, the government proceeded with the task of making appointments to vacated posts in Parliament as well as the nine new seats added. Many Lebanese were distressed that the process of appointment had been chosen to fill the parliamentary seats, rather than elections. And although the justification provided was acceptable –mainly that it was excessively ambitious to envisage general elections at that juncture- the practice constituted a clear break with Lebanon’s democratic practices in the past.

In adjusting the proportional representation of Christians and Muslims in Parliament to conform to a 50-50 ratio, Taif increased the number of representatives beyond the traditional ninety-nine and called for the appointment of new members to the Chamber to replace deceased ones and reach the required number. The dangerous precedent of appointing rather than electing supposed representatives of the people violates the essence of parliamentary democracy and departs radically from Lebanese political norms (Malik, 1997, p. 26).

Lebanon’s first war parliamentary elections were then held in the Summer of 1992. The 1992 election was distinctive because it was the first to be held since the outbreak of the war. Indeed, throughout the war, three Presidents were elected in 1976, 1982, and 1989. The Presidential elections were undertaken to avoid a constitutional vacuum. Parliamentary elections, however, were postponed because, constitutionally, Parliament could extend its terms indefinitely as long as political and security conditions precluded legislative elections (El-Khazen, 1994).

The Parliamentary elections of 1992 were held amidst a strong wave of opposition protesting the timing of such elections and insisting on international supervision. And although overall attitudes towards the awaited elections varied between enthusiasm and support, hesitation and fluctuation, skepticism, or outright rejection, the opposition was strong and real and centered mainly in the Maronite districts. The Maronite Patriarch's opposition to what he termed the 'imposed elections' gave this position its best expression. Gradually opposing positions crystallized in the Maronite enclave, gathering political momentum in favor of a boycott (El-Khazen, 1994).

Nevertheless, the Lebanese government proceeded with the elections as planned, despite the massive abstention of opposition candidates and voters. The main issue of contention was the electoral law. Although Taif had stipulated the use of the *Muhafazah* as the basis for subdividing electoral districts, the 1992 electoral law required candidates in two areas – South Lebanon and Mount Lebanon—to compete in sub-districts rather than stand for election at the *Muhafazah* level. The justification given was that exceptional conditions existed in those particular governorates, security conditions in the South, and large numbers of displaced people in Mount Lebanon.

Critics argued that the real reason for the electoral law was to allow regime mainstays (e.g. Jumblatt, Hubayka, El-Murr) to bring their strength to smaller districts and to undermine the chances of real opposition anti-Syrian candidates. Many did not hold back that this manipulation of electoral tactics was meant to accommodate Damascus' concern that no mainstream Christian opposition candidates would find their way into the newly elected Lebanese Chamber. "Thus the 1992 electoral law not only perverted the Taif principle of large electoral districts, it produced a political landscape tailor-made to guarantee an outcome favorable to Syrian wishes" (Malik, 1997, p. 27).

Although competition between candidates did take place in most governorates, the situation in Mount Lebanon, where candidate and voter abstention were almost total, made it very difficult for the government to claim that due process had been achieved there. In Kisirwan, for example, the election had to be suspended due to lack of candidates and re-run in October after the elections in other governorates had proven the irreversibility of the process. Table 12 shows the distribution of parliamentary seats by sect and constituency in 1992. Table 13 shows the 1992 seat distribution by sect as compared to previous (pre-war) parliamentary seat distributions.

Table 12. Distribution of Parliamentary Seats by Sect and Constituency, 1992 (El-Khazen, 1993)

	<i>Total Seats</i>	<i>MA*</i>	<i>GO</i>	<i>GC</i>	<i>Other</i>	<i>S</i>	<i>SH</i>	<i>D</i>	<i>A</i>
Beirut	(19)	1	2	1	6	6	2	1	0
Mount Lebanon	(35)	19	4	1	1	2	3	5	0
North Lebanon	(28)	9	6	0	0	11	0	0	2
South Lebanon	(23)	2	1	2	0	3	14	1	0
Biqa	(23)	3	2	3	1	5	8	1	0
<b>Total</b>	<b>128</b>	<b>34</b>	<b>15</b>	<b>7</b>	<b>8</b>	<b>27</b>	<b>27</b>	<b>8</b>	<b>2</b>

\* MA = Maronite; GO = Greek Orthodox; GC = Greek Catholic; Other = Armenians, Protestants + other minorities; S = Sunni; SH = Shiite; D=Druze; A = Alawite

Table 13. Distribution of Parliamentary Seats by Sect, 1943-1992 (El-Khazen, 1993)

	<i>1943-1947</i>	<i>1951</i>	<i>1953`</i>	<i>1957</i>	<i>1960-1972</i>	<i>1992</i>	<i>Change</i>
Maronite	18	23	13	20	30	34	+4
Greek Catholic	6	8	5	7	11	15	+4
Greek Orthodox	3	5	3	4	6	7	+1
Others	3	6	3	5	7	8	+1
Sunni	11	16	9	14	20	27	+7
Shiite	10	14	8	12	19	27	+8
Druze	4	5	3	4	6	8	+2
Alawi	0	0	0	0	0	2	+2
Total	55	77	44	66	99	128	+29

Overall, the 1992 elections provoked a sort of sectarian polarization that the country had only seen during the war. "The 1992 elections violated the principles of representative democracy, deepened communal polarization, coalesced the political alienation of the Christians, and eliminated any remaining chances of engaging in a semblance of normal politics in Lebanon" (Malik, 1997, p.28). "With tight security assured, the elections results in 1990 reflected power realities achieved by force. This time, Syria was the prevailing foreign power and called the shots" (Harik, 1998, pp. 162-163). "The empowerment of members of the executive and legislative branches in 1992 left a lot to be desired as far as due democratic process was concerned" (Harik, 1998, p. 158).

Unfortunately, a similar story repeated itself in the parliamentary elections of 1996. The only difference was greater Christian turnout attributed mainly to fear of further marginalization and an acquiescence to Syrian preponderance in Lebanon. "This turnout came as a result of awareness that Syria's preeminent role in Lebanese affairs seemed secure, at least in the foreseeable future" (Khashan, 1997, p. 25). Many Christians thus came to perceive abstention as self-defeating. Christian participation in the 1996 elections gave the process an aura of legitimacy through the appearance of open and competitive elections. The government managed

to get away with re-issuing the 1992 electoral law, by unveiling it only weeks before the beginning of the first round of elections.

However, by failing to conform to the provisions of the Taif agreement pertaining to electoral districts and procedures, the parliamentary elections of 1992 and 1996 paved the way for a trend of marginalization of the Constitution- the highest law of the land.

In addition to the many irregularities associated with them, the two anomalous elections of 1992 and 1996 paved the way for further assaults on the sanctity of a critical document in Lebanese politics: the constitution. From its inception in 1926, the Lebanese constitution has been amended eight times. Never before Taif, however, was it done so callously and cavalierly. Taif opened up a Pandora's Box of notorious precedents, and the country has been descending down the slippery slope of constitutional tinkering ever since (Malik, 1997, p. 29).

The two parliamentary elections of 1992 and 1996 were also a reminder of Lebanon's worsening plight where democratization was concerned (Harik, 1998). Both elections were characterized by blatant violations of citizens' rights and due process. Infractions of electoral law, fraudulent additions and subtractions of voter names from electoral rolls, rigging of ballot returns, harassment of campaign workers, manipulation of recently naturalized citizens, and use of money, intimidation and coercion, these and other irregularities have been reported (Khashan, 1997; Norton, 1997; Harik, 1998). While there is no way to prove the validity of these accusations, circumstantial evidence is abundant.

Moreover, both elections witnessed a serious lack of debate on fundamental issues. Most electoral campaigns amounted to nothing more than moral preaching or pep talk (Khashan, 1997). Common slogans focused on 'moderation vs radicalism', 'bravery and integrity' or 'the conscience of the people' to the neglect of more pressing and fundamental concerns such as the implementation of the Taif Accord, Lebanon's participation in the Arab-Israeli peace talks, or mounting economic problems. This has invited some press observers of Lebanese elections to announce "the absence of ideas in Lebanon's current elections" (Khashan, 1997, p. 46).

The 1992 and 1996 elections have also undermined the prospects of an effective opposition from within the political system. By excluding many of the vocal Lebanese Christians, the system has further subdued to Syrian influence and hegemony.

Whatever the imperfections of Lebanon's pre-war democratic political system, Lebanon was one of those few developing countries where opposition politics made a difference and had a decisive impact on the political process...None of the vigor and assertiveness of prewar opposition politics are present in postwar Lebanon. Both government and opposition are stalled...Both government and opposition seem to have an undeclared quota of political maneuvering they can not surpass...An opposition that does not abide by the pre-set rules of the game has no place on the political map of post (violated) Taif politics (El-Khazen, 1993 p. 135).

Moreover, both the 1992 and 1996 elections have deepened the internal sectarian divide on the one hand and the divide between state and society on the other. The elections were held against the wish of many Christians and there is no indication that Muslims were more content with the process. However, the latter failed to express their desire or take a clear stand. Moreover, many citizens now feel even greater alienation from the system, as reflected in their indifference to the details of election campaigning and their relatively low turnout at the polls (voter turnouts were 30.34 percent in 1992, and around 40 per cent in 1996 as compared to 50-53 per cent in pre-war Lebanon).

No doubt, Lebanese parliamentary elections of 1992 and 1996 left a lot to be desired in terms of democratic procedures and have caused a further retreat from the liberalism/democratic semblance that prevailed before 1975. "The main concern at the present is that these setbacks would become acceptable to most Lebanese by official institutionalization and political re-socialization" (Khashan, 1997, p. 47). Harik concludes,

The post-war establishment's legislative renewal means another four years of 'sisterly cooperation with Syria'...Given the flaws in Lebanon's brand of democracy as well as the predicament it still faces with its neighbors, the principal question now is not how and when democracy might eventually come about, but whether the concept of democratization, implying citizen empowerment, has any real meaning at all, in regard to Lebanon's experience and future trajectory (Harik, 1998, p. 180).

### **The Council of Ministers before Taif**

Lebanese Cabinets have since 1943 been meticulously balanced along confessional lines (Table 14). This delicate balancing, plus the need to ensure a minimal policy consensus among members rendered the process of cabinet formation a most complicated task. The complication was further exacerbated by the need to enlist the leaders of the important political factions, their personal antagonisms and irritations, and/or by their insistence on particular portfolios. Accordingly, Cabinet formation became a long drawn out process of negotiation, consultation, bargaining, balancing, and accommodation.

Table 14. Patterns of Cabinet Membership: 1943-1961 (Koury, 1972)

<i>Size of Cabinet</i>	<i>6</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>10</i>	<i>10</i>	<i>14</i>	<i>17</i>
Sunite	1	2	2	2	2	3	3	4
Maronite	1	2	2	3	3	3	3	4
Druze	1	1	2	2	1	1	2	2
Greek Orthodox	1	1	1	1	1	1	2	2
Greek Catholic	1	1	1	1	1	1	1	1
Shiite	1	1	1	1	2	1	2	3
Armenian	0	0	0	0	0	0	1	1

The right composition of a Cabinet was however essential to ensure its continuity/survival. This factor was important in view of the fact that Cabinets were notoriously short-lived in Lebanon.

Indeed, in twenty eight years of constitutional government (from 1926 to February 1964), Lebanon lived under some forty-six Cabinets or an average of less than eight months per Cabinet (Kerr, 1966). Fortunately, the rapid turnover of Lebanese Cabinets was mitigated by the tendency toward carry-over membership and by the stable character of eligible ministers within Parliament. "From 1926 through 1963 a total of 333 ministerial posts were occupied by only 134 individuals" (Kerr, 1966, p. 192).

Frequent Cabinet change was commonly used as an indicator of political instability in Lebanon. This was partly true. Indeed, rapid Cabinet change to the extent that it prohibited long-range planning, interfered with ministers learning their jobs, obscured accountability, and hindered decision-making undeniably contributed to instability and weak political performance. Nevertheless, Cabinet change may have also been politically functional in times of crisis, as it served to divert attention from the issue at hand to the more immediate problem of forming a government. Hence, "the need for a government to deal with the problem preceded the problem itself" (Nelson, 1976, p. 231).

It is important to note in this respect that Lebanese Cabinets seldom changed by virtue of an adverse vote in parliament. Indeed, since independence, not a single Cabinet had fallen for this reason. Rather, Lebanese cabinets most often fell as a result of internal quarrels and disputes and a consequent breakdown in confidence between ministers themselves. More saddening is the fact that Cabinet controversies rarely involved prospective decisions on substantive policy issues, but rather tended to revolve around questions of patronage and jurisdictional competition (Kerr, 1966, p. 193).

Cabinet controversies were often exacerbated by publicity or unauthorized public statements made by ministers seeking to appeal to some segment of public opinion. The principle of collective ministerial responsibility was thus frequently violated/ignored by ministers who had fences of their own to mend (Kerr, 1966, p. 196). Individual ministerial responsibility was also scarcely respected as few ministers could be assured in practice of the full measure of control to which the law entitled them, "for the web of interests involved in the affairs of a given ministry insured the exercise of pressures from many quarters" (Kerr, 1966, p. 193).

Here the fundamental tension of the entire system of Lebanese Cabinet-making arises again: men of sharp partisan views are brought into the Cabinet in order to leash them with responsibility, but as they can not afford to pay the full political price that responsibility entails, they strike a compromise by becoming in effect only half ministers, keeping silent only half the time, and lending to the Cabinet only half the cohesion demanded of it by the formal constitutional system (Kerr, 1966, p. 197).



The drawbacks of Cabinet government in Lebanon were thus painfully obvious. In essence, the Cabinet served as a political battleground and was thereby hindered from effectively performing its task. Yet, it should be noted that the Cabinet, like the Chamber, provided a measure of political integration and a modicum of cooperation in an otherwise fractured social structure. By ensuring equitable sectarian representation and allowing all viewpoints to be heard and explored, the Lebanese Cabinet provided a channel of communication and an opportunity to balance/harmonize conflicting sectarian interests and demands.

### **The Council of Ministers after Taif**

The constitutional changes of 1990 clearly entrust executive authority to the Council of Ministers. Article 65 of the new constitution precisely states that ‘executive authority shall be vested in the Council of Ministers’. The Council of Ministers is made responsible for setting the general policy of the government, drafting laws and decrees, deciding on the implementation of legislative acts, and supervising the activities of all administrative branches and institutions. Moreover, the new Council of Ministers is empowered to dissolve the Chamber of Deputies before the expiration of its term.

Since the Taif agreement of 1989, Lebanon witnessed the formation of seven cabinets or an average of 18 months per cabinet. All were delicately balanced along confessional lines. Table 15 shows the sectarian breakdown of successive Lebanese cabinets from 1989 to the present.

Table 15. Patterns of Cabinet Membership: 1989-1998

<i>Year*</i> <i>(Size)</i>	<i>1989</i> <i>(14)</i>	<i>1990</i> <i>(30)</i>	<i>1992</i> <i>(24)</i>	<i>1992</i> <i>(30)</i>	<i>1995</i> <i>(30)</i>	<i>1996</i> <i>(30)</i>	<i>1998</i> <i>(16)</i>
Sunni	3	6	5	6	6	6	3
Shiite	3	6	5	6	6	6	3
Druze	1	3	2	3	3	3	2
Maronite	3	6	5	6	6	6	3
Greek Orthodox	2	4	3	4	6	4	2
Greek Catholic	1	3	3	3	1	3	2
Armenian	1	2	1	2	2	2	1

\* Information collected by author from various Lebanese Newspapers

Post-Taif Lebanese politics have been dominated by the prominent figure of Prime Minister Rafic Hariri, who formed 3 successive cabinets in 1992, 1995 and 1996. Hariri came to power in the wake of a deepening economic crisis in Lebanon, whereby the inflation rate had reached an unprecedented 120 percent and the Lebanese pound had dropped from 1,150 to the dollar to 2,830. Hariri’s background as a successful business entrepreneur who had made his way in the

world of the Saudi economy provided renewed optimism regarding the eminence of economic development and change.

That Hariri was seen as the one and only savior was due in large measure to the perception of him as a Lebanese 'merchant prince' who had both the personal resources and the international –especially Gulf—connections that could be mobilized to shore up the pound and the country more generally (Denoeux and Springborg, 1998, pp. 159-160).

In this respect, Hariri openly expressed his desire to turn Lebanon into the 'Singapore of the Middle East' and to restore the country to its previous role as the financial and commercial center of the region. For this purpose, Hariri and his cabinet focused on introducing macro-economic stabilization measures and rebuilding a new central business district for Beirut. While this new approach initially instilled enthusiasm and optimism, a sense of general disillusionment had already set in by the time Hariri formed his second cabinet in May 1995.

There were many reasons for this change in public mood. By 1995, many Lebanese found their situation essentially unchanged if not worsened: slow economic growth (a modest 6 percent in 1995), increasing indebtedness of the state (estimated at \$7.3 billion in 1995), soaring unemployment (32 percent in 1995), spreading poverty (28 percent of Lebanese live below the poverty line), and rampant corruption all set in a deepening sense of malaise among the public. Moreover, to finance its reconstruction, the Hariri government sought to increase state revenues from exorbitant indirect taxes such as higher gasoline prices, steeper customs duties and skyrocketing car registration fees.

Furthermore, Hariri and his government had focused their attention on a few showcase projects such as a new sports stadium and convention center, the enlargement of Beirut airport, and the upgrading of the Beirut-Damascus highway, while neglecting badly needed improvements in the infrastructure (e.g. electricity, telephones, sewage, drainage, and roads) as well as urgently needed areas of attention such as population dislocations resulting from the war and worsening environmental degradation. "From the vantage point of the people, talk of economic recovery and reconstruction offers little solace in the face of everyday hardships" (Malik, 1997, p. 57).

The economic problems were also compounded by an increasing repression on the part of the government, reflected in a gradual stifling of freedoms and erosion of civil rights. For example, the General Union of Lebanese Workers called a general strike in July 1995 to protest the soaring unemployment, the increased prices, and the general official indifference to the welfare of laborers. Lebanese security forces (with the help of Syrian intelligence agents) quickly disrupted the rally and prohibited further demonstrations. Renewed labor unrest re-ignited in March 1996, and government took hard-line measures again and outlawed public demonstrations.

Moreover, in September 1996, the government decided to reduce the number of authorized television stations. On the face of it, the decision seemed sensible, since a quilt of stations had emerged during the war, most associated with one militia or another (Norton, 1997). The details, however, revealed a different story as the four authorized stations were owned by the Prime Minister, the Speaker, the Interior Minister, and a wealthy businessman. "Even observers who had acknowledged the need to put some order back into Lebanese airwaves were quick to interpret the government's licensing process as an effort to muzzle freedom of expression" (Denoeux and Springborg, 1998, p 163).

This incident brings up another contentious aspect of the post-Taif government policies, namely the division of major sources of wealth among the key players in the country's political economy. Indeed, the post-war Lebanese political system has been transformed into an oligarchy, controlled from the top by the Prime Minister and his close associates. Key Hariri associates have been put in charge of critical institutions such as the Council for Development and Reconstruction, the Central Bank, and the Ministry of Finance. The remaining financial agencies were distributed among the traditional political leaders. Examples are the Fund for Displaced people controlled by Druze leader Walid Jumblat, and the fund for the Council of the South, controlled by Shiite Speaker Nabih Berri. It is no secret that considerable financial abuse goes on in these agencies.

Indeed, one project in which Hariri failed to show any interest was modernizing the Lebanese state and/or weakening the entrenched powers of the Zuama. Instead, he decided to leave the existing state as is and to proceed with his reconstruction strategy by mobilizing his own team that he managed to super-impose on the existing administrative structure. Meanwhile, he allowed prominent families and wartime leaders to retain their strong presence and benefits, through what Denoeux and Springborg have referred to as the 'residual state'. They write,

What might be called as the residual state, that huge entity not controlled by the Prime Minister and his clients, serves as a counterbalance to Hariri. And because Hariri is unable to fully dominate the state, he continues to avoid it as much as he can, permitting it to dole out public resources, through the confession-based networks that wind through the bureaucracy (Denoeux and Springborg, 1998, p. 163).

It is as if Hariri had decided to strike a compromise with the Zuama, allowing them to use a segment of the state for patronage benefits, while he would assume primary and uncontested responsibility for his ambitious reconstruction plan.

In short, the implied division of labor was the following: Hariri would rebuild the country, while the government would neither be overhauled nor modernized, but would continue to dole out patronage and thereby underpin the confessional leadership roles of the incumbent politicians (Denoeux and Springborg, 1998, p. 171).

There is growing evidence to suggest, however, that this novel assignment of responsibilities is not viable and that the state cannot continue to operate as an arena for rivalries among sectarian leaders seeking to expand the boundaries of their fiefdoms. It is clear that Lebanon in this context will not be able to meet the challenges that lie ahead.

If there were infinite resources, the two-sided Lebanese state, one portion of which is dominated by Hariri and another controlled by the traditional and war-time political elites, might be sustainable. Alas, resources have begun to dry up, for the demands of physical reconstruction, profits for the prime minister, and patronage for the politicians cannot all be accommodated (Denoeux and Springborg, 1998, p. 163).

The Lebanese state antiquated, controlled from the outside by Syria and riddled on the inside with divisions among sectarian leaders feuding over turf and patronage – is unable to make up public policy in an effective manner. This state is not dedicated to the provision of public goods and services. It is not geared toward enabling Lebanon to meet the daunting developmental challenges that still lie ahead. Instead, its primary function remains the allocation of patronage along confessional lines (Denoeux and Springborg, 1998, p. 171).

In a similar way Norton (1997) alerts the reader to the shortsighted-ness of the post-Taif government policies and the futility of political reform in the context of patronage and sectarian fiefdoms.

While some restructuring of the political system has occurred, there is little prospect for comprehensive political reforms while power remains in the grip of a coterie of politicians on good terms with Damascus. Instead, the government operates like a giant patronage machine, enabling newly entrenched political bosses to create networks of clients and grow richer on sweetheart deals (Norton, 1997, p. 9).

The post-war government and political elite have therefore proved incapable of breaking out of the narrow confessional-patronage pattern of politics. This is most graphically illustrated by continuous infighting over spoils and turf between the three key posts referred to euphemistically in Lebanon as the *troika*: Maronite President Elias Hrawi, Sunni Prime Minister Rafic Hariri, and the Shiite Speaker Nabih Berry (Rigby, 2000, p. 177). And while, disagreements and rivalries between them are still raging, the resulting immobilism and deadlock have prevented the Lebanese government from turning its attention to much needed reforms that could mitigate the rising tensions in the country.

Finally, sectarian-based clientele networks have also penetrated the Lebanese administration. Thousands of bureaucrats have been put on the payroll through various means used to circumvent civil service regulations in order to service patronage networks. Bribes, and Wasta (or intermediary connection) are commonplace, and the public is exhibiting increasing frustration and contempt. “The Lebanese bureaucratic labyrinth, with its multitudinous and overlapping authorities, provides the perfect camouflage for illicit activities. It also creates the

means by which honest citizens can be cheated by corrupt officials” (Deneoux and Springborg, 1998, p. 167).

## **SUMMARY AND CONCLUSIONS**

This chapter has basically ended where it started. Confessional loyalties and clientelism effectively interact in Lebanon, undermining all efforts at modernization and change. Hardly any dimension of Lebanese politics seems immune from the contamination of confessional-patronage networks. Post-war political elite have also proved incapable of breaking out of the narrow confessional-patronage politics game. The result is a deepening dissatisfaction felt by large numbers of Lebanese.

Writing in 1997, Karim Pakradoni paints a grim picture of the Lebanese post-war experience:

The Lebanese can feel the essence of the social contract gradually slipping away day by day, as the electoral system becomes an appointments system, the liberal economy becomes a network of monopolies, and the democratic order turns into a police state (Pakradoni, 1997, p.22).

Pakradoni predicted that if these trends were left un-addressed, then the country would be driven into a political impasse that could potentially deteriorate into sectarian conflict. He characterized these anti-democratic trends as the ‘Arabization’ of Lebanese politics. Rigby (2000) suggests that perhaps a more apt description would be the ‘Syrianization’ of Lebanon. He writes,

With 35-40,000 troops in Lebanon, in addition to its ubiquitous intelligence personnel, Syria continued to manipulate Lebanon’s divisions to suit its own interests and to legitimate its presence as the necessary arbiter between the sparring sects. But sectarian politics also suited the interests of the old members of the Lebanese political cartel and former warlords, and that in turn was reinforced by the social fabric of traditional patron-client networks, clan and sectarian loyalties that still permeate many dimensions of Lebanese life. It is a mutually reinforcing set of relationships (Rigby, 2000, p. 178).

Indeed, a new reality has now been added to the sectarian and clientelistic predicament of Lebanon, namely that of Syrian hegemony and dictatorship. This is clearly reflected by Syrian heavy-handed manipulation and tampering in every facet of Lebanese political life. Syria is increasingly referred to as the ‘invisible hand in Lebanese politics’, the ‘real power broker in Lebanon’, or ‘Lebanon’s overlord’, while Lebanon is now ‘the hostage’, or ‘the fictitious state under Syrian captivity’. Syrian tightening stranglehold over Lebanon is with international acquiescence, as it needs to be continuously coalesced to the negotiating table with Israel.

The subordination of Lebanese politics to Syrian interests is now a fact. Lebanon’s independence is held hostage to the Middle East Peace Process. Whether the hostage will be released at the end of that process remains a central question (Norton, 1997, p. 12).

Indeed, Syria's stranglehold over Lebanon serves an instrumental purpose, namely increasing its value as a negotiating partner in the peace process. And in the evolving context of Israeli-Syrian negotiations, Lebanon is seen almost exclusively as a security issue and the idea that it is indeed expendable for the sake of achieving a Syrian-Israeli peace deal is gaining acceptance. Indeed, Washington's tacit approval of Syria's *de facto* domination over Lebanon implies a willingness to recognize and legitimize it as part of a formal peace process. "A peace deal leading to *de jure* acceptance of Syrian hegemony in Lebanon would amount to the final nail in the coffin of Lebanese sovereignty" (Malik, 1997, p. 95).

Whether Syria's influence over Lebanon and Lebanese politics will lessen also depends to a large extent on the behavior of Lebanese elite. So far the country's senior politicians have shown no enthusiasm for instilling needed changes or staking out an independent path and have simply resigned themselves to following the Syrian lead. Most Lebanese politicians are now viewed as 'the puppets of Syria' or its 'allies and local proxies'. "As long as more than a handful of Lebanese politicians seek to strengthen their individual position through Syrian support rather than trying to build domestic policy coalitions, it will be very difficult for any government to widen the margins of Lebanese independence" (Perthes, 1996, p. 33).

Lebanese politicians, however, seem to be absorbed striking bargains and compromises in their traditional effort to promote their best interest and that of their respective communities. The review in this chapter has indeed underlined the prevalence of the politics of accommodation – the politics of balancing, representation and mutual accommodation in micro and macro political dynamics and interactions. These characteristics have indeed become the hallmarks of Lebanese political processes. Hence, their potential influence on administrative reform initiatives / dynamics will be of central importance in the remaining chapters.

# **CHAPTER 7**

## **ADMINISTRATIVE REFORM IN LEBANON**

### **INTRODUCTION**

Administrative reform refers to deliberate attempts at changing bureaucratic structures and behaviors to promote the achievement of national development goals. Chapter 2 has clearly established the importance of national social and political realities in accounting for reform trajectories. Therefore, the isolated treatment of administrative reform in any country is virtually impossible and needs to be inextricably linked to a variety of factors, cultural, political and economic. Moreover, programs of planned change may be affected by regional and international influences and developments. This is especially true in Lebanon, which has been receptive to such influences in view of its geographic location and the unique composition of its population.

Hence, this chapter seeks to examine the various attempts at administrative reform in Lebanon before and after the war . Although the main focus will be on the specific reform initiatives and their impact, a conscious attempt will be made to keep the discussion in its context and to highlight relevant social and political realities. The independence era in Lebanon coincided with an intensification of attempts at reform in view of the expanding role of government in the social and economic fields. By all accounts, only one experience with administrative reform in pre-war Lebanon was somehow successful, namely that of President Fuad Chehab (Winslow, 1996; Hanf, 1993; Hudson, 1985; Bashir, 1970; Binder, 1966). The research will attempt to explore what was distinctive about this reform attempt and how to account for its success.

The chapter will also examine the specific reforms that were undertaken in Lebanon in the post-war period. It will be shown that while most attempts at reform in pre-war Lebanon were led by the incumbent President, administrative reform in the post-war period has been mostly initiated by the Council of Ministers in cooperation with Parliament. This is perhaps to be expected in view of the curtailment of Presidential powers resulting from Taif, and the concomitant increase in the respective powers of the Cabinet and Chamber of Deputies. It is interesting to note that both institutions have shown resolution to fully invoke and exercise their new constitutional powers, causing some friction and delays in the implementation of much needed reforms in Lebanon in the wake of the war.

### **ADMINISTRATIVE REFORM IN PRE-WAR LEBANON**

#### **The Regime of Beshara El Khoury: 1943-1952**

Lebanon acquired some of its first administrative and governmental practices and procedures during the long years of Ottoman and French rule. Upon independence in 1943, the Lebanese government inherited an administrative structure, which was over-centralized and concentrated,

legalistic in orientation, and limited in scope to essential functions. In the first post-independence administration, there were nine ministries, in addition to the Office of the Prime Minister: 1) Justice; 2) Interior; 3) Finance; 4) Public Works; 5) Education and Fine Arts; 6) Agriculture; 7) Health and Public Assistance; 8) Post and Telegraph; and 9) National Economy.

Evidence suggests that in the pre-war period, all executive and administrative power centered in the President and in the Cabinet he appointed (Kerr, 1966; Rondot, 1966; Hudson, 1985; Winslow, 1996). Led by a Sunni Premier, the Cabinet consisted of the various ministers, each put in charge of a specific administrative department. Parliamentary powers during this period were seriously curtailed, as the Parliament was simply entrusted with the task of electing the President, passing the annual budget and approving all administrative laws deemed necessary by the executive. To do more was to bring opposition from the President and his Cabinet, and to shake the fine balance of power upon which Lebanese politics was based.

Little attention was accorded to administrative reform during the early years of independence. This was partly understandable in view of the preoccupation of the new political leadership with a variety of fundamental problems, relating to the consolidation of the newly won independence, constitutional amendments, economic relationships with Syria, withdrawal of French troops and the joining of the Arab League. The President Beshara El-Khoury and his Prime Minister Riad El-Solh, the founders of independence, were evenly matched and governed the country in tandem, proving to skeptics how well the Lebanese ship of state can sail if the men at the helm collaborate in trust and confidence (Hanf, 1993).

This early tranquility however was not to last for long. Starting in 1946, there were frequent accusations of government corruption. The President, and his brother Selim were accused of resorting to patronage and using the administration as a means to extend favors to clients and supporters. The situation became further complicated in 1947 as the President was also accused of resorting to fraud and electoral manipulation to ensure a broad majority in the parliamentary elections. His plan was to make sure that enough government supporters were returned to the Chamber to amend the Constitution and allow him to be chosen for a second term.

The election for the Chamber of Deputies, which was held on June 3, 1947 received unstinting denunciation for the amount of fraud and manipulation employed by the regime. The majority bloc of government supporters won by 80 percent, hardly allowing Middle East observers to classify the election as truly democratic (Winslow, 1996). Riad El Solh was named Prime Minister of a new government whose main goal was to amend the Constitution so that the President could continue in office. Indeed, only 7 votes were cast in parliament against the constitutional amendment allowing President Khoury to succeed himself. Hence, the two main



founders of the state, and the architects of the National Pact, managed to return to power, but lost in the process much of their credibility.

President El-Khoury thus managed to arrange his coveted second term, but at the expense of not being able to govern the country. The government used its powers under the state of emergency – proclaimed because of the first Israeli-Palestinian war – to cow opposition politicians and prohibit anti-government newspapers. Indeed, the uproar over external matters lasted long enough to give the regime a grace period of nearly four years. Although charges of corruption increased, the economy improved –in part as a result of Arab boycott of Israel, which turned Lebanon into the major entrepot for the Eastern Mediterranean- allowing the regime to partly offset the fermenting distresses.

While president Khoury mainly alternated between Riad and Sami El-Solh for the premiership, his use of cabinet politics was masterly. Khoury shrewdly manipulated the process of cabinet formation as a means of balancing traditional rivalries and maintaining a state of equilibrium. Hudson (1985) refers to his skillful maneuvers as the game of musical chairs by which portfolios were regularly re-distributed in an effort to give the many deserving notables a taste of power (Hudson, 1985, p. 266). While the game of musical chairs may have been useful in giving traditional power holders a stake in the system, the resulting discontinuity often undermined the executive capacity of the cabinet.

Even prime ministers under Khoury enjoyed limited independence, authority and tenure. Sami El-Solh for example, complains in his Memoirs that every President under whom he served relied primarily on the advice not of his prime minister, but an unofficial sultan, namely, Selim El-Khoury for Beshara El-Khoury and Emile Bustani for Camille Chamoun. Every sultan, he adds, had “an entourage and a group of followers, relatives, in-laws, and middlemen. It is they who govern and who direct, plan and execute policies, while we are only the instruments which they set up before the eyes of the public to bear responsibility for their errors and misdeeds” (Sami El-Solh, 1960 Memoirs, quoted in Kerr, 1966, p. 204).

This quote from a highly influential and respected Lebanese figure is indeed very indicative of the nature of politics and executive leadership during this period. It aptly suggests the corrupt nature of Lebanese politics and the monopolization of decision-making by the President and a coterie of relatives/friends. It also suggests the narrow limits on executive leadership dictated by Lebanese peculiar political traditions and maneuvers. These observations in turn lend support to the hypotheses presented in chapter 2, in particular the hypothesis derived from Knill, which suggests a limited reform capacity in the face of weak/divided executive leadership.

It is helpful to describe a typical case of cabinet change under Khoury to provide more evidence in support of these hypotheses. These dynamics are fully described in Hudson (1985) but a brief attempt will be made here to highlight the main issues. The cabinet of Sami El-Solh was beginning to disintegrate at the end of March, 1946. The disintegration had been precipitated by rivalries within the Lebanese delegation in Paris negotiating the terms of the French troop withdrawal. One of the delegates was the popular Riad El-Solh, anxious to use his role in negotiating the agreement to return to power. Another delegate was the minister of interior, Youssef Salem (Greek Catholic), a close friend and co-lister of Riad El-Solh.

The Paris delegates agreed that Salem would quit his cabinet post upon returning to Beirut, ostensibly on the grounds that his plans for reform were being frustrated, and that Frangieh (minister of foreign affairs) would follow suit. The two resignations were expected to create a serious cabinet crisis. The Sami El-Solh cabinet was already facing problems, as the two major opposition factions were dissatisfied with their cabinet representation. The Destourians (or constitutionalists) wanted to renew their alliance with Riad El-Solh, whereas the Independents, while not happy with the existing cabinet, were determined to keep Riad out of office, as they were suspicious of his foreign policy strategy.

Upon receiving the resignations, Sami El-Solh began to look for alternative nominees to fill the vacant positions. At that point, traditional sectarian and regional representation factors came into play. Solh needed to find a Maronite notable from North Lebanon to replace Frangieh and a Greek Catholic from the Biqaa to replace Salem. The two most prominent candidates were P. Taqla (Greek Catholic) and Y. Istaphan (Maronite). Taqla, however, would not join a cabinet unless his Destour colleague, M. Arslan (Druze) was also made a minister. But S. Solh could not include Arslan without displacing the incumbent Druze, J. Talhouk, which would upset the Druze followers of Kamal Jumblat.

Meanwhile, Kamal Jumblat was on the verge of throwing his support to the Karami led Independents, if that faction would promise to stand behind a strong reform program. Furthermore, because Gabriel Murr, the Greek Orthodox Minister of Public Works, was also in sympathy with the Jumblat group, to replace Talhouk would be to risk Murr's resignation. There was also opposition to Istaphan from the Karami faction, which could thus retaliate by pulling out the Justice Minister, S. Munla. On April 9, however, S. Solh's cabinet was reprieved when P. Taqla agreed to join as the Greek Orthodox representative without insisting on a portfolio for M. Arslan.

However, the repairs only postponed the crisis for a few weeks. The government's handling of the domestic situation was under attack from a disorganized but growing opposition of notables.

In a clever maneuver, Karami changed the name of his group from the Independents to the Reform Bloc. He thus managed to get the support of a number of powerful leaders who were known for their reformist ideas. The Reform Bloc then presented Khoury with a reform petition requesting, among other things, a reduction of administrative expenditures, the creation of a trained administrative cadre, an office for auditing administrative accounts, a new electoral law and modern social legislation.

On May 9, a new crisis was precipitated, when M. Arslan, a prominent Druze leader and a close ally of Khoury made a violent attack on the Reform Bloc's petition. This act prodded his traditional Druze rival, Kamal Jumblat into retorting that Arslan was a traitor. A duel was narrowly averted. A week later, the campaign against Sami El-Solh's cabinet reached its climax. Although the opposition was still divided between the Destourians, supporters of Riad El-Solh, and the reformist coalition led by Karami, the dissatisfaction was genuine and growing. On May 17, the three ministerial allies of Karami submitted their resignations causing the Sami El-Solh cabinet to collapse.

President Khoury was expecting/awaiting the fall of the government. His task was now to use his powers positively to put a new cabinet together. This tedious task was made easier by the fact that the opposition was chronically divided, and that individual notables could usually be persuaded to forgo their affiliations in return for a portfolio. President Khoury approached his National Pact ally Riad El-Solh for the post of Minister of State, but Riad insisted on the appointment of a number of his Destour friends. Riad's candidacy was also unacceptable for the Reform coalition. The Reform Bloc, on the other hand, could not agree on a candidate for Prime Minister from among its ranks.

The deadlock gave the President considerable leverage. Khoury used it with his customary skill to form a cabinet that effectively blunted the formidable offensive of the reformists. For the office of Prime Minister, he suggested S. Munla, who was the not the strongest leader in the reformist faction. Khoury then put together a cabinet containing three associates of the reformists (S. Munla, Y. Hrawi, and S. Salam), but excluding such major reform figures as Karami, Pharaon, and Jumblat. Moreover, he neutralized the three reformists by also including four allies of Riad El-Solh and the Destour Bloc, namely, E. Lahhoud, P. Taqla, M. Arslan and A. Hussein.

President Khoury thus managed to deflect the reformist thrust, by creating a weak cabinet. When this cabinet fell apart seven months later, the domestic situation had become disorganized/agitated. Although after the collapse of the Munla Cabinet, the President managed with consummate skill to put together yet a new and stronger combination under the

premiership of Riad El-Solh, the reformist aspirations of many of the notables had been effectively stifled by then. President Khoury had thus skillfully maneuvered the classic game of cabinet politics or the game of musical chairs to halt all reform initiatives that could potentially undermine his patronage power base.

This selective account of cabinet maneuvers under President El-Khoury clearly illustrates the nature of political rivalries and factional peddling in Lebanese politics and the delicate attempts at maintaining balance and representation. More importantly, it illustrates the patterns of executive discontinuity, which are typically justified in Lebanon by the need to coalesce the leaders of the major political factions through frequent rotation of cabinet portfolios. Such skillful maneuvers, while useful for purposes of accommodating divergent political interests, tend to undermine executive capacity by depriving the executive branch of the needed support and continuity to engage in serious programs of change.

These observations in turn lend support to the hypotheses presented in chapter 2, namely that reform capacity in Lebanon will be limited given the country's special brand of consensual politics. They also lend support to the hypothesis derived from Knill, which suggests a limited reform capacity in the face of weak executive leadership. Governments in Lebanon come and go, coalitions form and disintegrate, alliances are based on interest and are typically short-lived; the resulting immobilism and discontinuity are generally detrimental to reform efforts and programs of change.

The two events that dealt the Khoury regime its final blow were the parliamentary elections of 1951 and the assassination of premier R. El-Solh while on a diplomatic mission to Amman. The elections of June 1951 were somewhat more competitive allowing government supporters only 60 percent of the votes and opening door for the emergence of a popular opposition, which included Kamal Jumblat and Camille Chamoun. The second event – the assassination of El-Solh - was even more damaging to the incumbent President. It implied the loss of a founding Muslim pillar of the regime, one that was successful in maintaining relative credibility in the Arab-Islamic circles of Lebanon.

In an attempt to negotiate his way out of the mess, President Khoury launched a belated attempt at administrative reform, including the establishment in 1951 of a Bureau of Accounts, a central post-audit agency responsible for examining and scrutinizing financial transactions throughout the administration. However, it was too little coming a bit too late. It was crystal clear that the reform program was hastily improvised to deal with the emerging crisis. Sami El-Solh soon resigned his post as prime minister after delivering in parliament an explicit indictment of the regime's corruption (Hudson, 1985).

Events thereafter deteriorated in a spiraling fashion. The fledgling opposition staged a series of demonstrations, rallies, and strikes throughout the country. These were followed by boycotts of electricity tax payments, power shutdowns, strikes by newspapers and taxi drivers, which all added to the snowballing movement. The general strike completely paralyzed the country and a group of top officials visited the President formally demanding his resignation. President El-Khoury finally resigned on September 18, 1952 and five days later, the Chamber voted for Camille Chamoun to become the second President of Independent Lebanon.

Although the 1952 crisis ended with little bloodshed, and came to be referred to as the 'Rosewater Revolution' it nevertheless exposed the underlying weaknesses of the newly independent republic. The process of presidential succession failed its first test; the so called founders of independence failed to provide strong and responsible leadership; the parliamentary and presidential electoral processes enjoyed limited legitimacy because formal channels were obstructed by clique politics; corruption and inefficiency flourished; and most importantly, in the context of this thesis, the executive apparatus failed to institute administrative reform policies to cope with mounting national problems and mitigate the rising tensions in the country.

In the administrative sphere, the government established during this period the Ministry of Foreign Affairs and the Ministry of Defense. The Ministry of Foreign Affairs assumed responsibility for managing the administration and the evolving negotiations over the Common Interests (customs and concessionary companies), which had been commonly shared between Lebanon and Syria throughout the mandate. Negotiations culminated in the end of the customs union on 13 March 1950. The Ministry of Defense, on the other hand, practically assumed its full powers and responsibilities after France retracted its last 5000 troops from Lebanon in 1946. Finally, in 1951, the government created the Bureau of Accounts, which acquired the status of an auditing body within the administration.

### **The Regime of Camille Chamoun: 1952-1958**

Upon his election to office in 1952, President Chamoun stressed the need for public sector reform to promote overall economic efficiency and development in Lebanon. After going through the traditional factional peddling, Chamoun succeeded in convincing Khaled Chehab, a veteran of mandate politics, to assume the premiership. Chehab formed a Cabinet of four, which managed to secure from the Chamber full powers over a six-month period to put through a complete program of administrative reform. The Cabinet proceeded to draft laws for the reorganization of the administration, the reform of the electoral system, and the revision of judicial procedures. In all, 90 decrees were issued, giving Lebanon an independent judiciary, increasing the number of voting districts, defining the administrative duties of civil servants, liberalizing the press law, and extending voting rights to women (Winslow, 1996).

Nicknamed 'the government of the decree laws' the cabinet of Khaled Chehab was indeed vigorous in intent, if not in execution. Although the reform resulted in some administrative streamlining and rationalization, it necessitated the reshuffling of employees and general directors, and hence undermined some of the traditional political-bureaucratic ties. The traditional notables were thus less than satisfied. The extreme left on the other hand, found the reform insufficiently comprehensive. A parliamentary interpolation on the government's administrative policy in February 1953 was critical of the reform effort, yet parliament decided to grant the Chehab cabinet another vote of confidence.

By the end of February, however, the notables, traditional and reformist, who had been excluded from power were "hovering like vultures over the Khaled Chehab government, plotting in classic fashion the composition of its successor" (Hudson, 1985, p. 279). Khalid Chehab resigned on April 29, fourteen days after the expiration of his cabinet's emergency powers. The President then turned to an experienced Sunnite leader, Seab Salam, to form the next cabinet. The struggle of traditional rivals and progressive factions resumed again: Destour against Reform Bloc, Arab nationalist against Lebanese conservatives, and Druze against Druze.

Indeed, in the cabinet crises of the 1950s, popular reform, socialism, Arab nationalism, relations with the West, and sectarian strife figured to an extent unknown during Khoury's regime (Hudson, 1985). One crude indicator of President Chamoun's difficulties is the fact that governments during his tenure averaged only six months in duration, compared with a figure of nine months for cabinets during the previous regime. President Chamoun, in fact, had to face a rising tide of Arab nationalism in response to the charismatic figure of Nasser of Egypt; Internationally, he was accidentally caught in the middle of the cold war entanglements between the US and the USSR.

Indeed, Chamoun found himself facing an awkward dilemma in the evolving Suez crisis of 1956, and the joint French and British attack on Egypt. At an Arab summit meeting held in Beirut shortly after the crisis, Chamoun was the only leader to refuse to break off relations with France and Britain. His lukewarm support for Cairo aroused visible discontent among Lebanese Sunnites and Arab nationalists. Moreover, in March 1957, Chamoun decided to embrace the Eisenhower doctrine, which consisted of US economic aid and military help for countries in the Middle East threatened by Soviet Communism. By so doing, he openly risked confrontation with Nasser, at a time when the Egyptian President was a hero throughout the Arab world, and among the Lebanese Muslims too.

Muslim frustration with the conduct of the regime's foreign policy, which they perceived to be in glaring violation with the neutrality provision of the National Pact of 1943, coincided with

their rising discontent over domestic issues as well. In fact, during this period, a polemic ‘Muslim Lebanon Today’ posed the first serious challenge to the status quo in Lebanon. It alleged that a census would establish that Christians were no longer in the majority; that all power was virtually concentrated in the hands of the Maronite President; that Christian parts of the country and Christian schools were subsidized, while Muslim parts and Muslim schools were neglected; and that Muslims were under-represented in the army, the judiciary and the civil service (Hanf, 1993).

The polemic was a mixture of genuine grievances and imputations. But it revealed that Muslim grievances concerned not only issues of foreign policy but also the division of political and economic power among the communities. Those grievances were not totally devoid of merit. Indeed, a cursory look at the sectarian composition of the Lebanese administration during this period reveals that it was virtually monopolized by Christians (Maronites), especially in the top echelons (Table 16 and Table 17). The pattern of unbalanced recruitment was then modified in 1958, in an attempt to harmonize the rising demands for equity in public employment, but did not come into effect until 1974.

Table 16. Top Civil Service Posts, by Community (%) (Hanf, 1993)

<i>Religion</i>	<i>1946</i>	<i>1955</i>	<i>1958</i>
Maronites	39	40	38
Greek Orthodox	19	12	12
Greek Catholics	3	9	11
Sunnites	29	27	26
Shiites	3	4	6
Druze	6	7	6

Table 17. Sectarian Distribution of Class I Civil Service Posts (Ambassadors and Directors General)  
(Ofeish, 1996)

<i>Religion</i>	<i>1946</i>	<i>1962</i>	<i>1972</i>	<i>1974</i>
Maronite	12	18	28	39
Greek Orthodox	6	11	10	14
Greek Catholic	1	7	9	8
Christian Minorities	0	2	2	9
Christian Subtotal	19	38	49	70
<b>Percentage Christian (%)</b>	<b>61</b>	<b>54</b>	<b>52</b>	<b>50</b>
Sunni	9	24	23	31
Shiite	1	2	15	29
Druze	2	6	7	10
Muslim Subtotal	12	32	45	70
<b>Percentage Muslim (%)</b>	<b>39</b>	<b>46</b>	<b>48</b>	<b>50</b>

Sectarian frustrations were thus latently fermenting just beneath the surface, when the announcement in 1958 of the creation of the United Arab Republic (UAR) between Egypt and Syria finally brought tensions to breaking point. Chamoun and the Christians in general received the news of the UAR with trepidation while Muslims found the event an occasion for cheerful celebration. Open rebellion finally broke out in May 1958, and by July, the violence took on a distinct sectarian coloration. While the opposition and especially the Druze militia appealed to the UAR for support/armament, Chamoun appealed to the USA to intervene militarily and protect the independence of Lebanon.

On July 15, 1958, 15,000 American troops landed on Lebanese soil. Although the American government was called upon to intervene since early May, the Eisenhower administration was initially reluctant to crusade in Lebanon on behalf of Camille Chamoun. However, for the US, the Lebanese crisis took on a new turn on July 14, when a revolution overthrew the monarchy in Iraq, which was the first Arab state to embrace the Eisenhower doctrine. It was a stunning blow for Western interests. Alarmed at the possibility of Soviet gains in the Middle Eastern turbulent environment, the US decided to go through with a full fledged military intervention in Lebanon.

The objective of the US military intervention in Lebanon in 1958 was to support/protect that part of the political status quo, which was friendly to the West and to oversee an end to the raging conflict. Upon landing on Lebanese soil, the US government discovered that there was 'no realistic military objective for the operation' and ordered its troops to refrain from involvement in the civil war. Instead the US decided to intensify efforts at third party mediation. US special emissary, Robert Murphy, led the process of mediation and a compromise was finally arranged on the basis of 'no victor-no vanquished' formula. As neither side could gain



the upper hand militarily, the parties agreed on the election of Chehab, commander in chief of the army, to become Lebanon's President.

The 1958 crisis illustrates Lebanon's persistent problems of parochialism and foreign entanglement. The sectarian divisions in Lebanese political culture inevitably retard the development of dynamic policy-making. They also make the state highly vulnerable to foreign manipulation. The President, acting on behalf the Christians, opted for an openly pro-Western foreign policy and finally invited direct American intervention. The Muslims on the other hand were open to ideologies of Arab nationalism and to the exciting new developments in the Arab world. Upon feeling threatened, they accepted armament and support from neighboring Arab countries. The religious communities thus opted for sectarian alignment as a substitute for reaching positive national consensus.

The years 1952-1958 also highlight Lebanon's persistent dilemma with administrative reform. With every intention or attempt at administrative reform, sectarian and political issues come to the fore. Administrative reform becomes relegated to secondary importance, inevitably overshadowed by the political events and crises of the day. For example, although a second reform initiative was attempted under Premier El-Solh in 1954, it ultimately met with failure in view of the mounting divisions and political complications. Hence, in Lebanon reform policies are not made and the resultant immobility is most pronounced, not so much because of a lack of desire by the participants, as it is lack of opportunity given the sectarian and volatile nature of Lebanese politics.

The Chamoun experience with administrative reform thus highlights two basic observations. It first illustrates the continuing tradition in Lebanon of factional politics and executive discontinuity. These traditions generally restrict the government's capacity to formulate, implement, and follow through on change programs. The Chamoun experience also suggests the potential influence of the regional and international environments on country-specific programs of planned change. Lebanon was particularly receptive to regional and international turbulence during this period, which served to stimulate and aggravate traditional cleavages. As political complications increased, the regime's ability to carry out reform programs generally declined.

Administrative reform capacity during the Chamoun period was thus undermined by a specific constellation of cultural/political, regional and international factors. In addition to traditional sectarian rivalries and factional politics, Lebanon was exposed during this period to mounting regional turbulence and the infiltration of cold war entanglements into the Arab world. The political institutions of the state were thus put to the test during this period and the surprising fact is that they contained the forces of crisis until the last four months, despite a series of

tactical errors on the part of the President. Much energy was wasted, however, on coping with the emerging crises/problems and balancing factions, to the detriment of programs of change.

The influence of the international environment was also felt during this period on a different level, namely with respect to foreign technical assistance. As outlined in chapter 2, administrative theorizing during this period embodied naïve optimism and faith in the application of rational scientific principles across boundaries and frontiers. There were thus massive efforts to export administrative tools to developing countries to tackle problems of underdevelopment and foster modernization, based on the thesis of ‘administration as neutral technology’. Evidence suggests that Lebanon did not escape the optimism/euphoria characteristic of this period, as there were several attempts to transfer to the country Western administrative tools to improve the central machinery of government.

Indeed, a number of foreign experts visited Lebanon in the 1940s-60s, including representatives of the United Nations and its Specialized Agencies, representatives of the Ford Foundation and a number of independently recruited experts. Many of the studies and recommendations were not acted upon in view of the political complications and priorities of the time. There was, however, an infiltration of some of these ideas for change especially in the Chehabi reform program of 1958. It is useful to highlight here, albeit briefly, relevant technical assistance projects to gain familiarity with their diagnosis and recommendations and assess the extent to which they did indeed influence the direction of change and reform in Lebanon.

Representatives of the United Nations included F. Arro, P. Le Saux, T.C. Young and P. Senechal. F. Arro and P. Le Saux’s study was specifically concerned with the operations of postal administration. Some of their findings highlight, however, the problems encountered in the Lebanese administration at large. Upon completing their two-year mission to Lebanon in 1956, the two experts presented a report highlighting the complicated procedures of the Ministry, the lack of clarity among public officials about duties and responsibilities, and the lack of training and qualified personnel. They attributed some of the personnel problems to the influence of patronage. They recommended regular in-training sessions and the automation of some postal activities/operations.

T.C. Young was an expert in statistical organization and was assigned by the United Nations in 1958 to advise the Lebanese government on statistical planning. His report, entitled ‘Proposals for the Improvement of the Statistics of Lebanon’ highlights the poor quality of most of the records from which statistics are derived and the lack of coordination among government departments that are involved in the process, such as the civil and criminal courts, the internal security office, the taxation and municipality bureaus and the Ministry of Public Works. T.C.

Young suggested a project law for the establishment of a central statistical organization, which served under Chehab as the basis for the establishment of a Central Statistics Directorate within the Ministry of General Planning.

P. Senechal was a counselor to the Court of Accounts in the French government. He was recruited in 1960 for a six-month period to provide advice and assistance to the Lebanese Bureau of Accounts. Senechal's report highlights the overlapping and lack of coordination between the Ministry of Finance and the Bureau of Accounts in Lebanon. The pre-occupation of the Bureau of Accounts with pre-auditing was causing friction and duplication between the two institutions, as pre-auditing was in essence an administrative function and hence the prerogative of the Finance Ministry. P. Senechal recommended the strengthening of the post-audit function of the Bureau, in addition to improving accounting procedures. He also recommended a system of employee training in post-auditing.

The most important representative of the Ford Foundation was Robert Culbertson, who was recruited in 1954 to conduct a general study of the Lebanese administration. Mr. Culbertson conducted a comprehensive survey of Lebanese Administration between October 1954 and January 1955 and presented a report entitled 'Program of Public Administration Improvement in Lebanon'. With respect to administrative organization and procedures, Mr. Culbertson reported long and complicated procedures, over centralization of routine administrative matters, and the concentration of almost all public authority in the city of Beirut. Consequently, he advised that the opportunity for reform in these areas lied in the simplification of procedures and administrative decentralization.

With respect to financial administration, R. Culbertson noted that the budgeting system does not seem to be sufficiently related to program planning; that the Finance Ministry and the Bureau of Accounts appear to be performing similar functions and exercising unusually detailed and possibly unnecessary controls over day-to-day expenditures; and that the hand methods of accounting in use are no longer adequate to the needs of a modern state. He thus recommended a detailed and thorough study of fiscal management in Lebanon and investment in modern mechanized accounting systems.

With respect to personnel administration and employee training, R. Culbertson observed the lack of a forceful program of technical training for civil servants and the absence of a central personnel agency in Lebanon. He also noted low public salaries and the absence of employee incentive systems, and the inability of the present system to promote motivation and better performance. R. Culbertson recommended in this regard the creation of a national civil service commission to be responsible for carrying out a positive government-wide personnel program.

Although the recommendations of R. Culbertson were general and did not dive into the sectarian and political constraints of the Lebanese environment, they nevertheless serve to highlight the nature of the administrative problems prevailing during this period. Some of Culbertson's suggestions were later acted upon during the Chehabist reform of 1958-1964, as evidenced by the creation of the Civil Service Commission and the National Institute of Public Administration in 1959. This study was also one of the few to accord some attention to problems of public service attitudes and motivation.

Besides the programs of foreign technical assistance conducted under the auspices of such agencies as the United Nations and the Ford Foundation, the Lebanese government has, on several occasions, concluded direct contracts with individual experts for the purpose of providing technical assistance in the area of public administration. Most notable in this respect is the work of William Robson, who recommended as early as 1949, the substitution of the patronage system of recruitment by open competitive examinations, the introduction of training, and the strengthening of mechanisms of control in the Lebanese administration.

Also worth mentioning is a study by a French expert, Jacke Rattier, entitled 'Avant-Projet de Decret Relatif a l'Institut National D'Administration Publique', which recommended the establishment of a National Institute of Public Administration along the pattern of the French National School of Administration. This report along with its appendices were literally translated into Arabic and then adopted by the Council of Ministers in 1959, through the issuance of executive decree No. 4800 of 25 July 1959, establishing the Lebanese National Institute of Public Administration. Another French expert, P. Escoube, presented a study outlining the organization of an Inspection Commission, which was also used in 1959 as the basis for the establishment of the Central Inspection Commission<sup>6</sup>.

In summary, foreign technical assistance contributed substantially to the subsequent development of the organizational structure of the Lebanese administration. This was especially true under President Fuad Chehab (1958-1964), where the internal drive for reform coincided with the ideas of these foreign experts. It should be noted, however, that most of the technical assistance projects and the reforms initiated under Chehab accorded attention to formal organizational structures, to the neglect of informal processes and problems of attitudes and behavior. This is consistent with the thesis of 'administration as neutral technology' dominant during this period, but structural changes remain of little help if the human factor in administration is not suitably tackled.

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<sup>6</sup> For a full description of foreign technical assistance projects, please see Bashir (1970).

It should also be noted that mechanistic views of organizations focusing on technical expertise and purposive objectivity have been discredited in recent years. It has been realized that the normative elements of technical assistance are normally predicated upon a certain kind of socio-political context, the kind of context, which is distinguished in its absence from nearly every developing country in the world. There was also embedded in them an ideology -a set of assumptions about certain basic values- values that did not necessarily fit the circumstances to which they were being transferred. This explains the general decline in technical assistance efforts in recent years, following a long period of failed prescriptions and interventions in the context of many developing countries.

#### **The Regime of Fuad Chehab: 1958-1964**

By all accounts, the years 1958-1964 were the best years of the republic. This can be undoubtedly attributed to the person, who more than anyone else gave leadership to the new era: Fuad Chehab. Chehab was renowned for his patriotism and honesty. Commander in chief of the army since 1943, he was well aware of the plural chaos that had to be managed for Lebanon to continue to function. The new President shrewdly realized that Lebanon's problems were not only due to divergent sectarian ideologies but also to the unequal division of power among the communities. He was thus intent to remedy what he perceived as the underlying causes of Lebanese dissidence.

Fuad Chehab revealed his good intentions by appointing Prime Ministers with strong backing in the Sunni community. Moreover as early as 1958 he proclaimed the principle of strict confessional parity in civil service appointments. He also initiated a series of development programs, targeting mainly the deprived --Muslim-- regions of the country. His most impressive achievements in this respect were the initiation of the Litani Project -- a hydroelectric and irrigation scheme, developing a social security program, extending roads and electricity to rural areas, and administering the Green Project, whereby farmers received new seed strains and agricultural assistance (Winslow, 1996).

President Chehab was also intent on reforming and modernizing the Lebanese administration as a concomitant step for addressing the country's social and economic problems. He thus initiated an ambitious reform program, within three months of taking office. The Rashid Karami cabinet secured from parliament legislative decree powers for a six-months period (December 1958-June 1959), thus initiating the first phase of the reform. Executive decree No. 193 of December 1958 spelled out the objectives of the reform plan as follows:

- ❑ In the Area of Duties and Responsibilities:
  - To define the duties and responsibilities of each job and administrative unit;
  - To reallocate work and re-assign authority in order to reduce duplication/overlapping;
  - To deconcentrate authority in order to relieve top officials of simple and routine tasks.
  
- ❑ In the Area of Operations (Work Methods and Procedures):
  - To simplify methods and procedures;
  - To establish schedules for completion of work transactions;
  - To improve filing and archiving systems.
  
- ❑ In the Area of Executive Control:
  - To establish and insure continuous inspection on all phases of execution;
  - To apply effective means of control over independent boards and agencies;
  - To strengthen inspection in all governmental agencies.
  
- ❑ In the Area of Personnel:
  - To reduce political and other pressures on civil servants;
  - To establish a central personnel agency: the Civil Service Commission;
  - To establish a central training institute: the National Institute of Public Administration.

In light of those objectives, the Council of Ministers created in December 1958 a Central Committee to be responsible for directing and overseeing all the research and studies relating to the reform program. The Central Committee was composed of senior civil servants and professionals and was attached to the office of the Prime Minister. The Committee then subdivided its work along functional lines, resulting in the creation of seven preparatory committees with specific organizational concerns. Task forces were also established in each ministry to gather information about existing conditions and make recommendations specific to that agency (Bashir, 1970).

In this sense, the Chehabi reform program was an improvement over previous attempts at reform in at least two ways: the reform objectives were clearly specified and a reasonable machinery was set up to oversee the process consisting of a) the Council of Ministers; b) the Central Committee; c) the Preparatory Committees; and d) the Task Forces. This phase of the reform program culminated in the issuance of 162 legislative decrees, dealing with almost every aspect of government organization and policy. The decrees were designed to facilitate decentralization, define duties and responsibilities more precisely, cut red tape in working procedures, and improve mechanisms of central control.

The majority of these legislative decrees replaced those introduced between 1952 and 1955. A few of them, however, resulted in the creation of new organizational structures, namely, Decree Law 114 of June 12, 1959, which provided for a Central Civil Service Council (CSC) and a National Institute of Public Administration (NIPA). Also, Decree Law 115 of June 1959 provided for the creation of a Central Inspection Commission (CIC), including a Directorate of Research and Guidance (DRG). The creation of these organizations was recommended by a handful of technical experts to regularize personnel administration and decrease spoils politics in processes of recruitment and promotion.

The second phase of the Chehabi reform began in December 1959 and continued with intermittent intensity until the expiration of the President's term in September 1964. This phase mainly revolved around the implementation of the reform decrees. A Central Committee for the Implementation of Administrative Reform was created for this purpose on July 13 1959. "It was given three months to accomplish this Herculean task; two years later, entangled in politics, it was not finished" (Hudson, 1985, p. 316). This prompted the appointment in June 1963, and for the first time in Lebanon, of a minister for administrative reform to assume responsibility for reform implementation.

The earliest evaluations of the reforms were highly critical. The newspaper, L'Orient, which had traditionally been a strong supporter of the regime, remarked for example in 1960 "Never have public services been more disorganized and bureaucracy more sluggish than since the famous decree laws of 1959; Never have public officials taken less initiative" (L'Orient, May 16, 1960). Two experts in public administration criticized the reform for failing to decentralize thoroughly and for being rushed through too quickly as a 'bootstrap' operation (Crow and Iskandar, 1961). With the perspective of four years, two other experts made the following assessment:

In practice the operation was not as well coordinated as in theory and in plan. The reform proposals, which did come to the Central Committee, were often the products of pressure rather than of measured, coordinated thinking; and they have embodied the earlier convictions, if not the interests, of those who were ensconced in the public service (Grassumk and Salibi, 1964, p 22).

Supporters of the regime appeared to share this view. The minister of state for administrative reform thought, for example, that the reform had been rather effective at the higher levels, but had failed to have much impact at the lower levels of administration, where the general public has most of its contact with the bureaucracy (Khatchik Babikian, quoted in Hudson, 1985, p. 317). There had also been some duplication in the efforts of the Central Committee, the Implementation Committee and the newly created Ministry of Administrative Reform. There was a general feeling, not altogether unfounded, that the reform was only beginning to take effect when President's Chehab term expired in 1964 (Hudson, 1985).

Despite some failings in terms of its ambitious goals, the Chehabi reform still made several advances. Through the creation of the Civil Service Council (CSC) and its National Institute of Public Administration (NIPA), the reform laid the basis for rationalizing the recruitment process and improving the quality of personnel. The creation of the Central Inspection Commission (CIC) also extended central control over administrative programs and allocations. Although these agencies ran into predictable difficulties with other rival governmental departments and traditional politicians, they nevertheless filled an important institutional gap in the rudimentary administrative skeleton in existence.

The Chehab regime also scored spectacular gains through its comprehensive projects of social and economic development. Much of the appeal of Chehabism was due to the expansion of electrical, water and road services to areas that had previously been deprived of these services. By 1964, there were seventy-one independent authorities in operation, the most important of which were the Railway and Transport Authority, the National Litani River Authority, the National Reconstruction Authority, the Beirut Water Electricity and the Office of Social Development. The latter had become the specialized institution for distributing public assistance to the poorest –Shiite- rural areas.

Of course, not everyone approved of Chehab's policies. Christians accused the President of going too far in his policy of 'positive discrimination' towards the Muslims. Some of the traditional Zuama were also dissatisfied with the newly created autonomous departments as they seriously curtailed their potential for maneuvering and patronage. Chehab was however known for his disdain for clique politics. But rather than overtly challenging the traditional leadership, he tried to sidestep it, relying instead on his own circle of technocratic advisers, and the Deuxieme Bureau (the office of Lebanese military intelligence) to make sure that government edicts were carried out.

Moreover, to please the notables, the Chehabist regime decided to raise the number of seats in Parliament from sixty-six to ninety-nine. The Cabinet was also enlarged to enable as many parliamentary blocs as possible to have a presence. In this sense, the President was wise enough to integrate as many of the traditional leaders into the political system and maintain a 'coalition of oppositions', which could contain those tendencies that went too far in opposing the system. By sustaining such 'mix and match coalitions' in the composition of the Chamber and the Cabinet, Chehab was able to govern largely undisturbed for the rest of his term.

Indeed, cabinets averaged 10 men under Chehab -compared with 8 men under Chamoun and 6 men under Khoury- allowing greater scope for personal, sectarian and regional rivalries to flourish harmlessly. The Chehabist cabinets also enjoyed, on average, a longer tenure (10



months). The record for longevity in the history of Lebanese cabinets was indeed set by the cabinet of Rashid Karami, which took office in November 1961 and resigned in February 1964. Rashid Karami, who was renowned for his reformist ideas, was Chehab's favorite prime minister, alternating with Saeb Salam in times of crisis. Government under Chehab thus operated more smoothly, allowing room for some continuity in executive action.

This is not meant to imply that Chehab did not have to deal with the same factional peddling that had troubled his predecessors. Even under Chehab, there were instances of sectarian rivalries, which had the usual disruptive effect on cabinet solidarity and efficiency. An illuminating example is a dispute over a high bureaucratic appointment between Kamal Jumblat, the prominent Druze leader, and the then Prime Minister Saeb Salam. The Prime Minister's objection to the appointment of a follower of Jumblat prompted the latter to launch an attack against the premier, condemning his government for everything from encouraging tobacco smuggling to refusing to recognize Communist China. The President refused to interfere and the cabinet collapsed of its own weight in late October 1961.

Another example is a dispute that arose under premier Rashid Karami in November-December, 1962 over the proposal of the Minister of Interior, Kamal Jumblat, to shift a number of Kaymakams from one district to another. Although the decision is administrative in nature and should have been made by the Interior Minister alone, there were a number of political considerations at play in view of the upcoming parliamentary elections. The Kaymakams- the representatives of the central administration in the Cazas- exercise considerable responsibility for administrative and security arrangements in the parliamentary elections in their districts. This meant that the decision to transfer them at that critical juncture had serious political costs and implications.

Expectedly, a number of deputies and ministers objected to the timing and nature of the proposal. They contended that Jumblat had intentionally proposed to undertake a partial movement in order to be able to keep the Kaymakam of his region in his post. The issue evolved into a latent crisis that practically paralyzed the cabinet for nearly three months (November-January). M. Arslan, Jumblat's traditional Druze rival and Minister of National Defense, threatened to resign from the Karami cabinet if the transfers take place in their present form. The President finally had to intervene and insist on the necessity of a general movement to avoid any association of the permutations with partisan considerations and personal vengeance.

A statement by the Minister of Public Works, Pierre Gemayel, to L'Orient, is indicative of the nature of the crisis and the issues involved. He declared:

In my opinion, there is no urgency at present in carrying out a permutation of Kaymakams. There are much more urgent measures to be taken, which we are holding in suspense, in order to avoid useless repercussions and arguments. I could understand proceeding with a plan of permutations if it were not simply a matter of replacing one Kaymakam with another. But to proceed with a simple plan of permutations is to give free play to the petty village politics that has done so much harm in Lebanon. Besides, the Chehab regime has been striving for four years to cure Lebanon of this ill; it has succeeded to a great extent; but the country is still convalescent in this domain, and it behooves us to spare it unnecessary shocks (Gemayel, 1962, quoted in Kerr, 1966, p. 195).

These examples clearly illustrate that the classic political games were at full play during this period, but were circumvented by a presidential leadership of an exceptional caliber. Chehab managed to stand above partisan politics to preserve the precarious institutions of the Lebanese state. This was once again illustrated in a dispute that arose in 1960 over Minister Gemayel's suggestion to the press that Syrian public opinion did not really support President Nasser and the UAR. Minister Jumblat immediately countered in his editorial for *Al-Anba* that Lebanon's 'own mountains and valleys' would welcome a visit from the Egyptian President with resounding enthusiasm. The issue was only settled when the President explicitly disclaimed any Nasserite designs for Lebanese mountains and valleys.

In this respect, President Chehab was equally sensible and diplomatic in the conduct of the country's foreign policy. In March 1959, he met with Nasser at the Syrian-Lebanese frontier. Chehab assured Nasser that Lebanon would adopt a policy of strict solidarity with the Arab world. Nasser, in turn, recognized the independence and territorial integrity of Lebanon. By officially renouncing any project for union with the UAR, Chehab was able to assuage the fears of Lebanese Christians and reduce the tensions between the communities. During his term, Lebanon did nothing that might offend the UAR and regained much needed calm and stability.

Chehab was nevertheless not spared the criticism of promoting a military style of government. Indeed, by the end of his term, two offices had become powerful centers of coordination: the Office of Presidential Secretariat and the *Deuxieme Bureau*. Chehab consistently relied on those two departments to oversee the establishment of an orderly administration. This has invited some liberal Lebanese to complain about his authoritative style of government and express fears that Lebanon was gradually sliding into military dictatorship. But as one author puts it,

These fears were certainly exaggerated. Neither Chehab nor his chief assistants exhibited dictatorial tendencies, only a more acute perception of the dangers to Lebanon and the conviction that a stronger state was necessary to meet them than the minimal state the Lebanese middle class thought sufficient (Hanf, 1993, p. 120).

On balance, the Chehab Presidency was impressive. He was able to restore peace after a civil war. During his term Lebanon enjoyed six years of security and financial stability. Chehab also allowed his Prime Ministers (Rashid Karami and Sami Solh) far more visibility and

responsibility in everyday politics. Most importantly, Chehab attempted to address social grievances and assumed direct responsibility for a program of social development that he hoped would rectify the economic imbalances between the communities.

Indeed, a comparison of budget apportionment amongst ministries for 1955 and 1963 indicates the expanded role of the administration and the regime's overall orientation and priorities (Table 18). The largest funds were allocated to the Ministries of Planning, Information, Public Works, Social Affairs, and Education, respectively. The emphasis on general planning, public works and education highlight the Chehabist serious endeavors in the way of balanced social and economic development.

Table 18. Increase from 1955 to 1963 of Annual Allotment to each Agency (Grassmuk and Salibi, 1964) <sup>7</sup>

<i>Agency</i>	<i>1955 (LL*)</i>	<i>1963 (LL)</i>	<i>% Increase</i>
Presidency of the Republic	472,100	LL 537,700	14
Chamber of Deputies	897,100	2,828,100	216
Office of the Prime Minister	380,300	9,129,800	2302
Ministry of Justice	4,351,100	8,511,400	96
Ministry of Foreign Affairs	5,874,000	13,919,900	137
Ministry of Interior	16,360,440	36,919,900	126
Ministry of Finance	10,053,627	16,342,700	63
Ministry of National Defense	23,930,100	67,208,000	181
Ministry of Education	17,382,407	56,223,900	224
Ministry of Public Health	6,767,795	13,833,000	104
Ministry of Social Affairs	1,957,225	8,309,900	325
Ministry of Information	1,295,000	11,833,200	814
Ministry of Public Works	22,599,660	131,220,800	481
Ministry of Agriculture	6,092,471	9,164,700	50
Ministry of National Economy	2,358,500	2,562,000	09
Ministry of Post and Telegraph	3,717,815	7,334,700	97
Ministry of General Planning	371,920	3,919,600	954
Debts Payable	12,149,400	18,377,500	51
Contingent Reserve	489,050	7,731,700	1481
<b>Totals</b>	<b>137,500,000</b>	<b>425,400,000</b>	<b>209</b>

\* 3 LL was equivalent to about 1 USD at that time

<sup>7</sup> Because of the scant literature available on Lebanese administration, it is difficult to account precisely for the dates of creation of all ministries. Besides the original nine ministries and the Ministries of Foreign Affairs and National Defense created upon independence, it is possible to establish precisely that the Ministry of General Planning was created in 1954 to serve as a coordination and implementation unit for major development schemes. In 1977, the Ministry was abolished and replaced by the Council for Development and Reconstruction (CDR), which was assigned the same functions.

The Chehabist Presidency thus involved a genuine attempt to engage in comprehensive planning and to give the state an active role in social and economic development. The enormous expansion in public works projects was the most noticeable. The budget of the Ministry of Public Works increased 6 times between 1955 and 1957, far exceeding that of other major ministries both in absolute size and relative gains. Massive road building and development projects were undertaken during this period. "For the first time, the Presidency became the source of a national political philosophy and the term Chehabism entered the political lexicon. Chehabism – Lebanon's equivalent of the New Deal - was basically a moderate welfare ideology tailored to the Lebanese situation" (Hudson, 1985, p. 297).

In terms of the hypotheses derived in Chapter 2, the relative success of the Chehabist reform may be attributed to: a) the ability of the President to stand above partisan politics and circumvent Lebanon's traditional political stagnation and immobility; b) the ability of the President to strengthen executive leadership as evidenced by the longer tenure of Cabinets during his term and the enlarged powers and budget of the Office of the Prime Minister (all agencies of central control were also attached to the Office of the Prime Minister); and c) the ability of the President to insulate Lebanon from the turbulence of the Middle East environment by adopting a neutral/diplomatic stand in foreign policy.

President Chehab was indeed ingenious and original in his approach to administrative reform. His awareness of the complexity of the Lebanese social and political landscapes encouraged him a) to forge a course of autonomous leadership to circumvent the country's traditional immobility; and b) to approach administrative reform with sensitivity to perceptions of relative deprivation and inequity among Lebanese communities. His reform program was thus guided by principles of equity and justice and the administration was systematically enlarged during his term to serve the interests of the poorest (mostly Shiite) segments of the population.

The end of the Chehabist term brought about the first peaceful presidential succession in Lebanon. Although he was pressured by many sides to stay in office, Chehab was reluctant to press for a constitutional amendment and hence undermine the very principles of constitutional democracy that he had sought to uphold. There are many who speculate that with another six years of stability and effective leadership under Chehab, Lebanon could have weathered the tremendous strains of the 1970s and acquired the ways of democratic politics and republican government. The story, however, took on a different turn when Charles Helou was elected to the presidential office in 1964.

## **The Regime of Charles Helou: 1964-1970**

Chehab's successor and protégé, Charles Helou, was anything but a military man. He was rather a man of letters, the most educated of Lebanese Presidents. Charles Helou was perceived as the best compromise candidate to succeed Chehab. He had no following or political apparatus of his own, was a holder of several portfolios in previous Cabinets, and had traditionally been a floating member of several political groups. He was considered as the ideal (i.e. not very strong) candidate by the traditional Zuama, many of whom expressed concern and dissatisfaction with what they perceived as the growing encroachments of the Deuxieme Bureau under Chehab.

Taking office in September 1964, the new President expressed his commitment to continue along the lines of his predecessor. Indeed, during the early years of his term, Helou continued the trend of investing in public works and announced the building of new schools in 633 Lebanese villages. In the area of the administration, his reform program revolved around the problem of corruption and limited accountability in the Lebanese civil service. Several measures were adopted in the way of promoting adherence to statutory requirements of appropriate conduct and minimizing abuses and irregularities throughout the administration, namely:

- ❑ The consolidation of a number of existing disciplinary systems into one General Disciplinary Council, a semi-judicial body, responsible for the prosecution and punishment of offending employees. The creation of a Central Disciplinary Body for the entire civil service provided for consistency in disciplinary trials and promoted principles of justice and equity. It also provided a higher Council, to which violations could be reported, and a mechanism for initiating legal deterrent action against offending employees.
- ❑ The initiation of a purge movement in 1965 to eliminate incompetent employees. A special committee was established for this purpose consisting of members of the Civil Service Council and the Central Inspection Commission. The committee was granted exceptional powers from Parliament to review the personal files of civil servants and recommend for their dismissal for reasons of incompetence or corruption. The committee then forwarded its decisions to the Council of Ministers for approval.

Although the creation of the General Disciplinary Council was a step forward in strengthening mechanisms of control and disciplinary action, the concomitant purge movement was less than successful and came to be regarded as one of the low points of administrative reform in Lebanon (Iskandar, 1993). The fact that the principles of due process were not respected (civil servants were not informed of the reasons for their termination and were not entitled to any form of appeal) led to a feeling that the procedure was rather arbitrary. Moreover, the initiative had limited impact on the problem of corruption in the Lebanese administration, as the purge of 250 civil servants was hardly an effective deterrent against a culture of patronage and abuse.

While President Charles Helou was still grappling with issues of corruption and limited accountability in the Lebanese civil service, and working on weakening the institution of the Deuxieme Bureau to please the Zuama, his foreign policy legacy became increasingly complicated. The Helou regime had to deal with the problem of Palestinian refugees and their increasing militancy on Lebanese land. Indeed, Palestinian nationalism had increased dramatically in the wake of the stunning defeat of the Arab states in the 1967 Arab-Israeli war. Palestinians wanted to control their destiny by launching military operations from Arab states bordering Israel. While Jordan managed to drive the PLO out of its territory in 1970, Lebanon became gradually entangled between the Palestinians and the Israelis.

More than any other event, the issue of Palestinian militancy helped drive a further wedge between Muslims and Christian and risked once again destabilizing the country's delicate communal balance. Muslims were generally sympathetic with the Palestinian cause and expressed willingness to accommodate the guerillas; Christians were uneasy with the compromised sovereignty that such accommodation would entail. Moreover, by 1969, the Lebanese primary enforcement agency – the Deuxieme Bureau- that had so far kept the Palestinians in check was seriously weakened. Without the Deuxieme Bureau, the government could only call on the army for policing the Palestinian camps. By October 1969, there were serious clashes between the Lebanese Army and Palestinian troops.

Under the burden of escalating tensions and splits over appropriate policies vis a vis the Palestinians, Prime Minister Karami announced his resignation. The country was without a government for months. The 1969 Cairo Accord evolved in the wake of this crisis. It was negotiated between the Lebanese Army Chief of Staff and Yasser Arafat under the mediation of President Nasser. The Accord conceded authority inside the camps to the various Palestinian Organizations in return for their refrain from involvement in Lebanese domestic affairs. The signing of this accord signaled an inevitable increase in sectarian polarization and the first sliding step into civil war and anarchy.

Indeed, fighting between the Palestinian militias and the Lebanese army continued in spite of the Cairo agreement. By the summer of 1970, there were not only sporadic demonstrations on behalf of the many communal persuasions but also the emergence of a serious refugee problem in Lebanon. By July, it was estimated that nearly 25,000 Shiite villagers had evacuated their homes in the South, heading north in search for calm and security. Many ended up settling in the peripheral slums of Beirut. The government did not anticipate the serious implications of the Cairo agreement as attention was primarily focused on domestic power politics and the presidential elections of 1970.

By the time President Helou's term came to an end, major groups in the country were dissatisfied (mainly Shiites and Christians) and were ready to take out their guns in view of the inability of the government to effectively control the Palestinians and Israeli reprisals on the South. Not only did the Chehabist development programs and administrative reform come to a halt, but security conditions in Lebanon had seriously deteriorated in the aftermath of the 1967 Arab-Israeli war. An alliance of traditional leaders had also formed in Parliament. Although members of this alliance were divided on the basic issues, they were nevertheless intent on opposing a new Chehabist presidential candidate.

In this sense, the same constellation of factors that undermined the Chamoun reform attempt served to cripple the initiatives of Charles Helou. Despite his qualifications and good intentions, President Helou was the prisoner of a situation that imposed narrow limits on executive action. The escalating turbulence of the regional environment aggravated sectarian cleavages, rendering it almost impossible to govern the country. "In light of these persistent problems, it was hardly surprising that President's Helou's administrative reform quickly lost momentum, and his political stance became defensive rather than innovative" (Hudson, 1985, p. 328).

More than just a passing episode, regional turbulence exerted a consistently divisive influence on communal coexistence in the pre-war period and was generally detrimental to reform endeavors. It should be reiterated, however, that Lebanon's vulnerability to such turbulence was aggravated by its cultural/political complexion. The cultural cleavages of Lebanese society have indeed facilitated its repeated embroilment in Arab-Israeli rivalries/conflicts, which in turn increased domestic tensions and complications. These were mutually reinforcing forces which undermined pre-war reform attempts generally and the Chamoun and Helou attempts more specifically.

### **The Regime of Suleiman Franjeh: 1970-1976**

The Presidency of Suleiman Franjeh saw a gradual escalation of the conflict and a polarization of communities along sectarian lines. Franjeh failed to find an exit to the Palestinian problem. Franjeh was also the prototype of the traditional Zaim. He had no inhibitions about sharing the advantages of power with his friends and supporters. He appointed a fellow northerner and personal friend as Army Chief of Staff, and his son Tony as Minister of Posts and Telegraphs (Hanf, 1993). During his term, traditional patronage flourished again, coordinated development policies were abandoned, and the autonomous departments of the Chehabist regime lost much of their influence and legitimacy.

Although the President began his term by appointing a youth cabinet of reform-minded technocrats, one after another of the regime's spirited reformers found it necessary to resign

from the government as they clashed with the Zuama. All development and reform initiatives subsequently came to a halt. Indeed, not a single reform project was initiated, funded or implemented during the Franjeh term (Winslow, 1996). Frustration over the regime's social and economic policies combined with latent sectarian grievances and tensions leading to a gradual increase in hostility, violence and anarchy.

Subsequent years indeed witnessed an escalation of the conflict and a dramatic increase in violence. Attention naturally shifted during this period away from issues of development and reform to the more pressing concerns of ending the hostilities and restoring peace and tranquility. Given that reform was accorded low priority throughout the war, it seems logical to turn here to a brief examination of how the Lebanese administration had evolved by that time before proceeding with an analysis of post-war reform attempts.

## **THE EVOLVING STRUCTURE OF THE LEBANESE ADMINISTRATION**

By the beginning of the war in 1975, Lebanon had a reasonably well-developed administrative structure. The Lebanese administrative structure comprised three main types of institutions:

1. Institutions of the central government and its field units
2. Institutions of the local government
3. Institutions of independent services and public utilities

### **Institutions of the Central Government and its Field Units**

By 1975, the administrative institutions of the central government at the headquarters level consisted of: a) the Directorate General of the Presidency of the Republic, b) the Directorate General of the Prime Ministry, to which were attached the following central control agencies: the Civil Service Commission (CSC), the Central Inspection Commission (CIC), the Bureau of Accounts (BOA), the General Disciplinary Council (GDC), and c) fourteen ministries: Justice; Foreign Affairs; National Defense; Interior; Finance; Public Works; Public Health; National Education; Social Affairs; Information; Agriculture; National Economy; Post and Telegraph; and General Planning, all located in Beirut, with some of them having field offices in the various sections of the country.

Ministries comprise the major units of the central government. They carry out the traditional functions of the government. All ministries and public agencies in Lebanon are organized along a similar pattern, with the *Directorate General* as the basic administrative unit. The Directorate General (headed by a Grade I civil servant) is then divided into Directorates and/or Services (headed by a Grade II civil servant). The Directorates and Services are subdivided into Bureaus (headed by a chief of Bureau classified in Grade III), which are further subdivided into sections



(headed by a chief of section, also of Grade III). Subordinate to this hierarchy are two more echelons: one consists of clerical and technical positions which are classified in Grade IV and the other consists of manual positions who are classified in Grade V (Figure 4).

The grade system of the Lebanese bureaucracy is based in theory at least on academic attainment. In principle, Grade I covers professional and administrative work for which university graduation is pre-requisite. Grade II positions are essentially office-management posts requiring at least secondary school graduation, and they are usually filled by advancement from junior services. Grade III jobs require secondary school graduation and cover a wide range of clerical, sub-professional, and technical occupations. Grade IV are blue-collar positions and the relatively unskilled office jobs requiring usually only grammar school education. These occupations are usually hard to distinguish from the manual group category of Grade V.

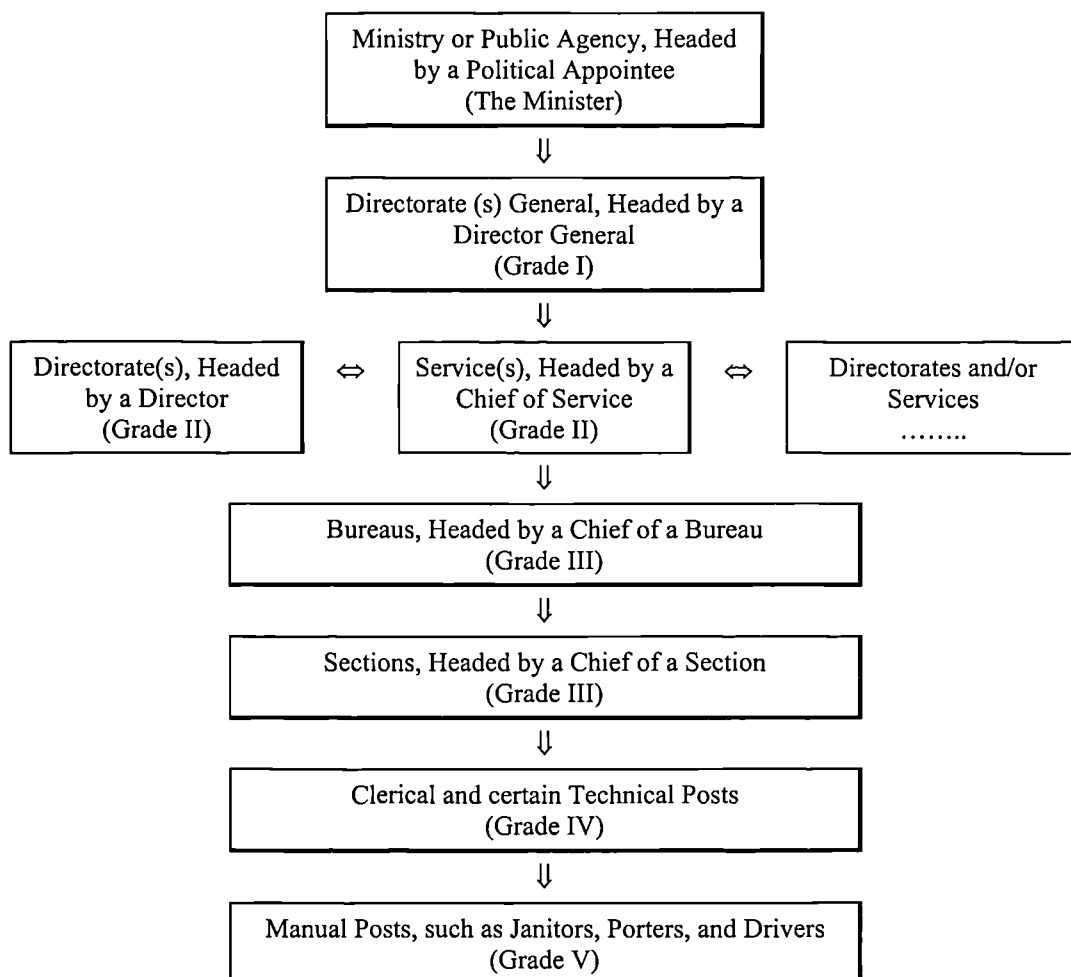


Figure 4. Organizational Pattern and Grade System of the Lebanese Bureaucracy (Bashir, 1970)

This is in brief the organizational pattern followed in structuring ministries and public agencies of the central government in the Lebanese bureaucracy. Certain ministries and public agencies may consist of more than a single Directorate General depending on the diversity of functions and the size of the individual institution. There are, however, certain variations to be noted in

the technical cadres of the Army (Ministry of Defense), Public and Internal Security Forces (Ministry of Interior), Diplomatic Corps (Ministry of Foreign Affairs), and the Judicial Corps (Ministry of Justice). The differences between the technical cadres and the general administrative cadre lie mainly in the use of different titles for the same grade, different salary scales, and certain special personnel regulations.

Moving to the organization of the *field units* of the central government, Lebanon was divided into five administrative regions or *Muhafazah* (now six). These are Beirut, Mount Lebanon, North Lebanon, South Lebanon, and the Biqa. Each *Muhafazah* is in turn, subdivided into separate districts or *Cazas*. *Muhafazats and Cazas* constitute the layers of the field units of the Central Government Administration. The administrative structures established thereby are extensions of their headquarters and are therefore organized along the same pattern discussed above, i.e. Directorate General and its subdivisions.

The *Muhafazah* does not enjoy any legal personality or independent authority. It is a geographic administrative subdivision, formed by the central government and headed by a grade I civil servant (the *Muhafiz*) appointed by the Council of Ministers upon recommendation of the Minister of Interior. The duties of the *Muhafiz* are primarily administrative and involve the local implementation of central government policies. His functions include implementing laws and regulations, and inspecting and controlling all bureaus and civil servants in his region. Located at the seat of each *Muhafazah* are field units corresponding to the following Ministries: Interior; Justice; Finance; Health; Agriculture; Social Affairs; Labor; Public Works; National Education; Post and Telegraph; and National Defense.

The 5 *Muhafazats* (with the exception of Beirut) are in turn subdivided into 24 administrative districts or *Cazas*. Of the 24 *Cazas*, 5 are administered directly by the *Muhafiz*, because they are considered capitals of their respective regions<sup>8</sup>. The remaining *Cazas* are administered by a *Kaymakam*, a Grade II civil servant appointed by the Council of Ministers upon recommendation of the Minister of Interior. The *Kaymakam* represents the central government administration in the *Caza* and is directly responsible to the *Muhafiz* of the region. He thus performs in the *Caza* functions similar in nature to those of the *Muhafiz*. At the base of each *Caza*, the central government has further field units, belonging to the following Ministries: Interior, Justice, Health, and Agriculture. Figure 5 illustrates the overall structure of the central government administration and its field units in Lebanon.

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<sup>8</sup> These are Tripoli, Ba'bda, Zahle, Sidon, and Nabatiyyeh.



Figure 5. Structure of the Central Government Administration and Its Field Units (Bashir, 1970)

### Institutions of the Local Government

As for local government in Lebanon, authority is entrusted to two locally elected bodies, *al-Baladiyyah* (Municipality) and *al-Mukhtariyyah* (Council of Elders). The municipality is a public agency with a legal personality. It can be established by a decree issued by the Minister of Interior for communities satisfying the requirements for attaining a municipal status, namely a minimum population of 300 persons and revenues in excess of the equivalent of \$3000. Each municipality is governed by a municipal council elected by general suffrage. The number of councilors varies from 8 to 24 proportionate to the size of the community. The council elects its chairman, *the Mayor*, who heads its administration and directs its activities. Figure 6 illustrates the structure of a Lebanese Municipality.

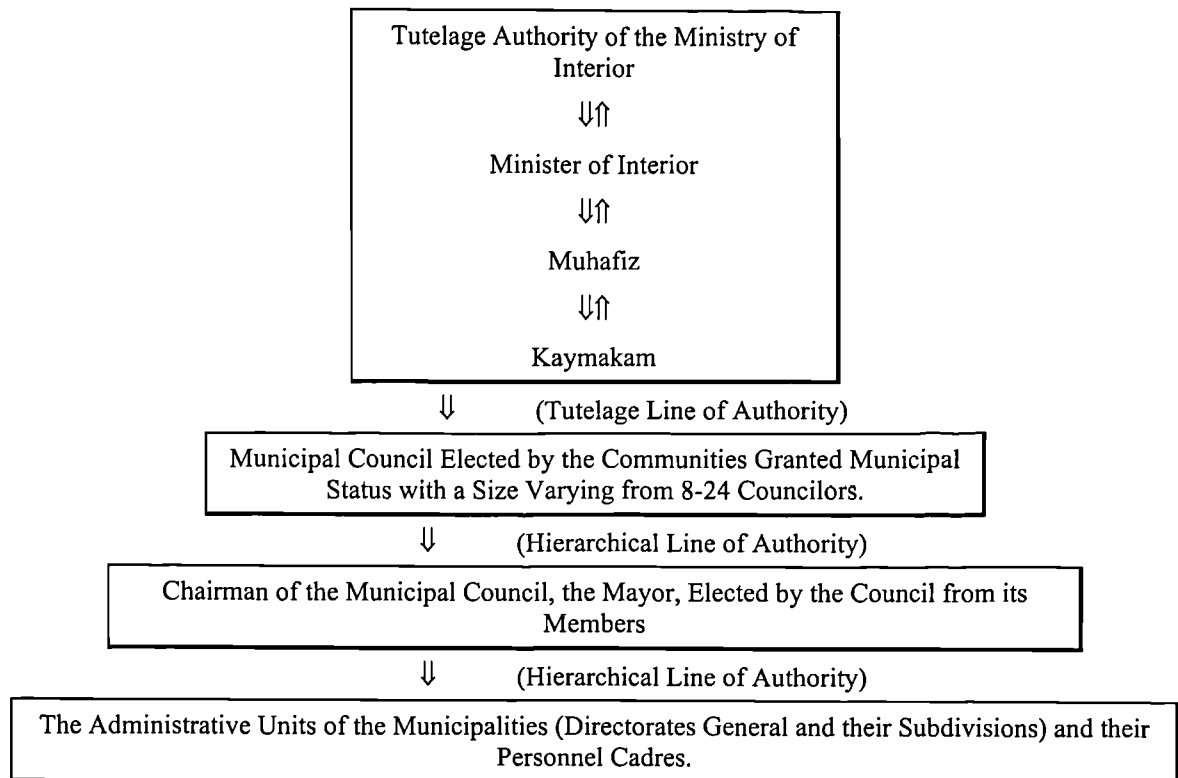


Figure 6. Structure of a Municipality (Bashir, 1970)

The other locally elected body is the *Mukhtariyyah*. Every village or section of a town or city which has a population of over 50 persons is entitled to have an elected official or *Mukhtar*, and a *Majlis al-Ikhtiariyyah* (Council of Elders), the size of which varies from two to six members depending on the size of the community. The *Mukhtar* and his council are representatives of the local community as is the Council of the Municipality, but their jurisdictions differ. The *Mukhtar* renders a certain number of services to the inhabitants of the community as well as to the central government and field unit authorities. He provides, for example, statements of birth, death, personal identification, property (land records), and inheritance. His work is somewhat controlled by the Council of Elders through their countersignatures on the documents issued or approved by the *Mukhtar*.

### **Institutions of Independent Services and Public Utilities**

The Lebanese administration has also developed over the independence years a number of semi-autonomous services and public utilities. All are usually attached to the ministries of the central government, but enjoy a certain degree of administrative and financial autonomy. Each independent agency or public enterprise is placed under the tutelage of a specific ministry and run by a governing board, consisting of five to nine members, all appointed by the Council of Ministers. Examples include the National Social Security Fund, the Executive Council of Major Projects, the Water Authority of Beirut, the Electricity of Lebanon, the Litani River Authority,

the Railways and Public Transportation, the Port of Beirut, the National Archives, the National Council of Research, the National Employment Agency, and OGERO<sup>9</sup>.

The main reason for the proliferation of semi-autonomous agencies in Lebanon, as in other developing countries, was to mitigate the rigors of normal financial, procurement, and personnel controls for activities which require energy, innovation, and dynamism and must respond quickly to changing situations, the assumption being of course that government and its ordinary procedures are slow, legalistic and cumbersome. However, the government has attempted to retain control over these corporations by selecting some key officials for these agencies from inside the civil services and placing government representatives (always including one from the Treasury and one from the responsible ministry) on the board of directors of each corporation. Figure 7 illustrates the structure of an independent service or public utility in Lebanon.

This was a brief overview of the structure of the Lebanese administration as it had evolved by the beginning of the war in 1975. This structure has undergone only minor modifications in the post-war period (apart from the creation of a significant number of new ministries in 1993). Although the main focus of the thesis is on the central government administration, this general overview is important in clarifying the basic institutional structures and their inter-relationships. This section will be most useful and will be referred to subsequently in our examination of the Telecommunications and Transportation sectors in Lebanon, which often comprise a central ministry working in coordination (theoretically at least) with other municipalities and/or independent agencies. Appendix C highlights the organizational structure of selected ministries and public authorities in Lebanon.

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<sup>9</sup> The trend toward the creation of semi-autonomous agencies in Lebanon started under President Chamoun (1952-1958) and continued unabated throughout the independence years.

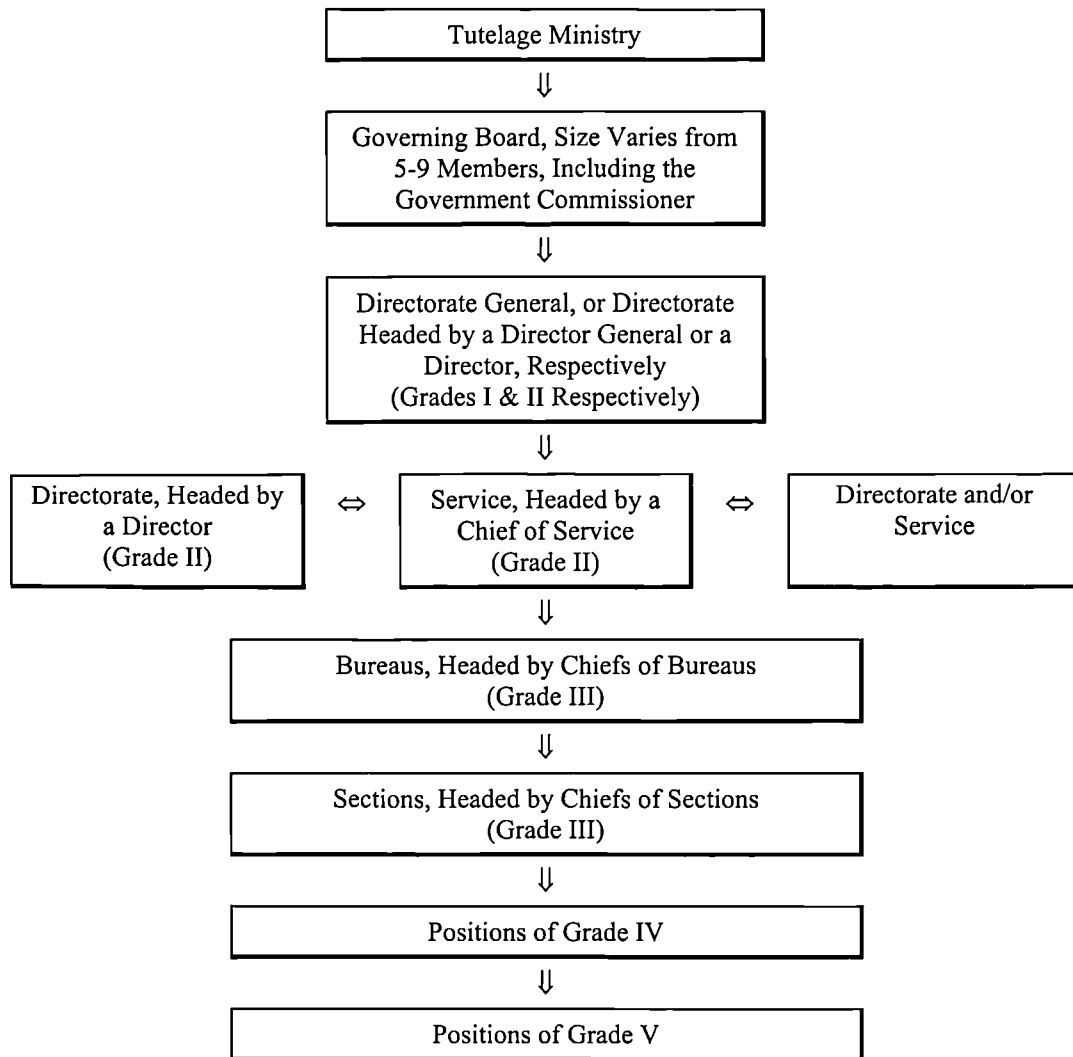


Figure 7. Structure of an Independent Service or Public Utility (Bashir, 1970)

## RECRUITMENT, SOCIALIZATION AND TRAINING

Recruitment to the Lebanese administration was, until 1959, the prerogative of individual ministries. The creation of the Civil Service Council in 1959 signaled the first attempt at standardizing personnel policies. The Council provided for recruitment on the basis of competitive examinations to all grades and civil service positions, except those in Grade I, which were reserved for political appointments. Candidates for Grades III, VI, and V have to sit for civil service examinations administered by the CSC. Appointments to Grade II, however, are made solely from within the administration again on the basis of competitive examinations. Appointments for daily and contractual workers require no examination, but the approval of the CSC is still mandatory.

This brief description provides a theoretical account of the recruitment process in Lebanon. Actual practice, however, is known to be much different. Indeed, there is a clear contradiction between the concept of competitive examinations and Article 95 of the Lebanese Constitution, which provides for the equitable representation of sects in public employment. Adherence to the

principle of sectarian balance implies that the selection of candidates is not based solely on performance in civil service examinations. The frequent subordination of the merit principle to sectarian considerations has had an adverse effect on getting the best talents into the Lebanese public service, as inferior candidates are on many occasions given priority over more qualified elements in order to meet confessional demands (Bashir, 1970).

El-Khazen comments, for example, that “in Lebanon, the quota system in government employment is the only available institutional mechanism to contain communal grievances. A merit-based system in government bureaucracy (meritocracy) will generate communal polarization and political crises” (El-Khazen, 1987, p. 362). He adds, “the selection to government office is not solely based on performance in entrance exams, for appointees have to be drawn from the various communities regardless of their test scores in order to preserve sectarian balance. Obviously, this is conducive to inefficiency and corruption, but that is the only second-best arrangement available for a country like Lebanon” (El-Khazen, 1987, p. 363).

Evidence suggests that the continuing adherence to the principle of sectarian balance in civil service appointments reflects not only on administrative efficiency but also on employee attitudes/behavior. Most bureaucrats still feel that their loyalties and responsibilities lie mainly with their patrons and their sects and not with the state as a whole. When approached for assistance in administrative matters by members of their reference group, civil servants find themselves obliged to expedite unofficial requests, to the detriment of other more important responsibilities. “A civil servant finds nothing wrong in providing a service to a fellow sect member even at the expense of the law and the public interest” (Iskandar, 1964, p. 33).

Crow (1966) for example reports that higher civil servants are frequently approached for assistance in administrative matters, not because they are directly concerned, but because they belong to the same reference group and thus are assumed to have the same group responsibilities and obligations.

It is almost axiomatic that when a Lebanese citizen must approach the administration for a purpose beyond the most elementary and routine, he first seeks out someone in government whom he knows, that is someone with whom he shares one or more primary relationships, and therefore someone upon whom he can call for assistance on the basis of this ascriptive relationship. This is true when his request is perfectly in order and fully his right as when he seeks some special consideration not fully in accordance with administrative regulations (Crow, 1966, p. 174).

The fact that access to the administration is still made on an ascriptive basis is partly cultural, and reflects the continuing importance of sectarian attachments in Lebanon. It is also in many respects a practical behavior, reflecting a genuine distrust of administration and government. Grassmuk for example observes “there is the feeling, not altogether unfounded, that

administration in Lebanon is not regularized as much as it is personalized, and that only the man who has friends in key positions can get what he wants from the government” (Grassmuk and Salibi, 1955, p. 27). Lebanese people thus find the political, sectarian and/or personalized channel often a more efficacious approach to government than the administrative.

This anomaly in Lebanon may also be due to a distorted concept of public authority / accountability among Lebanese civil servants. Public authority is still conceived as being conferred from politicians and higher administrators, rather than from the public. Bashir (1970), for example, comments that “the majority of public servants in Lebanon still look upward for favor, knowing that by pleasing their patrons and superiors, they have no need to worry about the citizenry” (Bashir, 1970, p. 45). The prevailing clientelistic culture thus distorts the concept of public accountability, undermining responsiveness to the needs of the citizenry.

While improved responsiveness and customer service have been leading objectives of recent public sector reforms, these reform components have been sadly missing in Lebanon. Most attempts at reform (both before and after the war) have focused on structural changes, to the neglect of instilling changes in bureaucratic attitudes and behavior. This may be attributed to the complexities of the Lebanese environment and the difficulties associated with changing long-ingrained values/patterns of behavior. It may also be partly attributed to deficiencies in civil service training programs, which are an important tool (in theory at least) for effecting changes in employee behaviors, motivations and values.

Indeed, the National Institute of Public Administration (NIPA) which had assumed in 1959 exclusive responsibility for the training of civil servants in Lebanon encountered serious problems since its very inception. Besides the difficulty of finding and attracting qualified training/teaching staff, the Institute initiated its training program in 1960 without undertaking a systematic survey of the needs of the Lebanese administration. It has thus sought to offer general training programs (pre and post entry), the objectives and contents of which were determined in advance by a handful of higher civil servants and foreign experts. Moreover, there had never been a systematic attempt to evaluate the impact of those programs to assess the extent to which they have effectuated the desired changes whether in knowledge/skills or attitudes/behavior.

The combination of these specific patterns of recruitment, socialization and training produces an administrative culture, which is both peculiar and resistant to change. This in turn further highlights the complexity of administrative reform in Lebanon, for what is needed is a wide-scale readjustment or reorientation which involves a systematic reappraisal of the processes of recruitment/selection, training, and the complex dynamics of socialization. This is obviously a



daunting undertaking, and helps explain perhaps the reluctance of Lebanese reform agents (both before and after the war) to seriously engage in anything but changes of a structural or reorganization nature. It is clear, however, that in the absence of alternative administrative styles, the success of structural changes will likely remain limited indeed.

#### The Impact of the War on the Lebanese Administration

The long years of war have had a devastating impact on all sectors of Lebanese society and economy, including the public administration. The major productive sectors suffered the most. Tourism ceased effectively, trade and transit activity through Lebanese ports and territory shrank considerably, industry incurred substantial damage, and agriculture was in almost total ruins (UNDP, 1997). Emerging from the war in 1990, Lebanon was deprived of its role as a regional and financial center, and drastically displaced from the upper echelons of Third World countries to the position of one of its lowest (Nasr, 1989).

The public administrative sector also suffered heavy losses because of the extensive damage to office buildings and facilities, and the inability of the government to collect public revenues throughout the years of war. Studies conducted by the Lebanese government in the aftermath of the war found the administration wanting in terms of equipment, computer stations, training and technical assistance (NARP reports, 1995). The administration also sustained serious drains in personnel due to the forced displacement of workers and the emigration of skilled labor. It is estimated that as of 1992 about 60 percent of civil service positions were still vacant (Iskandar, 1993). This shortage in personnel constitutes a serious obstacle to administrative reform in the post-war period.

Moreover, the war virtually isolated the administration from the important developments that were taking place in the world economy. It thus froze the normal process of administrative adaptation and insulated the system from the rest of the world for almost two decades - precisely when technological advances and practical experience were leading many countries to eliminate redundant controls and formalities, shed certain functions, give more space to individual initiative, and streamline administrative decision-making. The Lebanese public sector has thus lost throughout the war years on substantial opportunities to improve its performance and to deploy its resources more effectively.

### **ADMINISTRATIVE REFORM IN POST-WAR LEBANON**

#### **The Regime of Elias Hrawi: 1989-1998**

With the conclusion of the Taif agreement, and the election of a new President in 1989, Lebanon began its first step on the road to peace and normalcy. The government was faced with

the daunting task of rehabilitating damaged sectors, providing essentials and services, and undertaking fundamental reforms. It was obvious to all concerned that such a task could not possibly succeed without a revitalized and effective public administration. "The revival of the public administration was not only necessary for reinstating the basic role and services of the state, but more importantly for restoring public confidence in government and promoting political unity and stability in the country" (Iskandar, 1996, p. 5).

Despite the increasing awareness of the need to revitalize the public administration, the regime of Elias Hrawi was not able to devote attention to this matter until 1992 because it was preoccupied with a variety of political problems, such as amending the constitution to incorporate the changes included in the Taif agreement, disbanding and disarming the militias, and re-asserting and extending the authority of the state. The 14-member cabinet formed in the aftermath of the Taif devoted its attention to those pressing concerns. Its ultimate priority was to restore basic security and stability to the country and to consolidate the precarious truce among the feuding political factions.

In August 1990, a new cabinet was appointed, headed by Prime Minister Omar Karami. The new cabinet was expanded and came to be composed of 30 ministers. The cabinet of Omar Karami devoted its attention to the process of making balanced sectarian appointments to Grade I civil service positions as stipulated by the Taif agreement. The process, however, proved to be cumbersome and frustrating, because of sharp differences within the expanded Council of Ministers. After long discussions, the Council of Ministers was able to agree on filling only a small number of those positions, before the cabinet was forced to resign in May 1992.

The Karami cabinet was hastily chased out of office because of the deteriorating economic situation. For two years the government had been financing the growing war-induced deficit by printing money, which led in the summer of 1992 to an inflation rate of 120 percent and a sudden devaluation of the Lebanese pound from 1.150 to the dollar to 2.830 (Denoeux and Springborg, 1998). The deteriorating social and economic conditions prompted widespread demonstrations and riots, forcing the cabinet to resign in May 1992. This necessitated the appointment of a new cabinet under the premiership of Rafic Hariri, a leading business entrepreneur in Lebanon.

Hariri's first priority was to stabilize the currency and to improve the deteriorating state of the economy. He quickly implemented IMF-type stabilization measures, which in combination with the optimism his presence instilled, resulted within two months in a revaluation of the currency by some 1,000 pounds and a sharp decline in inflation to 29 percent in 1993. Hariri also launched an ambitious reconstruction plan, Horizon 2000. Its centerpiece was the building of an

entirely new business district for Beirut, in addition to the re-establishment of adequate basic infrastructure. Table 19 shows a summary content of Horizon 2000 and the planned distribution of expenditures among sectors.

Table 19. Sectoral Distribution of Expenditures in Horizon 2000; 1995-2007 (Baroudi, 1995)

<i>Sector</i>	<i>% of Total</i>
<i>Physical infrastructure</i> (electricity, communications, roads, and highways)	37
<i>Social infrastructure</i> (education, youth and sports, vocational and technical training, higher education, health, social affairs, housing, the displaced)	25
<i>Socio-economic services</i> (water, effluents, solid wastes, environment, public transport and railways)	22
<i>Productive sectors</i> (agriculture and irrigation, industry and petroleum, airport ports, free zones, tourism, private sector services)	8
<i>Government apparatus</i> (government buildings, security forces, information, and public administration)	8

The total financial requirements of the plan are US\$ 31 billion at current prices. The plan scenario expects these financial requirements to be met from external and internal sources, as shown in Table 20. The plan considers that public outlays of US\$ 18 billion are necessary to stimulate private sector involvement, and, accordingly, expects it to invest around US\$ 42 billion over the duration of the program. Indeed, this is consistent with earlier patterns, where available information indicates that private sector investment in Lebanon has invariably been four to five times that by the public sector (UNDP, 1997).

Table 20. Sources of Financing the Reconstruction Program; 1995-2007 (Baroudi, 1995)

<i>Source</i>	<i>1995-2005</i>		<i>2001-2007</i>		<i>1995-2007</i>	
	US\$ billion	%	US\$ billion	%	US\$ billion	%
Foreign Grants	0.3	2	-	-	0.3	1
Foreign Loans	8.2	61	3.0	17	11.2	36
Internal Loans	4.7	35	2.5	14	7.2	23
Budget Surplus	0.2	2	12.1	69	12.3	40
<b>Total</b>	<b>13.4</b>	<b>100</b>	<b>17.6</b>	<b>100</b>	<b>31</b>	<b>100</b>

In reality, the reconstruction plan has been financed primarily by treasury bills (T-bills), most of which have been sold to Lebanese banks (The Oxford Business Group, 1998, p. 18). The high interest rates on T-bills have in turn deprived the private sector of the capital it needs, since banks have understandably preferred to invest in safe, high-yield T-bills rather than lend to private companies. This phenomenon has not only hindered the execution of the plan but has also contributed to a consistent decline in the economy's growth rate: from 8 percent in 1994, down to 6.5 percent in 1995, 4 percent in 1996, and 3 percent in 1997 (Figure 8).

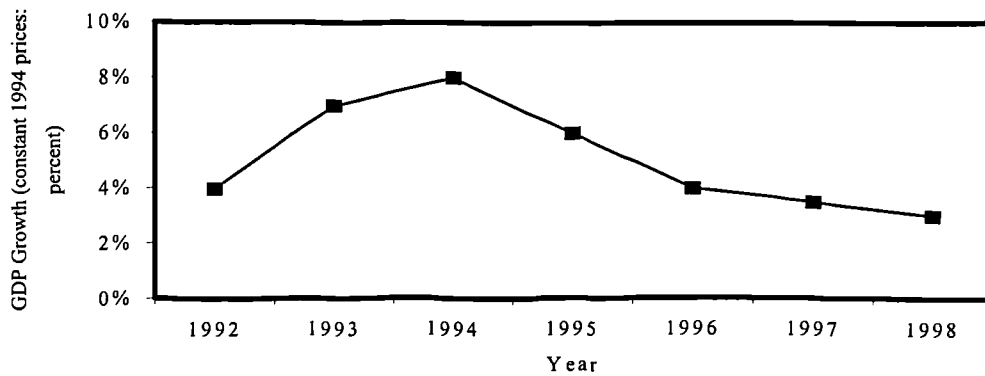


Figure 8. GDP Growth (Constant 1994 Prices) (Gressani and Page, 1999)

Also alarming is the mushrooming of the public debt from approximately \$2 billion in 1992 to approximately \$15 billion – more than 100 percent of the GDP in early 1998 (The Oxford Business Group, 1998, p. 21). Moreover, the cost of servicing the debt is eating up an ever-larger share of government revenues, even as those revenues increase; debt service in 1998 is expected to consume about half of total expenditures. Salaries and debt servicing combined devour about 80 percent of the annual budget, leaving a mere 15% for capital expenditure, thereby causing the reconstruction effort to slowly but steadily grind down (Figure 9).

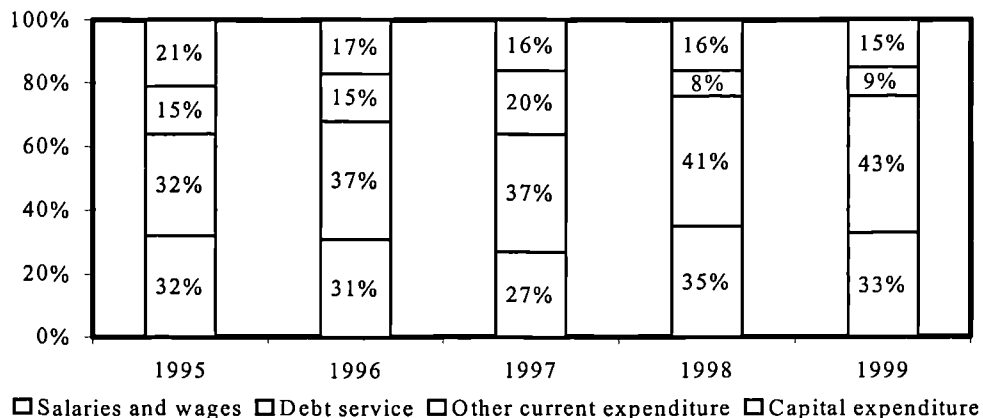


Figure 9. Breakdown of Fixed and Capital Expenditures (Barakat, 2000)

The state thus has a desperate need for new revenues, especially considering the low tax rate, which is well below 20 percent of GNP. Moreover, in 1994, personal and corporate income taxes were reduced from 32 percent and 50 percent respectively to 10 percent. Since 1996, the government has been trying to raise some new revenues through the imposition of miscellaneous regressive taxes and fees. The annual vehicle tax alone rose by 400 percent in 1997. In addition, trade barriers – such as customs duties on imported cars and food imports— were increased significantly in 1997 and now represent as much as 40 percent of government revenue (The Oxford Business Group, 1998, p. 10).

As for tariffs, which already represent the largest single source of the state's income, they cannot be further raised for three reasons. First, at least half of the goods consumed in Lebanon are imported, so that further increases in tariffs could contradict the government's low-inflation strategy. Second, the reconstruction plan is based on the premise of Lebanon regaining its role as an entrepot, which in turn requires low tariffs. Third, Lebanon is seeking to sign a partnership deal with the EU and to join the WTO both of which require dramatic reduction in the country's currently high rate of trade protection (Deneoux and Springborg, 1998).

There is a wide consensus today on the fact that the most important challenge for the consolidation of stable conditions in the country is the state of government finances. As a percentage of official GDP estimates for 1999, public debt was reported to be above 136% of GDP at year-end 1999, against an emerging countries' average of 57.5% (Figure 10). Such a high debt is imposing a significant burden on Lebanon's budget through debt servicing and fueling again deficit and debt. The deficit ration likewise was reported at 14% of GDP, significantly high by emerging countries' standards (the average for emerging markets was reported at 3.9% for 1999 based on Flemings statistics).

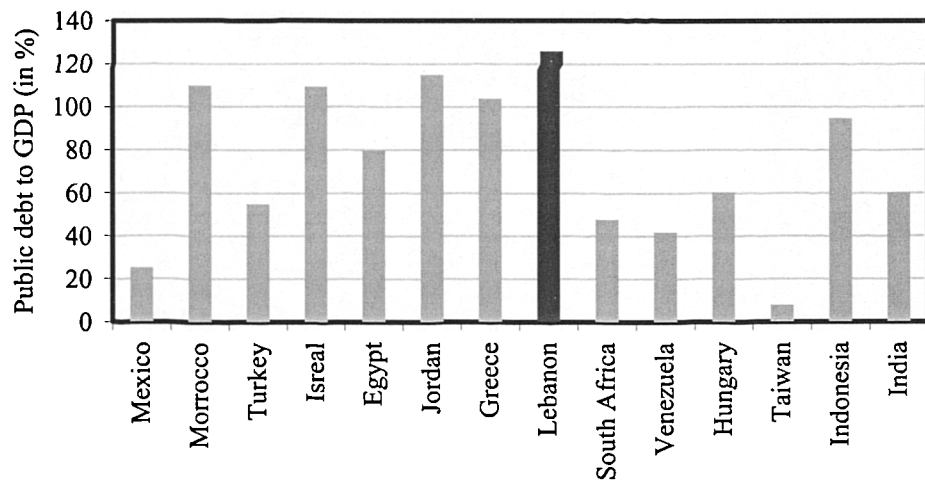


Figure 10. Public Debt to GDP (in %) (Barakat, 2000)

Various scholars have underscored the centrality of fiscal adjustment to the success of post-war reconstruction and recovery efforts. In their report *Reconstruction in Lebanon: Challenges for Macroeconomic Management*, Gressani and Page (1999) for example note that “the unsustainability of current fiscal trends and the lack of independent monetary instruments require that top priority be given to fiscal adjustment in order to ensure that the current imbalances do not lead to macro-economic instability and thus jeopardize the prospects for a long term recovery” (Gressani and Page, 1999, p. 9). Without a sizeable reduction in the fiscal

deficit and real interest rates, the prospects for sustained reconstruction and economic growth risk indeed being undermined.

Some authors further argue that public finance convergence in Lebanon can no longer be secured through traditional resource mobilization efforts or rapid reform measures, even within the context of drastic austerity measures. They insist accordingly that the only way out of this vicious circle of deficit and indebtedness is through drastic privatization measures, which would secure significant treasury proceeds, hence helping reduce the yearly deficits to their sustainable primary levels.

What is for sure is that debt and deficit ratios have indeed reached alarming levels relative to the size of the domestic economy. What is for sure as well is that budget measures are not anymore enough to secure inflection of debt ratios even within drastic assumptions of austerity and further resource mobilization. With 85% of government spending considered fixed expenditures (public sector wages and debt servicing), austerity and spending restraint have limited maneuver...The breach of such a vicious circle through drastic privatization measures has become today a critical and timely issue which constitutes a prerequisite for the state's ability to secure a public finance soft landing (Barakat, 2000, pp.1-3).

In the meantime, the budget deficit may continue to increase, in which case the government will be forced to turn to foreign borrowing to cover it. Already in March 1998, the government floated a Eurobond loan of \$800 million, bringing its foreign debt to some \$ 2.4 billion. It is interesting to note that the dramatic rise in the cost of the state under Hariri has not been driven by a commitment to establishing a strong state, capable of guiding the economy and reshaping society. Instead, the Prime Minister's reconstruction strategy has preserved a weak state while increasing its costs several fold (Deneoux and Springborg, 1998).

Indeed, Hariri failed to show any interest in modernizing the Lebanese state and/or administration. Instead, he decided to leave the existing state as is and to proceed with his reconstruction strategy. Some attribute this orientation to the nature of the state that Hariri inherited. "That state was, as it has always been in Lebanon, an uneasy assemblage of conflicting interests and leaders with widely different and often irreconcilable objectives and priorities" (Deneoux and Springborg, 1998). Another explanation is the strengthened role of Parliament in light of the 1990 constitutional amendments and its reluctance to grant the government the leeway it needs for quick/decisive action.

Although the Hariri government initially underlined its strong commitment to administrative reform as a way of enhancing the credibility of the government and encouraging investments in Lebanon, its various attempts have met with frustration and failure. The first Hariri Cabinet attempted to secure special legislative powers from Parliament to proceed with its program of administrative reform. In light of Parliament's refusal to grant it such powers, the government

referred to it a bill providing for the suspension of the immunity of civil servants. After lengthy debate and discussions, the Parliament approved the bill in late February 1993.

The Hariri government proceeded by warning civil servants of its upcoming purge movement and giving them incentives to take advantage of early retirement. This prompted the resignation of 3100 civil servants. The government then appointed a special committee (consisting of officials from the CSC and CIC) and entrusted it with reviewing the files of civil servants and recommending dismissals on grounds of incompetence, unethical conduct, or ill-health. Following the recommendations of the committee, the government dismissed a total of 450 employees. Most of the discharged employees resorted to appeal and were reinstated by the Council of State on grounds of violation of due process (Kisirwani, 1998).

The 1993 purge movement was therefore a total failure, frustrating to the government, to the employees and to citizens. “The unmistakable message of this reinstatement was that crime pays, and the level of governmental corruption increased noticeably according to informed observers” (Deneoux and Springborg, 1998, p. 168). The rise of corruption in the wake of this failed purge movement is not surprising, especially if one also keeps in mind low public sector wages, the rise in the cost of living and the serious social/economic hardships faced by low income groups in Lebanon. Official mechanisms of accountability in the Lebanese bureaucracy are also weak, making it easy for the occupants of state office to use their positions for personal gain or to benefit patronage networks.

Another move of the Hariri government, which met with criticism and denunciation was the creation in 1993 of twelve new ministries<sup>10</sup> without due consideration to the potential impact of such policy on remaining ministries or the overall administrative structure. The newly created Office of State for Administrative Reform (OMSAR)<sup>11</sup> has reported a remarkable increase in problems of overlapping and duplication in the wake of this re-organization effort. Examples are the overlapping mandates of the Ministry of Foreign Affairs and the newly created Ministry of Emigrants, or those of the Ministry of Interior and the newly created Ministry of Municipal and Rural Affairs (OMSAR, Annual Report, 1997-1998).

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<sup>10</sup> The ministries established in 1993 are: Labor; Tourism; Hydraulic and Electric Resources; Industry and Petroleum; Housing and Cooperatives; Environment; Transportation; Emigrants; Culture and Higher Education; Displaced Persons; Municipal and Rural Affairs; and Vocational and Technical Education.

<sup>11</sup> The Office of the Minister of State for Administrative Reform (OMSAR) was created in 1994 as an interim agency designed to promote and coordinate all institutional development endeavors throughout the administration.

It is interesting to note that while most countries are seeking to reduce the size of their bureaucracies, the Lebanese government has opted to increase the size of its bureaucracy by almost two-fold in 1993. Although some of the ministries created were intended to reflect the government's commitment to certain policies and priorities in the wake of the war (e.g. sound environmental policies, infrastructure development, and attending to the problems of the displaced / emigrants), there is consensus that the ministries were hastily created without regard to the overall organizational structure or sound management principles. Professor Kaysi of the AUB attributes this hasty re-organization initiative to political motives, more specifically to the politics of accommodation,

*The idea behind the creation of new ministries as part of the 1993 Hariri re-structuring movement was to allow for new ministers to assume positions of influence and hence satisfy all war leaders and political factions [Kaysi, July 18, 2000].*

While some of the ministries created in 1993 might have come into existence in view of some re-conception of needs and priorities, there is little doubt that the Hariri re-organization movement was simultaneously intended to satisfy a larger pool of political and sectarian leaders through the promise of ministerial portfolios. Indeed, the Council of Ministers has come to include thirty ministers throughout the successive Hariri administrations (1992 through 1995), as opposed to 14 ministers in 1989 and 16 ministers in 1998<sup>12</sup>. This enlargement can certainly be attributed in great part to the politics of accommodation.

The Hariri government also encountered serious difficulties in the process of making appointments to Grade I positions in the administration. This was due to sharp differences in the enlarged Council of Ministers. "The present Council of Ministers has almost become a mini Parliament where it is difficult to reach consensus or agreement on important issues" (Iskandar, 1993, p. 49). The process of filling top level positions also resulted in serious disagreements and friction between the Prime Minister, the Speaker, and the President (the troika), each of whom was intent on having a say and bringing his own followers and supporters.

Difficulties in making balanced sectarian appointments to Grade I positions in the administration (as stipulated by Taif) persisted, with the government making limited appointments when consensus was possible and when the need became urgent/pressing. What is more alarming, however, is the large number of vacancies in the remaining grades of the administration and in practically all ministries and administrative departments. The government has failed in its efforts to fill these vacancies with qualified personnel. This is primarily attributed to the low salaries offered and the government's inability to make any significant

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<sup>12</sup> These numbers are derived from Table 16.



salary adjustments in view of the looming financial crisis. Table 21 presents a breakdown of established positions and vacancies by ministry as of 1995.

Table 21. Current Staffing Situation in Lebanese Ministries

<i>Agency</i>	<i>Established Positions</i>	<i>Occupied Positions</i>	<i>Vacancies in Ministry</i>	<i>Contractuals &amp; Daily Workers</i>
Ministry of Posts & Telecommunications	7834	2129	5705	2380
Ministry of Finance	2688	1568	1120	188
Ministry of Justice	2454	827	1627	-
Ministry of Public Health	1441	338	1103	2237
Ministry of Agriculture	1176	244	932	803
Ministry of Transportation	1021	346	675	162
Ministry of Public Works	938	286	652	1225
Ministry of Interior	761	300	461	1089
Ministry of Hydraulic & Electric Resources	578	159	419	115
Ministry of Social Affairs	470	115	355	-
Ministry of Foreign Affairs	453	265	189	48
Ministry of Culture & Higher Education	369	21	348	418
Ministry of Housing & Cooperatives	294	69	225	51
Ministry of Displaced	238	1	237	200
Ministry of Economy and Trade	235	56	179	339
Ministry of Municipal & Rural Affairs	189	12	177	6
Ministry of Tourism	265	41	124	104
Ministry of Labor	190	46	144	-
Ministry of Environment	139	5	134	24
Ministry of Industry & Petroleum	118	32	86	5
Ministry of Emigrants	114	31	83	-
Ministry of Technical & Vocational Education	56	28	28	-

NARP, 1995 Reports <sup>13</sup>

(Not included are the Ministry of Defense; Ministry of National Education, Youth and Sports; and the Ministry of Information)

It is certain and obvious that recruitment needs in Lebanon today cannot be derived from the number of vacancies reported here. This is because the number of vacant positions as reported by ministries has been based on the original number of positions established by cadre, which is

<sup>13</sup> The National Administrative Rehabilitation Program (NARP) is a short-term recovery program that sought to rehabilitate ministries and public agencies in Lebanon with office space and basic office equipment. NARP was funded by the World Bank and the Arab Fund Loan and was based on a comprehensive institutional audit of missions and mandates, organizational structures, and staffing situation in all Lebanese ministries and public agencies followed by an estimation of immediate needs in terms of personnel, training, premises, basic office equipment, furniture, vehicles, computers, and technical assistance.

itself outdated and in need of a comprehensive review. The numbers however still reflect acute personnel shortages in the Lebanese administration. They also show a pattern of large employment in the contractual/daily worker category. It is speculated that many of those employees have been put on the payroll through various means used to circumvent civil-service regulations in order to service patronage networks.

Vacancies in the permanent cadres of the Lebanese administration pose a serious problem to all reform efforts and initiatives –they exceed 50% of established positions, and in some ministries, the shortage exceeds 75%<sup>14</sup>. Moreover, there are acute shortages in some professional areas of the public service (e.g. engineering, computer systems management, economics, statistics, IT) as the private sector provides superior terms and conditions of employment for the holders of such skills. Specialization is thus relatively lacking in the Lebanese public service, especially that most middle level managers still hold degrees in literature, philosophy, history or geography (OMSAR, Annual Report, 1997-1998).

The large surplus of contractual and daily workers poses another problem that needs to be addressed. Based on article 86 of legislative decree 113 of 1959, staff are to be contracted for specific jobs and for a limited period. In practice, all contract workers in Lebanon have had their contracts renewed automatically by a decision of the Council of Ministers, regardless of their job performance or whether they are still needed. Altogether, there are over 10,000 contract workers in the Lebanese administration, not counting those in the teaching corps (OMSAR, Annual Report, 1997-1998). If these are reduced according to need, then the administration could afford to fill the vacant key positions without additional cost to the treasury.

OMSAR has suggested a number of measures to deal with the problem of surplus contractual and daily workers. None of the recommendations have been acted upon. These include:

- ❑ Assessing the needs of each administration for contract staff and determining the number and performance of existing staff;
- ❑ Laying off surplus contractual staff, with a six-month allowance based on most recent salary;
- ❑ Reducing the retirement age to 58 with a six-month allowance on last salary. This measure is expected to result in the retirement of half of the existing temporary staff;

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<sup>14</sup> For example, the Ministry of Information has 90 percent vacancy in its cadre, with only 40 civil servants, while it has 1700 agents (non-established staff), who, in some instances assume managerial positions within the Ministry (OMSAR, Annual Report, 1997-1998).

- ❑ Re-deploying remaining daily workers throughout public enterprises/municipalities according to needs, while giving them the option to adopt an early retirement plan (OMSAR, 1998).

While reform attempts in the pre-war period have accorded some attention – albeit very limited- to issues of human resource management as evidenced for example by the creation of the CSC and the NIPA, post-war reform attempts have merely focused on structural changes and re-organization. This trend consists a serious shortcoming in post-war reform efforts, given that human resource development and management are central concerns to reformers aiming for greater efficiency and effectiveness in state bureaucracies. Indeed, as outlined in chapter 1, reform success hinges on the deployment of mutually reinforcing instruments, organizational and behavioral, and on building indigenous capabilities, which have the capacity to sustain innovations.

Unfortunately, as this review makes clear, this reform component has been sadly neglected in post-war reform efforts as evidenced for example by the government’s inaction vis a vis the severe shortages in technical and managerial staff. Lebanese officials also lack training and expertise in relevant policy fields. The looming financial crisis was such that the function of civil service training was accorded low priority in the wake of the war, despite its importance in updating the skills/knowledge of civil servants, providing exposure to new management principles and technologies, and inculcating new norms and values. Sadly enough, administrative reform has been equated on too many occasions in Lebanon with changes in structures, to the neglect of less visible but nevertheless very important attitudinal reforms.

This trend has indeed been re-confirmed once again by the most recent re-organization attempt of the Hoss government (1998-2000) whereby the merger of a number of ministries and councils has been hastily effected in August 2000<sup>15</sup>. While the streamlining of administrative structures tends to be a main thrust of administrative reform in periods of fiscal retrenchment, experts concur that the recent mergers were also not based on sound legal/scientific principles and that the decision was driven primarily by political considerations. Indeed, the Hoss mergers

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<sup>15</sup> Upon the recommendation of the new Hoss administration (1998-2000), the merger of a number of ministries and councils has been approved by the Lebanese Parliament in August, 2000, namely: 1) the Ministry of Emigrants and the Ministry of Foreign Affairs; 2) the Ministry of Municipal and Rural Affairs and the Ministry of Interior; 3) the Ministry of Transport and the Ministry of Public Works; 4) the Ministry of Housing and Cooperatives and the Ministry of Agriculture; 5) the Ministry of Industry and Petroleum and the Ministry of Hydraulic and Electric Resources; 6) the Ministry of Technical and Vocational Education and the Ministry of Culture and Higher Education; and 7) the Council for Development and Reconstruction (CDR), the Conseil Executif Des Grands Projets (CEDP) and the Conseil Executif Des Grands Projets De La Ville De Beyrouth (CEDPVB) (Lebanon, 2000b).

were not consistent for example with the merger recommendations of OMSAR<sup>16</sup>. Dr. Kaysi of the AUB observes in this regard, “*In essence, the mergers boil down to an attempt at reversing everything Hariri has done under the pretext of reducing waste and duplication*” [Kaysi, July 18, 2000]. A previous minister of general planning also expressed his opinion to a local newspaper in these words, “it may actually be true that we have more ministries today in Lebanon than actually needed. But the mergers were not based on any thorough analysis or firm foundations, and hence represent a major departure from the fundamentals of administrative re-organization” (Rifaii, Previous Minister of General Planning, quoted in *Al-Safir*, 2000, p. 3).

The recent mergers confirm the inclination in Lebanon to solve administrative problems through the magic of re-organization. They also confirm the patterns of executive discontinuity prevalent in this country which serve to undermine all sustained efforts at reform and modernization. The fact that this most recent merger decision has mostly targeted those ministries/institutions which were created during the 1993 Hariri re-organization movement suggests not only discontinuity (political and administrative) but also reform politicization, or the permeation of reform decisions by complex and coveted political considerations. These themes will be re-visited and explored in more depth in chapters 8 and 9.

In conclusion, a number of factors are compounding and serving to undermine post-war reform efforts. The looming financial crisis and the limited resources available are obvious constraints. The financial situation is also working against efforts to adjust public sector salaries and attract qualified elements. There are also the unchanging realities of turf battles, executive discontinuity, reform politicization, and the traditional deadlock generated by Lebanon’s s brand of consensual politics. In light of all these factors, patchy patterns of reform have prevailed in the post-war period with a focus on crisis management, high visibility projects, and symbolic re-organization to the neglect of long-term planning and policy-making.

## **SUMMARY AND CONCLUSIONS**

Although administrative reform has been an on-going activity in Lebanon since independence, it has consistently been characterized by significant gaps between initial rhetoric and reality. The reasons for such discrepancies are complex, and can only be understood by looking at administrative reform holistically and contextually and examining prevailing economic,

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<sup>16</sup> Based on a comprehensive review of the organizational structures and missions of all Lebanese ministries, OMSAR has recommended in 1998 the merger of the following ministries: 1) the Ministry of Foreign Affairs and the Ministry of Emigrants; 2) the Ministry of Technical and Vocational Education and the Ministry of Labor; 3) the Ministry of Municipal and Rural Affairs and the Ministry of Environment; 4) the Ministry of Culture and Higher Education and the Ministry of Information; 5) the Ministry of Economy and Trade and the Ministry of Industry and Petroleum; 6) the Ministry of Public Health and the Ministry of Social Affairs; 7) the Ministry of Transport and the Ministry of Telecommunications (OMSAR, Annual Report, 1997-1998).

sectarian and political realities. While in the pre-war period, the President of the republic served as the main locus of power and the instigator of reform, administrative reform in the post-war period has been mostly initiated by the Council of Ministers in cooperation with Parliament.

The overriding concern of the first President of the independent republic was to consolidate the newly won independence. He guided Lebanon through the painful process of disengagement from France and into harmony with other Arab states. However, the President also exploited the country's traditional pluralism with consummate skill, turning the inherent weaknesses of the new state to his advantage. This was reflected in his skillful maneuvers of the game of musical chairs or cabinet politics to halt all reform initiatives. The President did little to improve the rudimentary administration that he had inherited, using it instead for the allocation of patronage benefits. He was thus forced to resign in 1952.

The second President, Camille Chamoun, began his term with determination and commitment to reform, but had to face the uncertainties of turbulent regional and international politics. The great bulk of the President's attention was thus devoted to regional and international issues and their domestic implications. Administrative reform was naturally relegated to secondary importance, overshadowed by the pressing political issues of the day. Little was done during this period aside from the creation of a Ministry of General Planning in 1954 and some judicial and electoral reforms. Reform policies during this period were 'non-policies' as they were non-political and failed to raise serious issues.

The Chamoun experience with regional turbulence, though eased after Chehab's advent, was more than just a passing episode. It was rather a dramatic manifestation of Lebanon's endemic schizophrenia in the presence of pan-Arab nationalism. This schizophrenia has chronically risen and fallen in intensity with every change of developments in neighboring Arab states. In this sense, the tensions and conflicts among Arab states have exerted a continuously divisive influence within Lebanon and badly strained the coexistence of the various communities. Fated by its strategic location, and its peculiar cultural/political complexion, Lebanon could not avoid repeated embroilment in Arab rivalries and conflicts.

The term of President Chehab was by all accounts the most distinctive of the history of the new republic. President Chehab was committed to reform, modernization, and the redistribution of wealth among Lebanese. He was also sensitive to the delicate pluralism that had to be managed for Lebanon to continue to function. He thus attempted to steer a middle course between Muslims and Christians, between traditionalists and modernists, and sought to transcend primordial, sectarian loyalties by focusing on issues of development and social justice. During

his term, the administration was systematically enlarged and served the interests of the poor, rural segments of the population.

Chehab also prevented the traditional factionalism of Lebanon from standing in the way of executive action. He thus attempted to find a way around the weaknesses of the Lebanese State and the 'non-state model' in existence, by forging a course of autonomous and effective leadership. While his governing style was labeled dictatorial and authoritarian, it nevertheless revealed an acute perception of the immobilism that is inevitably generated by Lebanon's pattern of consociational politics and the need for strengthening the state apparatus and its executive leadership and insulating the bureaucracy from the everyday squabbles of politics.

The Chehabist attempt to modernize the Lebanese State was thus successful in two ways. First, the President managed to circumvent traditional politics without disturbing normal political life. Second, the President undertook the transformation of the state administration with sensitivity to issues of equitable development and social justice. "For the first time, the Presidency became the source of a national political philosophy and the term Chehabism entered the political lexicon. Chehabism – Lebanon's equivalent of the New Deal - was basically a moderate welfare ideology tailored to the Lebanese situation" (Hudson 1985, p. 297).

The question remained as to whether Lebanon could break out of its political stalemate after Chehab. The evolution of events suggests that the answer to this question is an emphatic no. A violent war raged in Lebanon for 15 years defying the best efforts at negotiation. The total physical damage sustained during this period was estimated by the UN at US\$ 25 billion (UNDP, 1997). The public administrative sector also suffered heavy losses because of the extensive damage to office buildings and facilities, and the inability of the government to collect public revenues throughout the years of war. The administration also sustained serious drains in personnel due to the forced displacement of workers and the emigration of skilled labor.

Moreover, the war virtually isolated the administration from the important developments that were taking place in the world economy. It thus froze the normal process of administrative adaptation and insulated the system from the rest of the world for almost two decades - precisely when technological advances and practical experience were leading many countries to eliminate redundant controls and formalities, shed certain functions, give more space to individual initiative, and streamline administrative decision-making. The Lebanese public sector has thus lost throughout the war years on substantial opportunities to improve its performance and to deploy its resources more effectively.

Reform attempts in the post-war period have focused on short-term crisis management and symbolic reorganization, to the neglect of long-term planning and policy-making. For example, the government has failed to take any measure to address the acute shortages of personnel in the Lebanese administration. Nor has the government shown any resolution to deal with the problem of surplus contractual and daily workers that are consuming dwindling public resources. The government has also initiated a hasty restructuring program in 1993 which has been attributed to political motives and the politics of accommodation. Another counter-reorganization movement has also been effected in August 2000, the motives for which are also political. Administrative reform has thus been equated on too many occasions in Lebanon with changes in structures, to the neglect of less visible but important attitudinal reforms.

There are admittedly a number of embedded factors/constraints, which have consistently worked to undermine reform efforts in Lebanon. Most important in this respect are the cultural/political realities of the Lebanese multi-confessional context, which have necessitated a conservative and prudent orientation to reform and change. Also important are the patterns of weak executive leadership and executive discontinuity, which are justified in Lebanon by the need to coalesce the leaders of major political factions and communities. The review in this chapter indeed makes clear that the realities of the Lebanese multi-confessional context and the adjustments they entail have consistently exerted a detrimental influence on reform efforts and programs of change.

Indeed, reform efforts in the period before the war have been undermined by a constellation of cultural/political factors in addition to the infiltration of the turbulence of the Middle East environment into Lebanon, which aggravated tensions and political complications. Regional turbulence indeed exerted a consistently divisive influence on communal coexistence in the pre-war period and was generally detrimental to reform endeavors. As mentioned in this chapter, the cultural/political complexion of Lebanese society has increased its vulnerability to such turbulence and facilitated its repeated embroilment in Arab conflicts, which in turn increased domestic tensions/complications. These were mutually reinforcing forces, which undermined pre-war reform attempts generally and the Chamoun and Helou attempts more specifically.

Post-war reform attempts have also been undermined by a traditional constellation of cultural / political factors, but the economic dimension has also become salient in the post-war Lebanese environment, further constraining reform and policy options. Indeed, as outlined in this chapter, the reconstruction efforts of the post-war period have contributed to large budgetary deficits and domestic debt accumulation. The looming financial crisis has in turn reflected in making planning extremely difficult and necessitating short-term crisis management and symbolic reorganization to the detriment of more substantive reform and policy-making. It has also

translated into a huge loss of investment in the type of skilled human resources required for effective public action. Lebanese policy-makers are thus having to face a post-war environment where the scarcity of human and financial resources inevitably leaves much to be desired.

The main point to emphasize is that the Lebanese administrative system cannot be adequately understood if cut off from the cultural context in which it operates. It is thus necessary to view the administrative system in relation to its cultural setting and to examine reform patterns holistically and contextually. Such an approach identifies apparent irrationality in policy-making as it promotes greater understanding of why certain policy choices are made and why inefficient government expenditures are sanctioned. Only through such a comprehensive and contextual analysis can one make sense of consistent policy failure in Lebanon.

The next two chapters will provide an in-depth case study examination of two vital sectors for the post-war Lebanese economy namely, telecommunications and transportation. The chapters will examine the specific post-war reform initiatives and policies in those two areas. It is hoped that greater insight could be gained into administrative reform in post-war Lebanon by a detailed examination of specific administrative sectors. Such examination will undoubtedly supplement and enrich the information presented in this chapter about general reform trends and issues. The sectors will be examined separately, but consecutively: first telecom then transport.



# **CHAPTER 8**

## **TELECOMMUNICATIONS SECTOR**

### **INTRODUCTION**

In an emerging global economy characterized by greater trade liberalization and information needs, telecommunications enhance national productivity and provide a basis for competitive advantage. There is a general consensus today on the central role of the telecommunications sector in economic growth and development. This chapter examines telecom reforms in Lebanon in the wake of the war (1990-present). It is hoped that greater insight could be gained into administrative reform in post-war Lebanon by a detailed examination of specific-sector policies and reforms. The chapter will begin, however, by an overview of global trends in telecom reform to allow a comprehensive evaluation of the performance of the Lebanese telecommunications sector against international best practice.

### **TELECOM REFORM: AN OVERVIEW**

In many respects, the 1990s mark a turning point in the process of telecom reform taking place around the world. Although each country is proceeding at its own pace through its specific policies, all countries are influenced to varying degrees by the dramatic changes in technologies, markets and the global economy. All countries are also influenced by developments in neighboring countries, trading partners, and regional and international agencies. Telecom reform has thus been the order of the day almost everywhere for some time now (Melody, 1999, p. 8).

Three major market-liberalizing events have made the 1990s an important time of transition in the process of telecom reform. First, the WTO agreement on telecom services by which 69 (now 72) countries representing 90% of global telecom traffic committed themselves to specific programs of liberalization over specified future periods. Second the EU policy on full liberalization of telecom services in member states came into effect. Third, the US Telecommunications Act of 1996, which liberalized local markets was enacted, bringing full liberalization to the US (Melody, 1999; Hong, 1998).

The fundamental underlying reason for reform was the inadequate performance of the old institutional arrangements in light of changing economic, social and political circumstances. The old regime of national telecom monopolies operating as an international cartel could not meet the challenges of the new environment. Dramatic technological innovation, coupled with the now often cited convergence of telecommunications and data processing have undermined the premises of monopolistic provision, and overstrained an inflexible public administration arrangement.

## Old Institutional Arrangement and Pressures for Change

For most of the nineteenth century, telecommunications had been considered a part of the public infrastructure that should be provided by the state. In historical and international perspective, it had been one of the economic sectors with the highest level of state ownership and activity (Grande, 1994). In most countries, it had been organized and managed as a public administration (PTT) with a universal service obligation whose domain/activities are protected by a far-reaching legal monopoly. The public telecommunications monopoly encompassed the operation of telecom networks, the supply of the entire range of services and the licensing, distribution and maintenance of terminal equipment.

The PTT model of telecommunications was also characterized by an intensive/extensive politicization of functions (Grande, 1994). As a government administrative body, it tended to follow political and bureaucratic drummers (Melody, 1999). Tariffs, for example, were always treated as political prices and manipulated for reasons of social, fiscal, or macro-economic policy; and the design of technical systems and equipment took national security interests into account (Grande, 1994). Moreover, telecom services have been commonly used to fund significant financial contributions to the treasury, and as “a sinecure for political refugees or an employer of last resort” (Melody, 1999, p. 10). These practices, to mention only a few, were part of the politicization of the telecommunications sector.

In recent years, there have been, however, overwhelming pressures for change in the field of telecommunications, rendering old institutional arrangements and practices increasingly obsolete. New technological developments coming from the electronics industry, the computing industry, and the equipment-manufacturing sector are challenging traditional telecom monopoly boundaries and inviting countries to reconsider their traditional market structure. Industrialized countries were quick to realize that the state-run monopoly carrier was denying market opportunities to other firms and depriving the industry of significant revenues. “Thus the traditional industry and market boundaries of the old PTT monopolies were being eroded from all sides by what today is called convergence” (Melody, 1999, p. 9).

The rapid diversification and specialization in telecom networks (e.g. non terrestrial transmission facilities like satellite services and mobile communications) and the digitization of switching and transmission networks have also offered new opportunities to integrate networks into *new integrated services networks* and a range of new services and applications. In addition to conventional services (telephone, telex), new basic services (such as data transmission) and so-called value-added services (such as information and mailbox services) are now being offered. The consequence of this ‘revolution in services’ has been an increasingly blurred distinction between (i) public telecommunications and private data processing; (ii) between

basic and enhanced telecommunications services; and (iii) between individual telecommunications and mass communications/broadcasting (Grande, 1994).

In light of all these developments, the telecommunications infrastructure, once relatively standardized and homogeneous, has become a heterogeneous and complex system of publicly and privately operated components. The boundaries between public and private functions have become blurred and increasingly permeable. Moreover, new telecommunications applications have spread exponentially within only a few years, increasing the demands on the flexibility and innovative-ness of public network operators. “In this new environment, the premises of the old model of public activity have lost their footing...These new and specific conditions have both facilitated and necessitated a political re-definition of public functions in telecommunications” (Grande, 1994, p. 147).

### **Telecom Changes and Institutional Reforms**

Accumulating technological and economic pressure has thus helped focus attention in many countries on the formidable task of converting politicized and bureaucratized government PTT administrations into efficient, commercial public telecommunications operators (PTOs). The policy shift was often from an unquestioned acceptance of absolute monopoly restrictions to a policy that re-examined unjustifiable monopoly regulations in the evolving new environment. The complex changes that have affected the telecommunications sector are frequently discussed under the labels of ‘deregulation’, ‘liberalization’ and ‘privatization’. Grande (1994) provides a useful analytical distinction between the various aspects of change, namely:

- ❑ *Organizational Reforms* or changes in the status and/or the structure of existing organizations in telecommunications (e.g. the creation of new agencies, and the break up or the abolition of existing ones). Examples are the separation of posts and telecommunications administrations, the transformation of public administrations into public corporations, and the establishment of new regulatory bodies such as the Office of Telecommunications in the UK.
- ❑ *Deregulation* that is the relaxation or abrogation of existing laws, statutes, and regulations by means of which the state tried to influence the activities of private actors. Deregulation could affect a variety of activities, such as licensing, standardization, access conditions, procurement instructions, and the fixing of tariffs.
- ❑ *Liberalization* that is the lifting of existing barriers to market entry. Here liberalization primarily means the relaxation or repeal of the legal monopolies in telecommunications. Even though liberalization in telecommunications is an aspect of the general deregulation, the terms are not exactly synonymous and should not be confused.

- ❑ *Privatization* that is changes in the legal form of public administrations or corporations from public to private law status, and/or the selling of shares of public owned corporations. Examples of a privatization in telecommunications were the selling of shares of the public network operators in Japan (NTT) and Great Britain (BT) (Grande, 1994, p. 141).

Each of these various reforms aims at a change of basic features of the old PTT model. Taken together, they lead to a completely new model of telecommunications characterized by private corporations providing optimal supply for rationally calculating citizens within liberalized markets. The feasibility and opportunities of this new model were first shown in the US, where the entire organization and regulation of the telecommunications sector has been transformed fundamentally in an incremental process. The process culminated in the enactment of the Telecommunications Reform Act of 1996, bringing full liberalization to the US telecom market.

Compared to the developments in the US, the European countries were slightly more resistant to such a deregulation and liberalization of their telecommunications sectors. By and large, most European countries adhered to the old PTT model, well into the 1980s. The first West European country to aim at a full-scale retreat of the state from telecommunications was Great Britain. The UK enacted its first telecommunications act in 1981, thereby liberalizing the existing telecommunications monopoly. By selling 50.2 per cent of its shares of British Telecom in 1984, the Thatcher government implemented the first privatization of a former PTT administration in an advanced industrial country.

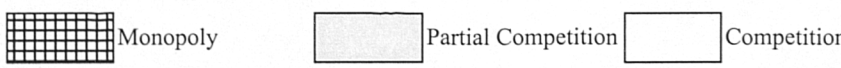
The developments in the US and in the UK have served as a background for attempts to reform the existing public monopolies in various European countries. In Italy, the *Commissione Morganti* presented a report proposing institutional reforms of the telecommunications sector in 1984; in the following year, the *Streebergen Commission* made its recommendations in the Netherlands; in 1987, the *Wise Men Commission* in Belgium and the *Witte Commission* in West Germany presented their reports (Grande, 1994). All efforts were intensified by the initiatives of the Commission of the EU, which established itself as a key actor in the field of telecommunications policy in the mid-1980s.

A brief survey of the degree of the liberalization of telecommunications markets in Western Europe at the beginning of the 1990s shows a clear trend towards the breakdown of telecommunications monopolies (Table 22). This is most obvious in the field of terminal equipment, which by now has been almost completely liberalized, and in the area of value-added services. Britain with its radical reforms set aside, the public telecommunications monopoly in Western Europe is restricted more and more to the terrestrial network and basic

telephone service. The EU commission's directives also provide for the liberalization of these markets by the end of the 1990s.

Table 22. The Level of Competition in West European Telecommunications Markets in 1991  
(Grande, 1994)

	<i>Infrastructure</i>		<i>Services</i>				<i>Terminal Equipment</i>			
	<i>Public switched network</i>	<i>Leased lines</i>	<i>Telephone service</i>	<i>Mobile communication satellite</i>	<i>Text and data</i>	<i>Value-added services</i>	<i>Main telephone</i>	<i>Modems</i>	<i>Private</i>	<i>Data and fax terminals</i>
Austria										
Belgium									Monopoly	
Denmark				Monopoly						
Finland				Monopoly						
France				Monopoly						
Germany				Monopoly						
Greece										
Iceland										
Ireland						Partial Competition				
Italy										
Luxembourg										
Netherlands										
Norway				Monopoly						
Portugal								Monopoly		
Spain										
Sweden				Monopoly						
Switzerland										
United Kingdom	Monopoly		Monopoly	Monopoly	Monopoly					



Moreover, both the organizational structures and the ownership of public network operators have changed considerably (Table 23). In 1992, only 4 OECD member countries –Austria, Iceland, Luxemburg, and West Germany- were still organizing their public network operators in the form of a public administration. In 11 countries, the public network operator has the status of a public company. In 9 countries, these network operators are companies under private law, only 3 of which are completely owned by the state (in Australia, the Netherlands, and Sweden) and 2 of which are the objects of privatization plans. By the end of 1992, a full-scale

privatization of telecommunications, however, had taken place in one OECD country, New Zealand. In all other cases, the state has kept at least a minor part of the shares (Grande, 1994).

Table 23. The Status of Major Telecommunications Network Operators in Western Europe in 1992 (Grande, 1994)

<i>Country</i>	<i>Corporatisation of main operator</i>	<i>Privatization / Year</i>	<i>Public Shares (percent)</i>
Austria	NO	NO	[2]
Belgium	1991	NO	100
Denmark	1990	1992	51
Finland	1987	NO	100
France	1990	NO	100
Germany	NO	[3,4]	100
Greece	1942	NO	100
Iceland	1984	NO	100
Italy	YES	[1]	60,4
Luxembourg	NO	NO	[2]
Netherlands	1989	[4]	100
Norway	1990	NO	100
Spain	1924	1924	35
Sweden	1993	[4]	100
Switzerland	1992	NO	100
United Kingdom	1981	1984/91	22

[1] SIP (still in progress)

[2] Reform in preparation

[3] Corporatisation under discussion

[4] Privatization under discussion

### Specific Trends in Telecom Reform

Besides the general trends towards the breakdown of telecom monopolies and the corporatization and/or privatization of telecom operators, there have also been specific changes in the direction of the liberalization of telecommunication service and equipment markets. By 1990, Japan, New Zealand and the US had liberalized the provision of public switched telecommunication networks (PSTN). In other countries, monopolies and a small number of duopolies were in place. By 1998, however, the market structures for the public switched telecommunication network had changed significantly. Figure 11 shows the marked progress in fixed network infrastructure competition.

As liberalization developed in PSTN markets, a growing number of countries felt confident enough in the benefits of liberalization to issue multiple licenses for the provision of mobile communication infrastructure. In 1989, only six OECD countries did not have monopolies over the provision of cellular mobile communication infrastructure. Each of these six countries had

duopolies. A decade later, all OECD countries had licensed at least two cellular mobile communication operators and most have three or more. In 1999, the US had up to seven competing infrastructure mobile providers. The much more rapid change in mobile cellular market liberalization is shown in Figure 12.

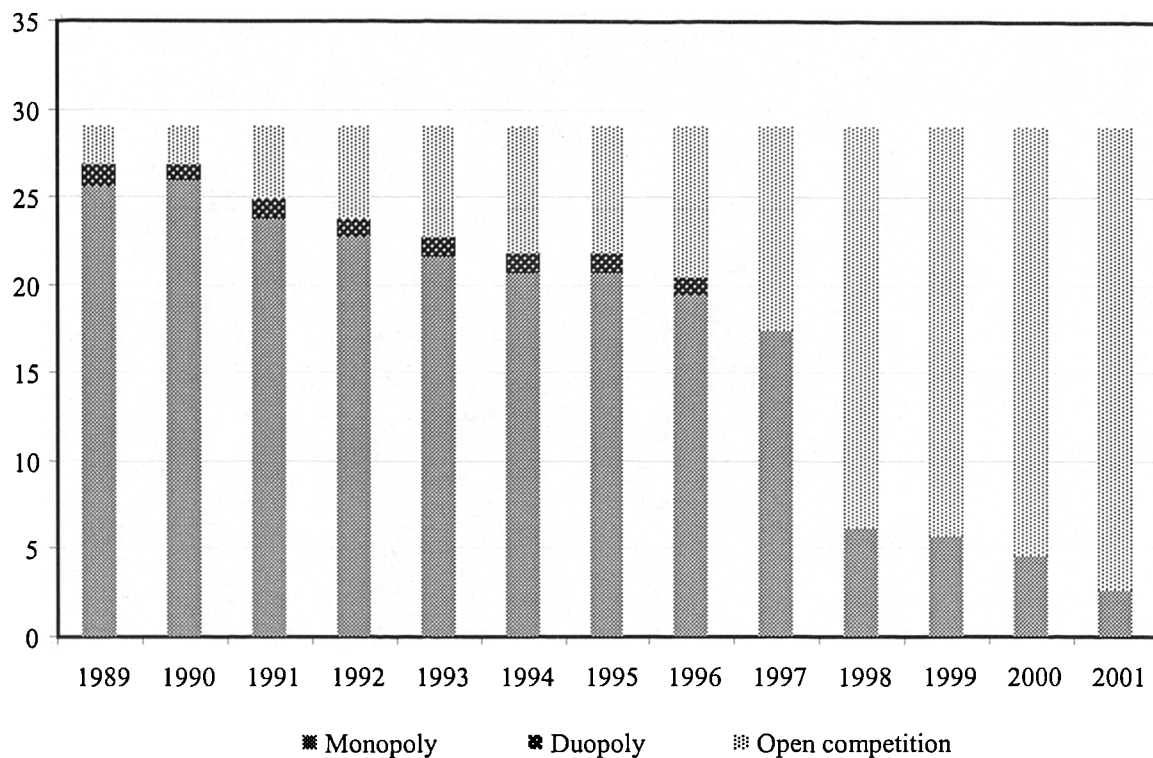


Figure 11. Fixed Network Infrastructure Competition in OECD Countries (Paltridge, 1999)

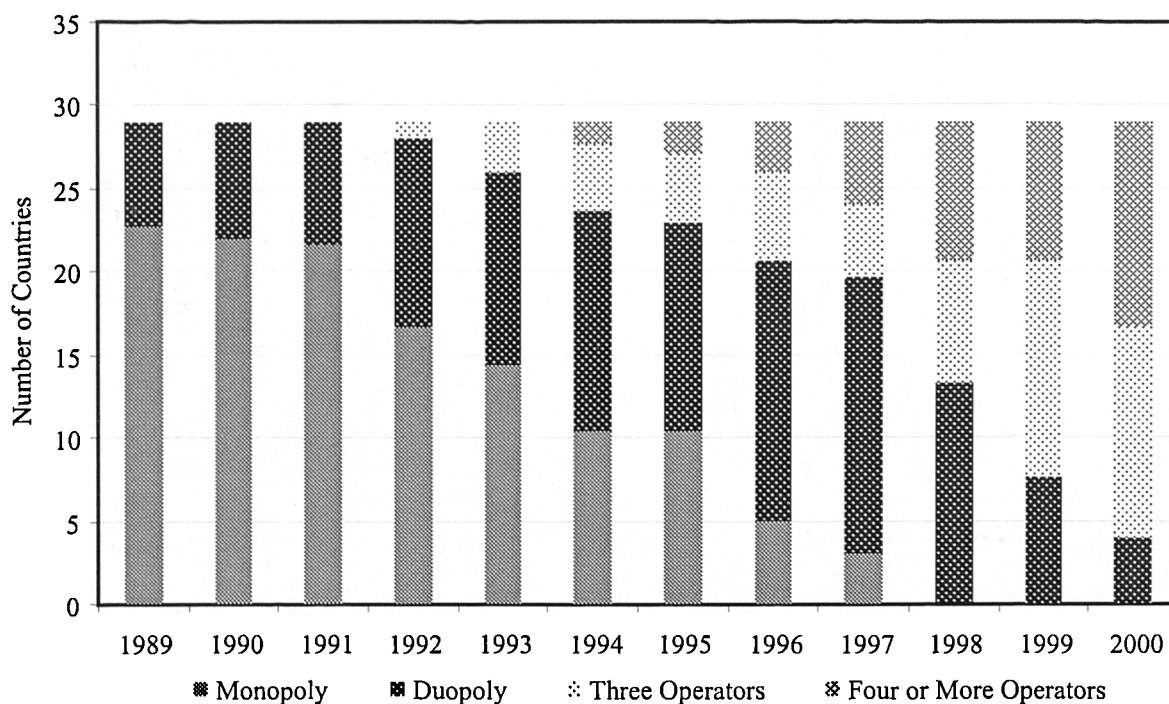


Figure 12. Mobile Network Infrastructure Competition in OECD Countries (Paltridge, 1999)

Marked progress has also been achieved in recent years in Internet provision and access. By July 1999, there were more than 52 million Internet hosts in the OECD area, representing 93% of the global total (Paltridge, 1999). Host surveys are the most common indicators used to measure Internet development. However, host data do not provide information about the total number of users who can access the Internet. Examples of countries recording significant increases, albeit from smaller base number of hosts, include Turkey, Spain, Luxembourg and France. Finland is the first OECD country to pass 100 hosts per 1000 inhabitants in 1999 as depicted in Figure 13.

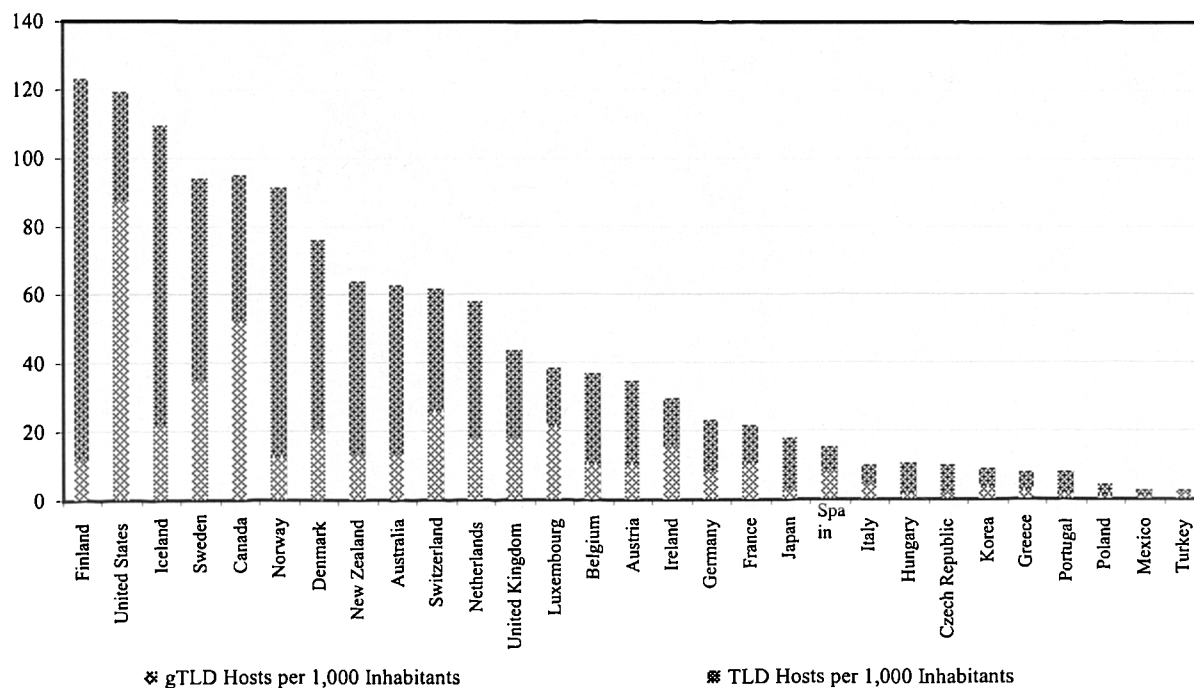


Figure 13. Internet Hosts per 1,000 Inhabitants, July 1999 (Paltridge, 1999)

### Key Elements of Telecom Reform

The various trends discussed here indicate an increased awareness of the importance of restructuring traditional telecom institutional structures and markets to enhance national productivity and acquire an international competitive edge. It is now widely recognized that an expanded role of the market can facilitate not only improved efficiency, but also the achievement of public policy objectives. The efficient functioning of markets in turn depends upon an effective institutional supporting structure. The challenge is thus to structure the new institutional environment in such a way as to make good use of market forces to achieve public policy objectives and goals.

Successful institutional restructuring thus depends on three distinct, but related sets of activities that are equally important in telecom reform: 1) policy-making; 2) operation; and 3) regulation.



- ❑ *Policy-making* is directed toward fundamental issues of long-term societal implications. It mainly ensures attention to issues of sector development and their long-run implications. Policy makers are responsible for formulating a long-term strategy/vision for the sector.
- ❑ *Operations management* is in turn concerned with issues of day-to-day operation, problem solving and implementation. The management is typically accountable to a Board of Directors that is insulated from political and governmental pressures and interference.
- ❑ *Regulation* must in turn be independent both from the PTO and from direct government influence. The regulator's task is to implement government policy. It ensures performance accountability by the various industry players and monitors changing industry conditions.

Figure 14 illustrates the essential relations among policy-making, operations management and regulation. The effectiveness by which this fundamental separation of basic functions is achieved will have a significant impact upon the growth of the sector (Melody, 1999). The more effective the separation, the better will be the climate to attract financing and undertake investment. If each function can be performed well, each will provide clarity and stability in an institutional framework conducive to rapid growth and the effective achievement of economic and social objectives (Melody, 1999). This requires the unbundling of the different activities and the establishment of a sufficiently transparent institutional process that can be understood by all affected parties and the public.

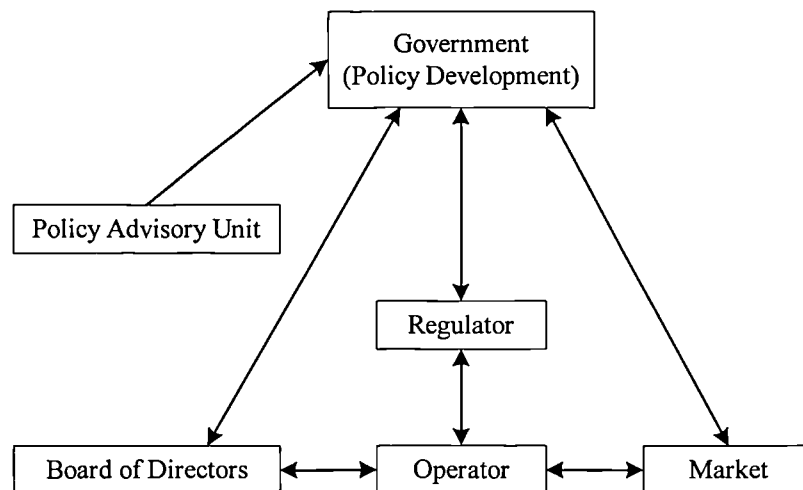


Figure 14. The Decentralized Structure of Telecom Reform (Melody, 1999)

Such unbundling of functions, however, is rarely achieved in a single restructuring exercise, but rather in an incremental process in the direction of the structure illustrated in Figure 14. Each step has provided experience, learning, and the surfacing of unresolved issues or problems, which then have been resolved by taking other steps towards greater independence for the PTO and/or the regulator (Melody, 1999).

The establishment of the PTO as a commercial enterprise independent of the everyday squabbles of politics is an important step in the process of institutional restructuring. Privatization of the PTO is one method of establishing a commercial foundation independent of governmental interference. But it is not the only method. Government-owned commercial firms (also referred to as crown corporations) exist in many countries. Whether privatization is the best method for any country will depend on the objectives of its reform policy and its particular circumstances. The key issue, however, is not ownership, but rather commercial independence and access to capital and skills.

Effective regulation is another key aspect of recent restructuring endeavors. Reform objectives of efficient competition and universal service cannot be achieved/maintained without strong/independent regulation. As experience has unfolded, there is wider acceptance that industry-specific regulation must be a permanent part of the new arrangements at least for the foreseeable future. Regulation guarantees access to public resources, the licensing of operators, inter-connection with dominant PTOs on reasonable terms, affordable prices and quality of service. Regulation is thus essential to achieve economic and social policy objectives.

Regulation is also necessary to provide a foundation upon which markets can function more effectively than they would otherwise. One of the most important issues is how regulators will act to ensure the dominant PTO does not use its monopoly to cross-subsidize its services or otherwise prevent or harm competition. The resolution of this issue will have a major impact on the behavior of the PTO, the nature of the competition that develops and the direction of the industry. "The challenge for all countries and regions is to design an implementation regime that provides for participation and due process, and the application of relevant and consistent substantive decision-making criteria, within a framework of timely and expeditious regulatory decisions" (Melody, 1999, p.21).

### **Telecom Sector Performance Indicators**

The ultimate test of the success of telecom reform is the sector's performance. The measurement of carrier (sector) performance is indeed an essential part of the development, monitoring and evaluation of government reform (Madden and Savage, 1999). However, given the problems associated with measuring the financial performance of public organizations, four main areas are usually examined to provide evidence of demonstrable progress in telecom reform: 1) institutional unbundling and the development of effective regulation as described above; 2) the actual development of competition; 3) reduced prices and improved service; and 4) an expansion of universal service penetration (Melody, 1999).

The process of institutional unbundling is precisely expected to enhance competition, reduce prices and expand universal service penetration. Although evidence of significant competition can be found in many countries in VAS, mobile and international services, it has been more limited for domestic long-distance and rare for local services. Moreover, overall price trends have been steadily and significantly down, as new technologies permit network capacity to be used with greater efficiency by service suppliers. Interconnection charges to PTO networks remain, however, the largest cost element to most competitive service operators and an important revenue source for PTOs.

High interconnection charges in turn may work against the extension of universal service coverage. Hence, while network usage charges are falling, connection charges are rising. The cheaper it is to use the network, the more expensive it is to connect to the network. This will make it more difficult for those at the margins of the universal service envelope to connect to the network. It should be remembered that if PTO network costs are the basis of the interconnection charges as happens in virtually all countries, then competitors will be contributing to coverage of the PTO universal service costs through their interconnection charges (Melody, 1999).

A similar trend of cost rebalancing is occurring with respect to international services, with significant implications for developing countries. Although some developing countries are making progress in the long process of rolling out a national network, many are not. As competition forces countries to shift network common costs away from international services back on to national services and users, developing countries may lose significant hard currency contributions from international revenue settlements to help fund their national network rollout (Melody, 1999). This makes the development of a truly universal service more difficult and magnifies the gap between rich and poor countries.

Besides those four important aspects of telecom reform, productivity measures are also regarded as reliable indicators of industry performance (Madden and Savage, 1999). Productivity measurement allows evaluation of telecommunications sector performance against international best practice. Some commonly used telecommunications (partial) productivity measures are:

- ❑ Penetration rate or tele-density is an international standard measure of network development and refers to the number of mainlines per 100 population.
- ❑ Mainlines per employee (MPE), or the ratio of telephone mainlines to the number of full-time equivalent employees. MPE provides an indication of labor productivity relating to the construction, maintenance and operation of the network.

- ❑ Revenue per employee (RPE) or the ratio of total telecommunications service revenue to the number of full-time equivalent employees. RPE is another indicator of labor productivity.
- ❑ Revenue per line (RPM), or the ratio of total telecommunications service revenue to main telephone lines. RPM is a measure of capital productivity and provides a guide to the intensity of telecommunications network usage.
- ❑ Outgoing calls per capita provides a measure of the average use of total subscriber lines.
- ❑ Total number of cellular subscribers provides a measure of mobile use or penetration (Madden and Savage, 1999).

The discussion so far has focused on global trends in telecom reform, outlining the pressures and changes which have affected this sector in recent decades, necessitating in turn a major re-orientation to telecom reform. The changes have revolved around re-structuring traditional institutional arrangements, breaking down monopolies, unbundling telecommunications functions, as well as promoting de-regulation, competition, liberalization and privatization (in some cases). Against this background, it becomes possible to examine recent telecom reforms in Lebanon in a more meaningful way, emphasizing the specifics of the Lebanese case and the impact of the unique Lebanese context. The global overview is thus useful as a sensitizing device, against which to establish the particular features of the Lebanese case.

## **TELECOM REFORM IN LEBANON**

### **Background**

Posts and Telecommunications in Lebanon are organized as a state monopoly under the Ministry of Posts and Telecommunications. Before 1975, the telecommunications sector was relatively developed and provided modern and reliable services, especially to the business community centered in Beirut. In 1974, there were about 250,000 direct exchange lines in service, with a telephone penetration rate of 7%. Pressed by a high level of demand and the need to decongest and improve services, MPT undertook an ambitious expansion program in 1979 with the goal of more than doubling available capacity. The program, however, was not completed due to the deteriorating political situation.

A damage assessment report conducted by *Dar-Al-Handasah Consultants* in the wake of the war (1991) estimated the total damage to the Lebanese telecommunications sector at US\$ 517 million. Although the telephone penetration rate had increased to 12.5% (450,000 telephone lines), about half of the lines were out of service because of extensive damage to the local network (local cable plant, distribution boxes, secondary cables, and switching equipment). The

international network had also incurred substantial damage, rendering the need for telecom reform and rehabilitation in Lebanon in the wake of the war a most pressing concern.

### **Rehabilitation Projects**

The objective of the government's rehabilitation program was to install a cost-effective and productive structure for the telecommunications sector that will help improve the productivity and competitiveness of Lebanon's economic activities. The ultimate objective was to develop favorable conditions for attracting domestic and foreign private capital with a view to assuring the sector's medium and long-term development. Accordingly, the government set out an ambitious rehabilitation program, with the following short, medium, and long-term objectives:

- Short-Term Objectives (1991-1993) *Target: 450,000 operational lines*
    - Rehabilitation of all cable networks
    - Rehabilitation of the switching equipment
    - Rehabilitation of the microwave equipment
    - Replacement of the old electromechanical lines
    - Rehabilitation of buildings
    - Replacement of defective power supplies/air conditioning systems
    - Rehabilitation of 230,000 lines out of the existing park of 450,000
    - Satisfy unmet demand by connecting 500,000 subscribers
  
  - Medium-Term Objectives (1993-1996) *Target: 600,000 lines*
    - Supply and Installation of new digital switching equipment
    - Subscriber line network and outside plant installations
    - New fiber optic links
    - New microwave links
    - Two new earth stations (300 channels each)
    - Two new IDR earth stations (300 channels each)
    - New fiber optic submarine and land cables
    - Provision of new digital cellular mobile system (30,000 subscribers)
    - Supply and installation of new 140,000 telephone lines
    - Power plants, air conditioning, vehicles, tools, maintenance equipment, material
  
  - Long-Term Objectives (1997-2001) *Target: 800,000 lines*
    - Installation of 200,000 new lines at an estimated cost of US\$ 300 million
    - Increase GSM stock from 30,000 lines to 250,000 lines
    - Establishment of a telecommunications training center
    - A master plan for telecommunications development
- (Source: Dar-Al-Handasah Consultants, 1991)

The proposed rehabilitation plan was expected to increase the penetration rate (telephone density per 100 inhabitants) from 7 per 100 in 1993 to 20 per 100 in 1997 and 30 per 100 in 2001, turning Lebanon into one of the most developed countries in the region with regard to telecommunications<sup>17</sup>. The total investment program over the 10-year period was estimated at US\$ 715 million (World Bank, 1994), including US\$ 50 million for technical assistance and consultancy work. The technical supervisory work was originally granted to *Nor-consult* and then to *Dar-Al-Handasah* at an estimated cost of US\$ 11 million. A second consultancy contract was awarded to *Cable and Wireless* and *Deloitte & Touche* at an estimated value of \$ 9 million.

The rehabilitation of the fixed telephone network was divided into two contracts: the *Switching Contract* and the *Public Switched Telephone Network (PSTN) Contract*. The Switching Contract of total value US\$ 80 million was awarded in 1993 to three contractors: Alcatel, Siemens, and Ericsson. The three contractors were expected to supply/install digital exchanges and hence upgrade the overall switching capacity of the network to 1 million lines, in addition to upgrading the major international gateways. The PSTN Contract was awarded in 1994 to the same three contractors. The total value of the contract is US\$ 420 million, divided as follows:

- ❑ Rehabilitation and expansion of the local network (US\$ 185 million)
- ❑ Rehabilitation/expansion of the local service network through the rehabilitation of exchange buildings and the construction of new buildings (US\$ 75 million)
- ❑ Implementation of local and transit exchanges (US\$ 45 million)
- ❑ Rehabilitation and expansion of the international network (US\$ 15.4 million)
- ❑ National service rehabilitation and upgrading (US\$ 81 million)
- ❑ Providing spare parts and equipment (US\$ 17.5 million) (World Bank, 1994).

The rehabilitation plan also provided for the implementation of a rural telecommunications network (US\$ 8 million) and the rehabilitation of telex exchanges (US\$ 5.6). It also provided for a new Telecommunications training center (US\$ 8 million) and the design of a master plan for telecom development (US\$ 2.3 million). Finally, the plan envisaged US\$ 3 million for the rehabilitation and upgrading of postal services. However, those rehabilitation components never materialized. In 1998, MPT launched the rehabilitation of the postal service through a BOT contract with *Liban Post*, a joint stock company owned at 66% by Canada Post Systems Management Ltd. The duration of the BOT contract is 10 years (extendable to 12) with MPT

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<sup>17</sup> This implies that Lebanon will have a higher service level than countries at the lower end of the middle-income range. The penetration rate in selected Middle Eastern countries for 1991 is as follows: Egypt (3.2); Syria (4.1); Tunis (3.75); Kuwait (15.8); and Saudi Arabia (9.3). It should be kept in mind, however, that there is a clear correlation between GNP per capita and the number of telephone lines per 100 inhabitants.

charging *Liban Post* an escalating revenue sharing scheme. This newly restructured postal sector, however, will not be covered in this thesis.

## **Current Telecommunications Sector Status**

### *The Institutional Framework*

The telecommunications sector in Lebanon is still organized as a state monopoly under the Ministry of Posts and Telecommunications (MPT). MPT has three directorates general, one for posts and the other two for telecommunications, namely, the directorate general of telecom construction and equipment and the directorate general of telecom operation and maintenance. MPT plays the role of provider in the fixed telephone service both local and international and the role of the regulator for the mobile telephone and the data / internet services. So MPT continues to perform the three main telecom functions in Lebanon: policy-making, operation and regulation.

While MPT controls the fixed telephone infrastructure, it has transferred some operational functions to OGERO, a semi-autonomous organization placed under the tutelage of MPT. From a legal standpoint, OGERO is a wholly owned state organization, supervised by MPT, and financed by the state budget. It has a CEO and 12 Directors, appointed by the Council of Ministers, and grouped along functional and operational lines. In 1995, OGERO was entrusted with billing, maintenance works, connection of new subscribers, and physical extension of the network. However, its decision-making authority remains limited, in particular regarding tariffs, investment, and strategic planning.

MPT employs in total about 3000 employees, grouped into 4 categories: old OGERO, new OGERO, new MPT and MPT-OGERO. *Cable and Wireless* provides technical assistance to OGERO, while MPT is assisted by the consultancy of *Deloitte & Touche* and *Dar-Al-Handasah*. As early as 1994, the World Bank recommended that OGERO be transformed into an independent commercial company, *Telecom Liban*, in charge of all operating activities and subject to private commercial law. However, successive governments have failed to take any steps in this direction. Figure 15 illustrates the current telecom institutional arrangement.

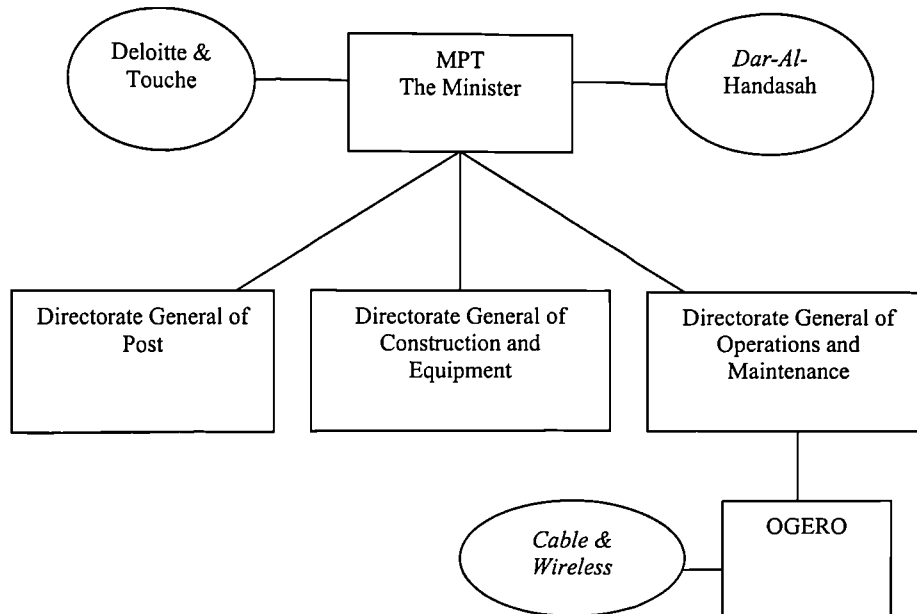


Figure 15. Telecom Institutional Framework in Lebanon

The current institutional framework is outdated and suffers from a number of deficiencies and constraints. In the words of a well-respected regional telecommunications expert, *“the current institutional framework is useless, antiquated and a hurdle towards the development of the sector. It is not logical that the Lebanese government is now working on regulating the sector and introducing new licensing procedures on the basis of a 1959 institutional framework”* [Shehadi, August 14, 2000].

An international telecom expert and advisor for the international telecommunications union (ITU) comments on the Lebanese telecom institutional framework in a similar way:

*The current telecommunications institutional framework is a heritage of the past. The same institutional framework that existed before the war has been retained now in the 1990s, despite its obvious deficiencies in the new telecommunications environment. We do not need today a ministry of posts and telecommunications because its mere presence implies the politicization of telecommunications. Telecommunications needs to be kept away from politics. What is rather needed in Lebanon is an independent regulator and an efficient operator* [Bahsoun, July 13, 2000].

The complaints of these experts become understandable when put in the context of the sweeping reforms which have affected both the status and internal organization of telecom administrations and the regulation of telecommunications markets in recent years. As outlined at the beginning of this chapter, a remarkable redefinition of functions has indeed been under way in this sector, with global reforms revolving around the re-structuring of traditional institutional arrangements, the erosion of public telecommunications monopolies and the development of efficient independent commercial operators (publicly or privately owned) that are insulated from political pressures and interference.



The development of an efficient operator in Lebanon in line with global trends in telecom reform has been undermined, however, by MPT's overwhelming predominance and its continued monopolization of key operational functions. The Hariri government, realizing the need for change, attempted to overhaul the telecom institutional framework through OGERO. OGERO was thus revitalized in 1995, and made directly responsible for maintenance and the physical extension of the network. A CDR telecommunications official comments on this recent Hariri intervention in these words:

*Hariri found a way to infiltrate into the telecom sector through OGERO, given its status as a semi-autonomous agency. Accordingly, OGERO was revived in 1995 and made responsible for key telecommunications functions. A number of professionals were also recruited and remunerated with high salaries by public sector standards [Faidallah, July 4, 2000].*

Realizing the difficult task of reforming the MPT, Hariri thus tried to gain access to and reform the institutional framework through the window (OGERO) rather than through the main door (MPT). Lebanese professionals, who have been particularly sensitive to the evolution of events in this sector, concur however that the granting of the 1995 contract to OGERO was a step in the right direction. OGERO has since been streamlining transactions and operations, cutting red tape, and providing services efficiently and expeditiously. And although a remarkable re-orientation to service provision and customer satisfaction has been noted in the wake of this recent re-definition of functions, OGERO is still facing a number of structural constraints dictated by the nature of its relationship with MPT. A CDR telecommunications official who has been closely involved in post-war telecom rehabilitation efforts, comments in this regard:

*Services have improved drastically since OGERO became responsible for maintenance and physical connection. For example, today, a citizen can apply for a new line and get it within 24 hours vs. a waiting time of several months in the past. But OGERO is still bound in its operations by an annual contract that it signs with MPT. It is thus not an operator in the full sense of the word [Hindawi, July 12, 2000].*

Mr. Bu Khaled, who has had frequent contacts with OGERO in recent years in his capacity as director of PC support and networking at the American University of Beirut, similarly observes:

*In the last phase of Hariri's tenure, OGERO developed a competent service department. For example, they designed a new booklet for services and established a 24-hour help line. They must have realized that they are failing and that they have a stagnant pool of one million lines. Another reason is that they may have started to understand the business, but unfortunately, OGERO had no authority. The Hariri government, realizing the difficult task of reforming the MPT, tried to solve the problem at the periphery. But the relationship between MPT and OGERO was wrong from the start [Bu Khaled, July 28, 2000].*

Indeed, the continued centralization of all authority in MPT and its control over budget allocations have severely constrained OGERO's corporate decisions and undermined its operator functions. The network director at OGERO comments in this regard,

*It is true that we have operator functions, but all authority is still centralized in MPT. The current situation is not sustainable. It was supposed to be a temporary arrangement, but the temporary never changed. The reasoning of the previous administration was that OGERO was gradually and naturally turning into the real operator. But I am not convinced with this argument. Changes of this sort need to be based on firm foundations and proper legislation [Abu-Farhat, August 14, 2000].*

Another OGERO official similarly observes,

*The current institutional framework is outdated and in need of change. The current situation is not sustainable and there should be a move as soon as possible in the direction of regulating this sector in line with new developments in all parts of the world. The failure in this respect can be attributed to all previous administrations, including the current one. The government should at least proceed with creating a national operator in the full sense of the word, and we were hoping for this to happen during the Hoss administration. We also need to have a regulator that is independent of the Minister and of MPT. Otherwise, no one can claim to be satisfied with the institutional framework as it stands today [Nahed, August 8, 2000].*

Although admitting the need for reform and institutional re-structuring, the Director General of Construction and Equipment at MPT contends however that OGERO was never intended to be a public network operator, and that any claims to that effect are misguided. He observes,

*Although we definitely need some restructuring and unbundling of functions in this sector, the fact is that we don't have an operator nor a regulator in Lebanon. MPT is not a regulator. Nor is OGERO an operator. OGERO has contracts with MPT for billing, maintenance, and provision of service and can act only within the limits of these contracts. Its functions are therefore limited and strictly defined by law [Indraous, August 21, 2000].*

There is thus some confusion as to the respective roles and functions of both MPT and OGERO. While OGERO officials claim that their institution performs all basic operations functions and is only constrained by MPT's reluctance to delegate commensurate authority, MPT officials do not appear to share this view. This rather unusual institutional set up has naturally resulted in friction between OGERO and MPT, culminating in a full-fledged attack on OGERO in the first year of the Hoss administration (1998-present). A more or less neutral informant, the director of PC support and networking at AUB, attributes the recent hostility vis a vis OGERO to the politicized nature of telecom reform in Lebanon. He observes,

*OGERO was a difference but for a very short period of time, because it did not survive to show serious results. OGERO has been under attack from the new Hoss administration. It is simply a political vendetta. OGERO has been tagged as being Hariri's direct team. Because Hariri was not able to reform the MPT, he put his direct team and associates in OGERO. And the new Minister of Post and Telecommunications apparently has a vendetta against Rafic Hariri. Again you have the same problem. You have a service*

*entity run as a political entity. Because it was run as a political set-up, it was politicized and political vendettas apply to it. Sadly, this is the pattern in Lebanon [Bu Khaled, July 28, 2000].*

The OGERO network director similarly confirms the previous observation/explanation,

*There was an obvious hostility against OGERO in the first year of the Hoss administration. The new government wanted to dissolve OGERO. It was labeled as a Hariri institution. We tried to express to them that OGERO had existed for years before Rafic Hariri assumed office and that we have dealt professionally and consistently with all governments, even during the war. But the new Minister came with a vengeance, as there was some kind of political animosity between him and Hariri. He was intent on dissolving OGERO and would not understand that this was not possible. It took one year to realize that the decision was not realistic, otherwise the fixed phone network would become non-functional [Abu-Farhat, August 14, 2000].*

A CDR telecommunications official further explains along the same lines,

*The new (Hoss) government has been trying to marginalize OGERO. The government has been practically trying to undo all what the previous Hariri government has done. The functions of OGERO, however, limited as they are, have become indispensable, and the government has come to terms with the fact that it will not be very easy to do away with its services. In view of the hostile attitude of the new government vis a vis OGERO, many qualified employees have already left for the private sector [Faidallah, July 4, 2000].*

A more comprehensive explanation is in turn provided by a regional telecommunications expert who has been closely involved in post-war telecom reform efforts in Lebanon in his capacity as advisor to the minister of economy. He observes,

*Now the old government and administration no doubt had their mistakes. But what is even worse is that the new government has come with a vengeance and with the attitude that everything that the previous government has done is wrong. This has in turn delayed work and progress on different fronts and created much discontinuity. Take the example of OGERO. The decision was that OGERO was a bad institution and needs to be dissolved. Now MPT cannot do the work, so we create a new autonomous agency to replace OGERO and assume its functions. Instead of building upon OGERO and seeking to improve its performance and to provide for continuity in governance, they have chosen to waste a year arguing and looking for alternatives to OGERO. If OGERO will help me reach my objectives, then why not make use of it? Because they do not look at institutions as institutions. They still look at institutions as aggregates of individuals with particular loyalties. This OGERO complex has delayed all the work of OGERO. Now the tenure of the Hoss administration is nearing its end. Do you think that the new government will build on what this administration has done? Very unlikely. Unfortunately, this is the mentality in Lebanon. We don't have continuity, we don't have respect for institutions and for the work of institutions [Shehadi, August 14, 2000].*

These explanations in turn combine to point to the undeniable politicization of telecom reform in Lebanon and the extent to which the process remains in essence a series of political counter-moves and maneuvers. Objectively speaking, there was no technical justification for the attempt to dissolve OGERO in the first year of the Hoss administration, although political justifications abound. OGERO was labeled a Hariri institution, given that the previous prime minister accorded it special status/importance and tried to enhance its capacity/performance. In the eyes

of the new government, OGERO was first a Hariri institution, and of course less importantly, a semi-autonomous organization with important telecom functions. So politically speaking, it was justifiable to waste a year looking for an alternative institution to assume its functions.

Besides extensive politicization these examples/explanations also highlight the patterns of political and administrative discontinuity observed in Lebanon. As noted in previous chapters, frequent changes in cabinet portfolios are dictated in Lebanon by the need to coalesce the leaders of major political factions/communities (i.e. the politics of accommodation). Executive discontinuity however undermines executive capacity. It also deprives the administrative branch of the needed support and continuity to engage in and implement consistent change programs. Rotations in political portfolios are also associated with changes in administrative portfolios (Grade I). The resulting discontinuity is detrimental to reform efforts and programs of change.

Aside from that, the current institutional framework also suffers from weak policy making and regulatory functions [Bahsoun, July 13, 2000; Rifaii, July 24, 2000; Shehadi, August 14, 2000]. Major decisions are taken in a piecemeal way by Cabinet Decrees or by MPT, with no clear stated objectives or long-term vision. There is also no clear policy on licensing, as licenses are mostly awarded at MPT's discretion. Interconnection procedures are not in place. The existing legal/regulatory framework is also outdated and in need of a comprehensive overhaul to facilitate competition and monitor inter-connection tariffs and agreements. A regional telecommunications expert comments in this regard,

*The basic requirement for the success of telecommunications reform in Lebanon is regulation and the very first action in this respect is new legislation. You can not expect to regulate telecom provision with laws and regulations dating back to 1959. These are regulations that were suitable for another age [Shehadi, August 14, 2000].*

A draft telecommunications law has been submitted to the Council of Ministers in February 2000. But the law has not been acted upon. The Lebanese Parliament has also recently adopted a new privatization law which commits the government of Lebanon to establish a regulatory framework for each sector being considered for privatization (Lebanon, 2000a). The recent passage of the general law on privatization is a good sign. The telecommunications sector is set to be the first up for sale and is undoubtedly key. Despite these recent developments, however, experts remain guardedly optimistic about the ability of the Lebanese government to embrace telecommunications reform and to streamline/overhaul the antiquated institutional framework. A telecommunications expert comments in this regard,

*Privatization is the only rational way to go, but no steps have or will be initiated in this direction in Lebanon because of tremendous inertia and vested interests [Bahsoun, July 13, 2000].*

Although privatization could be a viable route for establishing a commercial foundation for the Lebanese telecom sector independent of government interference, it is not the only method. Nor is there unanimous consensus regarding the merits and advantages of privatization in Lebanon, particularly with respect to the fixed network infrastructure. A CDR telecommunications official comments in this regard,

*Privatization of the telecommunications sector is now a hot issue in Lebanon and is being seriously discussed in political circles. But the sector is generating good revenues for the government, so I don't believe that privatization is necessarily a good idea. Although specific segments, such as internet, data transmission and intelligent networks could be privatized, the fixed line segment should stay with the government [Faidallah, July 4, 2000].*

It should be mentioned that as early as 1994, a World Bank mission to Lebanon indicated the need for a comprehensive overhaul or restructuring of the Lebanese telecom sector. The mission recommended the preparation of a new telecommunications law during the last quarter of 1994, and the progressive creation or implementation of *Telecom Liban*, according to private commercial criteria. It also recommended the separation of regulatory and policy-making functions, through the creation of an independent regulatory entity which would oversee operators' compliance and regulate competition. As of today, none of those recommendations have been implemented or acted upon.

As the review of the current institutional framework indeed makes clear, there is tremendous inertia and resistance to change in this country. Despite the overwhelming pressures for change in this sector and the recommendations of experts, consultants and professionals, the Lebanese telecom institutional framework has remained unchanged since 1959. Even the modest Hariri attempt at changing existing institutional arrangements through a nominal expansion in OGERO's operational functions has been effectively stifled or neutralized with recent changes in political fortunes. This in turn illustrates how complex political maneuvers and priorities in Lebanon often translate into system-maintenance and a zero-sum game with respect to administrative reform.

### *The Fixed Line Segment*

Lebanon's fixed telecommunications network is controlled entirely by MPT. Following the major rehabilitation program, the PSTN network came to include about 700,000 connected lines in 1998, or the equivalent of a fixed line penetration rate of 15 lines per 100 inhabitants. This is a significant improvement, when compared to a penetration rate of 8% in 1994. While this expansion has significantly reduced the waiting list (from 250,000 in 1994 to 110,000 in June 1998), it has not yet translated into a drastic improvement of services. For example, of the

current subscriber base, only 16,000 have access to international direct dialing (IDD) and the call completion rate was estimated at 50% in 1998 (CDR, 1998).

Hence, despite the substantial investment in upgrading the fixed network infrastructure- estimated at 800 million US\$ in 1998- the MPT has been making less than optimal use of existing capacity and showing less than adequate concern for quality enhancement and service diversification. This is best illustrated by the complete absence of basic services like voicemail, dial back, clip or detailed billing. Hence, to the detriment of both government and users, the enhanced capacity of the network is not being utilized effectively. The chairman and general manager of Libancell comments in this regard,

*Although the infrastructure for the fixed network has been overhauled, MPT has proven incapable of exploiting this new capacity. Moreover, the fixed network has now lost in value because it has not been well-maintained [Rifaii, July 24, 2000].*

The director of PC support and networking at AUB similarly observes,

*The telephone line is the basic service provided. They do not offer any other services, such as voicemail for example. MPT has also not been catering for businesses by providing the diversified range of services (e.g. leased and digital lines) needed by IT, banking or commercial companies [Bu Khaled, July 28, 2000].*

The MPT Director General of Construction and Equipment, however, claims to be satisfied with the rehabilitation efforts of the fixed line infrastructure, and boasts MPT's multi-service delivery capability,

*We have undertaken a successful rehabilitation of the fixed line infrastructure over the past seven years. Today, we have around 1,500,000 lines and some 750,000 subscribers. We also provide latest technology services, including caller ID, call forwarding and ISDN digital lines [Indraous, August 21, 2000].*

The observations of the Director General contrast sharply, however, with the conclusions of a recent World Bank sector review report (1998), which notes that "the analysis of the main technical, financial and institutional variables reveals some visible problems in the sector that should be addressed, including lack of service innovation and diversification, weak marketing strategy and corporate client analysis, lack of further development of internet and data services, lack of value added services (VAS) in the PSTN, lack of demand-driven investments, absence of payphone market strategy and relative low productivity" (World Bank, 1998, p.2).

The fact that the recent rehabilitation of the fixed line network has not translated into significant improvements in services has also been attributed to the quality of public sector employees. Chapter 7 has touched upon this theme, when a note has been made of the low priority which

has been accorded to human resource management, development and training in the wake of the war. This has proven to be a serious hurdle in post-war reform efforts, particularly in the field of telecommunications where success hinges on the continuous updating of the skills of employees and their exposure to constantly evolving technologies. Dr. Bahsoun, an international telecommunications expert, comments in this regard,

*Most MPT employees are old and incapable of coping with the demands of the telecom environment. Because of civil service laws and sectarianism in Lebanon, it has proven impossible to dismiss any of those employees or to replace them with fresh blood [Bahsoun, July 13, 2000].*

The chairman and general manager of Libancell also observes,

*In a sector in which qualified people command very high salaries, the Lebanese public sector is simply not able to deliver the range of salaries to attract qualified elements [Rifaii, July 24, 2000].*

The director of PC support and networking at AUB similarly observes,

*This is the sort of business where you are either competitive and have the right human resources, or you are out. But the Lebanese government is trying to run the telecom sector with old, non productive employees [Bu Khaled, July 28, 2000].*

These explanations highlight a number of constraints, which are combining to undermine post-war personnel management efforts. The first explanation touches upon the lingering influence and importance of ‘sectarian considerations’, which typically render downsizing and other personnel re-adjustment efforts more difficult and complicated in the Lebanese context. There is indeed the risk that any such efforts will have sectarian implications, repercussions and interpretations. The second quotation is in turn alluding to the economic constraints of the post-war Lebanese environment, which as noted in chapter 7, have precluded adjustments in public sector salaries and hence undermined efforts at attracting and retaining qualified elements.

Working against these constraints, the Hariri government attempted to recruit professionals to specific institutions according to need and to adjust their remuneration. However, even the few contractuels that were successfully recruited to OGERO under Hariri have recently left in view of the hostile attitude of the new government. The OGERO network director bitterly observes,

*As a Lebanese citizen and as someone who works in telecom, I find this to be very unfortunate. We are letting go of our qualified elements, when we are in most need for them. And I can understand why they are leaving, because they have lost all motivation in this politicized environment [Abu Farhat, August 14, 2000].*

Another OGERO official comments defiantly,

*It is true that Hariri empowered OGERO and recruited a number of contractuels. Some of them were very competent. Unfortunately, all the qualified elements are leaving now. As soon as they find work outside OGERO, they leave because they sense that their work is not appreciated. Minister Neiman went to the extent of investigating some of the contractuels that were hired during the Hariri era and part of this scandal was even publicized...And we will likely follow suit, unless a new government takes office and understands that the telecommunications sector has to be dealt with in a professional way [Nahed, August 8, 2000].*

As Kettl (1996) aptly observes, “building government capacity for the new millennium depends on creating good systems, but the systems are worthless without the right people in them driven by the right incentives” (Kettl, 1996, p. 15). The Lebanese experience with the rehabilitation of the fixed line network confirms this observation. A recent example, which has been cited by yet another frustrated OGERO official, further illustrates this point,

*Imagine that Byblos Bank submitted a request for leased lines from MPT to connect its various branches (56). Given the current monopolistic provision, MPT is the only entity that can provide it with leased lines. MPT however could not make Byblos Bank an offer and we lost several million dollars in revenue. Why? Because MPT does not have the administrative capability to exploit those leased lines that it has at its disposal. We have a stagnant pool of 6000 leased lines. We have not exploited a single one. This shows you that it is not enough to have the infrastructure when you don't have the administrative capability to operate it and exploit it [Obeid, August 12, 2000].*

Dr. Shehadi, a regional telecommunications expert and advisor to the minister of economy, refers to MPT's reluctance to admit its limitations as 'myopia'. He explains,

*This is myopia. The MPT either does not recognize its limitations or it does not want to admit them. They don't have the human resources to do the work internally or the financial resources to contract the work to someone else. Now, MPT is clearly on the defensive. They realize that the technology in this field is changing in such a way that they can themselves not keep up with it. The other side of the problem is that technology is advancing and making it easier for others to compete with MPT and provide an alternative service. This is why the idea of liberalization is so important, but it also happens to be the idea that MPT can not accept. The real reason is that they are incompetent. Because the public sector is not in a position to compete, it wants to prevent others from competing [Shehadi, August 14, 2000].*

The MPT Director General of Construction and Equipment, however, does not appear to share the view that liberalization is necessarily suited to the realities of the Lebanese telecom context, particularly that the government has not yet made a good return on the investment it has made in the rehabilitation process,

*Liberalization is not necessarily a good idea for Lebanon. The main reason is that until now, we have not made a good return on the investment we have made in the rehabilitation process. Every country has to tailor its reforms to its own realities. The fact that other countries are opening up their markets does not imply that we have to do the same [Indraous, August 21, 2000].*



MPT's reluctance to embrace liberalization and its unilateral control of fixed line tariffs have also resulted in distortions in the tariff structure, which seems unbalanced, showing high installation / interconnection charges and international line guarantee fees and an implicit subsidy of local and long distance calls by international calls (Table 24). Such tariff distortions have resulted in an excessive dependence on long-distance revenues, hence limiting the possibilities of introducing competition. However, it is becoming increasingly clear that MPT's policy of pursuing revenue maximization in the short term, taking advantage of its monopoly on international telecommunications calls, will not be sustainable in the longer term. Major operators, governments and regulators worldwide are forcing international accounting and settlement rates down, which may eventually deprive MPT and the government of Lebanon of a large proportion of its revenues (CDR, 1998). Dr. Shehadi made an interesting comment in this regard to a local business magazine, "this is a service based economy. Do you realize the impact of reducing the cost of international calls? It would make a huge difference for businesses and individuals" (Shehadi, quoted in *Executive*, 2000a, p. 28).

Table 24. Fixed Line Tariff Structure in Lebanon (Deloitte and Touche, 1998)

	<i>Actual (US \$)</i>	<i>World Bank Proposed Change (US \$)</i>
Installation Fee	418	285
International Line Guarantee	333 (residential) 533 (business)	-
Monthly subscription	5	13.33
Charges per minute (local):		
First Minute	0.02	0.0266
Additional Minutes	0.013	0.0233
Charges per minute (domestic LD):		
First Minute	0.033	0.0266
Additional Minutes	0.033	0.0233

MPT has also recently banned a new IP protocol that provides voice over the Internet, claiming that the new service is a breach of MPT monopoly and a threat to MPT revenue. The new service provides Internet subscribers the chance to make overseas calls at an estimated cost of 10 cents per minute. The same phone call costs US\$ 1.4 a minute through the MPT operator. Although the new service creates a totally different market from the one of the traditional voice operators, and is likely to generate more revenues to the government through a more frequent usage of ISPs leased lines, MPT has refused to reconsider its decision. Its rigid position has been widely denounced for its stifling of competition and its constraining of the evolution of this potentially promising service. Dr. Kaysi, a professor of telecommunications engineering at the American University of Beirut comments in this regard,

*The main reason is that MPT thinks that this service is denying it significant revenues. But the decision is absurd; no one can stop technology. MPT could have instead legalized this service and imposed additional taxes for each line being used to provide Voice over the Internet [Kaysi, July 18, 2000].*

The MPT Director of Construction and Equipment insists however that MPT never intended to ban the new IP protocol but that there was an attempt to prevent the illegal use of lines provided by MPT for that purpose,

*We have not banned voice over the internet. In my opinion, this is the kind of service that should not / can not be banned. We have only banned voice over IP in cases of misuse of MPT provided lines [Indraous, August 21, 2000].*

While the explanation of the MPT Director General may be true, the mere fact that MPT had to resort to banning the new IP service at times, however, still implies less than effective regulation and/or anticipation of the potential misuse of MPT lines. Hence, evidence from the fixed line segment suggests ineffective regulation, sub-optimal use of existing capacity, acute shortages in qualified public personnel, tariff distortions and unjustified monopolistic restrictions. Personnel management / development has also been relegated to secondary importance in view of the looming financial crisis and the sectarian complications of the Lebanese environment. The government has thus resorted in this segment to a traditional capacity expansion approach (i.e. structural changes) to the detriment of longer-term strategic changes and investments. As the review in this section aptly suggests, however, structural changes alone are unlikely to produce tangible results unless associated with more substantive changes and reforms (e.g. liberalization and proper attention to and engagement with human resource management).

### *The Cellular Segment*

The cellular segment in Lebanon comprises two private companies, offering global systems mobile (GSM) services. *France Telecom Mobile Liban (FTML)*, commercially known as *Cellis*, is a private company created in August 1994, whose shares are 67% owned by France Telecom and 33% by Lebanese shareholders (primarily the local Mikati group, whose chairman is the current Minister of Transport and Public Works). *Libancell* is a private company owned by Telecom Finland International (14% of the shares) and local shareholders (86%). The two cellular operators were granted 10-year GSM concessions under a Build, Operate and Transfer (BOT) contract, with a possible extension of an additional two years and were subject to an escalating revenue sharing scheme.

The incentive for taking the two private GSM networks route in Lebanon stemmed from the terrible state of its post-war fixed line network. By 1993, and as a result of almost two decades of civil war, the Lebanese fixed line phone network only had 200,000 operational phone lines, out of a total capacity of 525,000. The government sensitive to

the importance of a reliable telecommunications network in Lebanon's post-war reconstruction efforts, decided to award two GSM concessions to private companies by means of a Build, Operate and Transfer (BOT) arrangement, to satisfy the demand for phone services, while the fixed line network was being overhauled. The cost of developing and rehabilitating the fixed line network was projected to be a staggering US\$ 800 million and was scheduled for completion by the end of 1998. Therefore, the construction of two GSM networks with private capital seemed like a magical solution to the government (*Middle East Communications*, 2000, pp. 44-45).

The cellular market currently consists of over 700,000 subscribers (June 2000), an increase from 267,350 in July 1997. The networks of the two operators cover more than 80% of Lebanon and the GSM penetration rate is around 23%, almost equally shared between the two operators. The introduction of pre-paid cards, which have enjoyed significant success in Europe, is likely to result in a rapid increase in cellular penetration rates. Indeed, *Libancell* has reported having more than 120,000 pre-paid card subscriptions by July 1998. The two operators have also increased their international coverage. Roaming arrangements have reached 67 countries and more than 75 operators for *Cellis* and 80 live networks in 55 countries for *Libancell* (*Middle East Communications*, 1999).

Tariffs for cellular services are set by the Lebanese government, which fixed a tariff ceiling of US \$0.05 per minute for all domestic calls, on top of which is added a 10% municipal tax. The end user price for a minute is therefore \$0.0779, which is one of the lowest in the world. This low price made the service very affordable and resulted in a high average use of 750 minutes per subscriber per month. The government also set an annual 5% cap on increases in tariffs and fees, as well as on connection and rental charges. The operators are free, however, to set the rates for all other value-added services, which are subject to competitive pressures. Table 25 shows the current mobile tariff structure and Table 26 highlights some key current market data of the cellular segment.

Table 25. Mobile Tariff Structure in Lebanon  
(FTML, 1998; Libancell, 1997)

	<i>Libancell Tariffs</i>	<i>FTML Tariffs</i>
Connection Charges	\$500	\$500
Monthly Rental	\$25	\$25
Clip	\$6	\$6
Tariffs (\$ /min) To PSTN also Mobile to Mobile International Calls	\$0.0779 + 10LL \$0.0779 + PSTN	\$0.0779 + 10LL \$0.0779 + PSTN
Itemized Billing (per month)	\$2	\$3
Voice mail (per month)	\$2 to \$8	\$6 to \$12
Fax (per month)	\$10	\$10
Data transmission (per month)	\$10	\$20

Table 26. Lebanese Cellular Segment: Key Current Market Data  
(FTML, 1998; Libancell, 1997)

Number of Subscribers	700,000
Consumption (airtime minutes per month)	750
Installation fee (US \$)	500
Monthly subscription	25
Price per minute (US \$)	0.078
Average revenue from value added services (US\$ / month / subscriber)	10
Estimated average revenue per user (US \$)	90
Estimated gross yearly revenues (M US \$)	486

Despite the outstanding success of the Lebanese cellular segment, the future of the GSM networks is far from decided. The BOT agreements stipulated an eight-year exclusivity period and a 10-year operating license. The agreement includes a 20 per cent gross revenue share in the first eight years, rising to 40 percent in the final two years and 50 per cent should the two companies opt for a further two-year license. However, the massive take-up in GSM subscription levels has prompted a recent dispute between the government and the private cellular operators causing the government to limit each operator's subscriber totals to 250,000. With Lebanon's tremendous cellular growth, the two operators had already reached that mark by late 1998, resulting in the current stagnation in GSM market growth.

Lebanon's cellular operators, *Libancell* and *Cellis*, have expressed their dismay at the current situation. The two operators' 20 per cent revenue-sharing agreement with the government reportedly earned the Lebanese Treasury \$757.4 million in five years. *Cellis* for example claims to have paid some \$354 million to the government in taxes over the five-year period, representing 42.3% of its total revenue, while *Libancell* reports paying \$403.4 million in taxes to MPT from 1995 to 1999 out of a total revenue base of \$802 million. The operators hence maintain that the decision to cap subscriptions is counterproductive because it deprives the government of additional revenues.

While the initial dispute between the cellular companies and the government centered on the 250,000 line clause in their contracts, the conflict has further escalated and acquired new dimensions in recent years. Tensions increased in March-April 1999, as MPT unilaterally raised taxes on mobile calls by 4 cents per minute, in spite of operators' objections and without parliamentary approval. *Libancell* filed a lawsuit with the Council of State to overturn the decision. Matters came to a head in June 1999, when the State Audit Department produced a report accusing the two cellular companies of systematically violating the terms of their

contracts. Based on this report, MPT sent eleven warning letters to each cellular operator accusing them of numerous violations<sup>18</sup>.

In a move seen as further governmental pressure, the Council of Ministers has unilaterally imposed \$600 million in fines on the two companies in compensation for what it claims are violations of the terms of their contracts. Parliament approved the Cabinet decision, and the two companies were given until May 24, 2000 to make a commitment to pay the money. The Council of Ministers further agreed that the contracts be re-negotiated, and the government's share of revenue increased from 20 percent to 30 percent for years five to eight of the contract, adding that the government should receive 50 percent of revenue from all lines sold in excess of the 250,000 ceiling. The government has even threatened to cancel the contracts and seize the two companies' assets if an agreement is not reached through talks.

Both companies have reacted defiantly to the MPT and the government's accusations and fines. *Cellis* and *Libancell* maintain that arbitration should be conducted under Lebanese Law with an arbitrator appointed by the International Chamber of Commerce in Paris as stipulated in their contracts. "Any issue should be resolved within the parameters of the legal framework of the contract. One party cannot take unilateral decisions, even if it is an official" (Cellis statement, quoted in *Lebanon Opportunities*, May 2000, p. 55). "We maintain that we have not violated our contract, and that arbitration is the best path to resolve the different interpretations of the contract" (Rifaii, Chairman of Libancell quoted in *Executive*, 2000a, p. 7).

Mutual accusations, threats and ultimatums continued to be exchanged throughout the Spring, 2000, with intermittent efforts at mediation. Specifically, Booz, Allen and Hamilton were contracted to act as mediators between the government and the cellular operators and find a resolution to the raging dispute. Accordingly, throughout March-April 2000, negotiations have centered on converting the BOT contracts to licenses. Offers were made by *Libancell* and *Cellis* to pay \$1.35 billion each for new licenses, with \$900 million paid upfront and the rest coming in over the 25-year life of the license. Although the key terms of the license were agreed upon by April 15, 2000, the Minister of Posts and Telecommunications decided to abort the process unilaterally and broke off negotiations with the two cellular companies on April 17, 2000.

While the license offers were not accepted, nor officially rejected by the government, the matter was passed once again to the auditing department for re-assessment. Prime Minister Hoss confirmed that he needed the opinion of the auditing department to support the government's decision to take the case to court. The awaited report was finally disclosed in July 2000,

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<sup>18</sup> The alleged violations primarily relate to surpassing the 125,000 subscriber limit specified in the contract, unpaid fees and taxes especially for microwave links, and insufficient geographic and network coverage (*Lebanon Opportunities*, May 2000, pp. 53-55).

imposing over \$1 billion in penalties and fines on the two cellular companies for alleged violations of their contracts. Of the total amount, Cellis is expected to pay \$687 million and Libancell the remaining \$371.2 million. The most frequently discussed alleged violation is surpassing the 125,000 subscriber limit in addition to non-payment of fees for the use of microwave frequencies. The government has already filed its case in local court.

The evolution of events between the government and the cellular operators has been closely observed by analysts and officials. Because each informant tends to view the conflict from a different angle, it becomes important to contrast different outlooks and perspectives to obtain a reasonable and rounded view/explanation. Although some subjectivity in interpretation is to be expected, the cross-checking of observations will hopefully allow some plausible inferences and conclusions to be drawn. An anonymous source, for example, comments on recent developments between the government and the GSM operators in this way,

*The dispute has been sorely mishandled by Issam Neiman, the Minister of Posts and Telecommunications. It could have been resolved quickly, privately and profitably for the government had they been more politically astute [anonymous].*

The chairman and director of Global Com, a data transmission company, similarly attributes the conflict to government's mismanagement and its obsession with profit,

*Instead of encouraging and facilitating the operation of private telecom providers in Lebanon, the government seems to be focused on maximizing its revenues and complicating the process [Torbey, July 3, 2000].*

A CDR telecommunications official in turn explains the conflict from the perspective of the government, noting some shortcomings in the original BOT contracts,

*The two cellular companies are of course trying to maximize their profits. A major issue of contention is that many of the services now provided by the GSM operators were not foreseen in the original contracts [Hindawi, July 12, 2000].*

A similar explanation is provided by another CDR telecommunications official, who attributes the conflict to the profit maximization strategy of the GSM operators,

*The two cellular operators are conspiring to turn the cellular market segment into a quasi-monopoly. The cellular has become a basic necessity in Lebanon in view of the absence of public pay phones. Therefore the government needs to regulate competition and ensure that cellular operators do not make undue profits [Faidallah, July 4, 2000].*

Dr. Shehadi, a regional telecommunications expert, is more keen on highlighting the implications of the continuation of this dispute, while also laying the blame on the government,

*The continuation of the dispute is very bad for Lebanon because of what it says about the government's policy direction. No investor will invest in a country where governments decide to shut down a business simply because it is more profitable than its original business plan had predicted [Shehadi, August 14, 2000].*

The Director General of Operations and Maintenance at the MPT sheds light on the origins and evolution of the conflict in this way,

*MPT found itself responsible for supervising the BOT contracts that were granted to Cellis and Libancell overnight. MPT, however, was not ready for this responsibility. It did not have the technical/organizational capacity to exercise adequate control and supervision over the newly established GSM concessions. The conflict arose when MPT realized that the operators have gone beyond the scope of the contract, which specified a maximum subscriber base of 250,000. The GSM operators also introduced a range of new services that were not foreseen in the contracts. This is what prompted the dispute. The problem is that negotiations have gradually become entangled in politics. In April, the negotiations took on a strategic turn, when the operators suggested to migrate from the current BOT agreement to a license. This proposal by the GSM operators has further complicated the situation. Upon carefully studying the terms of reference of this license, the government decided that it is not ready to take this step and has since terminated negotiations with the cellular operators [Oueidat, July 21, 2000].*

Hence, the Director General of Operations and Maintenance at the MPT admits to the limited regulatory capacity of the ministry and attributes the conflict at least in part to MPT's inability to exercise adequate control over the newly established GSM concessions. The MPT Director General of Construction and Equipment had a slightly different explanation,

*The original BOT contract was confusing and unclear. The dispute currently revolves around the actual legal content of this contract. The difficult economic situation has prompted the government to impose on the cellular operators a tax increase. The operators did not welcome the move, although the government reserves the right in this contract to impose taxes as it deems appropriate. This is what prompted the original dispute, which acquired new dimensions over time. The Minister then claimed that the GSM operators have breached the contract, which explicitly limits their total subscriber base to 250,000. No one expected this boom in the mobile segment. The economic situation has recently prompted the government to take drastic measures to increase its revenues. So there are economic considerations at play that should also be taken into consideration [Indraous, August 21, 2000].*

This quote from a high-ranking MPT official underlines two important aspects of the on-going conflict. First, the quote represents nothing less than a confession that the dispute with the cellular companies was partly prompted by the poor state of government finances (i.e. the importance of the economic factor). Experts indeed concur that successive governments have sought to squeeze more money out of the cellular operators, by raising cellular taxes and imposing restrictions as desperate measures to ease their own financial problems [Rifaii, July 24, 2000; Bu Khaled, July 28, 2000]. "Despite the high level of government revenue, politicians have – almost since the formation of the companies- complained that their profits levels are too high and that they should pay more in taxes" (*Lebanon Opportunities*, 2000, p. 53).

The quote also points to the unclear / confusing nature of the original BOT contract. A regional telecommunications expert comments in this regard,

*Any BOT contract is flawed from the beginning in the telecom sector. A BOT contract is the right contractual instrument between the government and the private sector when you are talking about a field where technology evolves predictably, but not in a field as dynamic as telecom. Why? Because a BOT contract, by its very nature is static and can not adapt to an evolving situation. Moreover, I think that a BOT contract with a revenue sharing scheme creates a situation where the government has a conflict of interest. The government develops a financial stake in these companies. Yet at the same time, the government is supposed to worry about citizens and consumers and the kinds of services they are getting. With this conflict of interest, you have all the makings of a dispute, from the very beginning [Shehadi, August 14, 2000].*

Even the international law firm Booz Allen and Hamilton, which was called upon to mediate and interpret the contract concluded that there could be two legal interpretations of the same clause. Excerpts from their report indeed confirm that “in certain respects, the terms of the contracts are not transparent and the impact of supervening law, documentation and discussions not clear” (*Executive*, 2000b, p. 23). The rational exit to the crisis according to analysts is to migrate from the current BOT contract to a license. “*Why? Because the license is dynamic and it does not constrain the operators the same way a BOT contract does*” [Shehadi, August 14, 2000]. The reasons for not accepting the license offers were briefly articulated by the Minister, Issam Neiman, in his press conference of April 17, 2000, namely that the initial installments were low, the over-extended length of the license, and the fact that the right of refusal for UMTS, the third generation of mobile phone systems, was included (*Executive*, 2000a, p. 7).

The MPT Director General of Operations and Maintenance outlines in his words the reasons for not accepting the license offers,

*The license requested is not a standard GSM license. It is in reality a full operator license for each of the two companies. The operators want to upgrade all their services and increase their subscriber base by one million. The services that they can provide if such license is indeed granted will render the fixed line network obsolete. The terms of reference of the license also make it practically impossible to introduce a third GSM operator [Oueidat, July 21, 2000].*

There is thus some expressed fear of competition in case the license offers were accepted. In other words, the government expects the GSM operators to be able to take over the entire phone market if its imposed restrictions were somewhat alleviated or entirely eliminated. The MPT Director General of Construction and Equipment also observes,

*The terms of reference are not acceptable: the GSM operators are asking for an international gateway and for a significant expansion in services. They have also requested the first right of refusal for the UMTS and the cancellation of all tax and revenue sharing schemes. Also, they have requested a license that extends over 25 years*



*and are therefore expecting this government to make a commitment for 25 years [Indraous, August 21, 2000].*

While MPT officials refer to the terms of reference of the license to justify their non-acceptance of the offers, others point to the vested interests at play and to political wrangling behind the scenes. The terms of the license could have indeed been re-negotiated and made acceptable to the government. The Minister, instead, after having agreed to the key terms of the license on April 15<sup>th</sup>, decided to abort the process unilaterally and to break off negotiations on April 17<sup>th</sup>. An anonymous source tried to rationalize this rather unexpected change in mood on the part of the government in this way,

*What happened during those two days? There is only one explanation, which is that the Minister came under political pressure from people who have vested interests and have different plans for GSM operations in the country, people such as Michel El Murr and Nabih Berri. The license gives exclusivity to the current operators, and some people may have realized that the terms of this license undermine all their chances of infiltrating into this important segment [anonymous].*

A regional telecommunications expert, who has been involved in recent mediation/negotiation efforts in his capacity as advisor to the minister of economy further explains,

*We gave the Minister several options to resolve the raging dispute with the GSM operators, including the idea of a license. Although he was initially supportive and receptive, there were pressures from all sides, and it became much bigger than the Minister. At that point, other people stepped in, and they were pushing and pulling in different directions. All of it ended up in this big fiasco, where the cellular operators made their offer, and the government not only refused but could not even get itself to respond by giving a counteroffer. It is not understandable when there is so much at stake financially that the government does not attempt to present a counteroffer. This is again an indication of how incompetent the administration is. The administration simply does not have the capability to produce a counteroffer of this sort [Shehadi, August 14, 2000].*

An international telecommunications expert and close observer of recent developments between the government and GSM operators also comments,

*How can the Lebanese government with its current levels of debt refuse \$2.7 billion in return for extending those licenses. Such decision makes sense only if one takes into account the hidden agenda of some prominent Lebanese leaders, who have their own peculiar ideas about how to run telecom [Bahsoun, July 13, 2000].*

Similarly, the director of PC support and networking at AUB observes,

*The whole story boils down to the fact that there are some politically powerful people who were hoping to get their fingers in the pie and felt excluded by the terms of the license [Bu Khaled, July 28, 2000].*

Although it is difficult to obtain concrete evidence in support of these explanations, which remain speculative in nature, their validity can nevertheless be re-asserted by invoking the

peculiarities of Lebanese political traditions and decision-making patterns. As mentioned before, the politics of accommodation have permeated decision-making circles in Lebanon, necessitating balancing and compromise. Political wrangling and bargaining can therefore not be discounted as having exerted an influence on the course of events and on the sudden decision of the minister -who is intricately involved in this complex web of interactions and relationships- to unilaterally abort negotiations on April 17<sup>th</sup>. Suffice it to remember in this respect the inadvertent words of the MPT Director General of Operations and Maintenance quoted above “*the problem is that negotiations have gradually become entangled in politics*”.

Indeed, although the government advanced a number of arguments to justify its non-acceptance of the license offers, its rationalization remains less than convincing, particularly in view of the current state of public finances and the expressed willingness of the cellular operators to re-negotiate the terms of the licenses. But even had the license offers been accepted, analysts concur that it is unlikely that this step alone would have guaranteed improved telecom operating conditions in the country. A regional telecommunications expert observes in this regard,

*So if you proceed with a license and you remain in the current institutional set up, where you have a ministry with very few qualified people and not capable of regulating the sector, and with the conflict of interest still in existence, it means that you have not done much. You are likely to face the same kinds of problems again. You will have problems with the administration every day of the week because the rules of the game are antiquated [Shehadi, August 14, 2000].*

Hence, besides the traditional political wrangling and peddling, the thrust of the problem with regards to the Lebanese telecommunications sector remains the mentality of monopolization and the myopic approach to telecom as a profitable means to finance the treasury. Dr. Shehadi shrewdly explains,

*Today the prevailing view of the government with regards to the telecom sector, and it is not a healthy one, is that telecom is the cash cow to the treasury. This means that they look at telecom as the oil or petroleum of Lebanon. When you have this view, you tend to want to maintain your hold over this fortune and maximize your profits. It is precisely this mentality which has proven to be the biggest stumbling block in resolving the dispute with the cellular companies [Shehadi, August 14, 2000].*

A similar view has been expressed in the cover story of a local business magazine,

Instead of looking at telecom purely as a source of cash flow for the treasury, the administration should view it as an important sector to spur economic growth, create employment and encourage investment. As the rest of the world moves into the New Economy, Lebanon risks being stuck in the Old World (*Executive*, 2000b, p. 23).

In the meantime, the stalemate will continue to jeopardize Lebanon’s impressive cellular market growth, undermine international investor confidence in the country, and in the long run damage

traditional distribution networks by creating a parallel market. Indeed, the dispute has resulted in effectively halting the two operators' sales efforts, the development of a waiting list for cellular phones, and a black market for pre-paid cards. Both *Libancell* and *Cellis* have put a halt to new investments, putting money only into maintaining the network. In this respect, the chairman and general manager of *Libancell* has expressed his frustration to a local business magazine, "it is a sad feeling of lost opportunities when we see how all the Arab World is developing, how they are really forging forward. Because we were pioneers in the cellular field, to just stagnate right now is something that is extremely frustrating" [Rifaii, quoted in *Executive*, 2000b, p. 27].

Some believe that a change in government (expected in October 2000) will go a long way in improving the state's relationship with the two cellular companies. Others are not so sure that a new government will necessarily bring about an improved climate. But even if a new administration comes to power with a different attitude and manages to mend relations and finalize a deal with the cellular companies, the main issue remains one of embracing telecom reform and liberalization and dismantling unjustifiable monopolistic restrictions and regulations. An OGERO telecommunications official observes in this regard,

*Today, we continue to have a monopolistic situation because it is believed to be a money-making arrangement. Because there is no vision, they do not realize that by breaking up this monopoly, they can make even more profits. This lack of vision in the telecommunications and other sectors is in turn negatively affecting the national economy [Obeid, August 12, 2000].*

Dr. Shehadi similarly observes,

*Successive governments have failed to adopt a consistent telecom policy and law in keeping with the information age. This can be primarily attributed to the myopic approach to telecom as the cash cow for public finances. Current trends in telecom reform reflect badly on Lebanon because they confirm the intention to keep telecom as a government monopoly worthy only of banana republics [Shehadi, August 14, 2000].*

Hence, evidence from the mobile segment also suggests patchy, half-hearted and incremental patterns of change. The GSM concessions have been awarded on the basis of a BOT contract, with a revenue-sharing scheme. The government's limited regulatory capacity coupled with the serious financial crisis it is facing have engendered a dispute over revenue-sharing with the GSM operators. The dispute has been allowed to escalate and the prospects of a satisfactory solution compromised for no obvious justification other than hidden political motives. The continuing stalemate risks to further undermine Lebanon's impressive mobile growth. The government has contributed to this stalemate, whether through its inability to detach telecom reform from politics or through its orientation to telecom as the most profitable means to finance the treasury.

### *Internet and Data Segment*

Internet services in Lebanon are characterized by a relatively high degree of entry and liberalization as witnessed by the existence of a total of 19 Internet Service Providers (ISPs), offering e-mail, web browsing, and newsgroup services. At the end of 1998, the overall Internet market size was estimated at 40,000 subscribers, generating around US\$ 14 million in revenues (Achkar, 1999). The data segment and VAS are partially liberalized, with 5 providers competing and offering wireless data services. Fixed line data services, however, are exclusively offered by *Sodetel*, a company owned at 50% by the Lebanese Government, 40% by France Telecom and 10% by Telecom Italia.

Hence, although the Lebanese government has opened the Internet and Data segment to competition, private operators are only licensed to provide data-communications services via wireless access, while the provision of data over physical connections is still reserved to MPT and its data-communication subsidiary, *Sodetel*. Companies wishing to provide data services must submit an application to MPT for approval. "Rules for other companies wishing to introduce data services are simple: they must submit an application to MPT, which may *-at its discretion-* pass on the application to the Council of Ministers. All licenses are granted by a decree of the Council of Ministers" (*Middle East Communications*, 2000, p.44). [Italics Mine]

According to one operator, MPT charges private data operators \$65,062 a year, and collects a 20 per cent share of revenues. Hence, as with the cellular segment, the Lebanese government has been keen on introducing a revenue sharing scheme for data transmission licenses. Dr. Shehadi, a regional telecommunications expert, comments in this regard,

*The prevailing perception of telecom as the cash cow to the treasury in turn translates into something very pernicious, which is the revenue sharing formula. Every time a new company applies for a data transmission license, they introduce in the terms of the contract a revenue sharing scheme. The revenue sharing arrangement, whether with mobile companies or data transmission, means that the government becomes a shareholder and develops a financial stake in these companies. Hence, instead of being preoccupied with ensuring the proper delivery of services, the government is concerned with how much money it is making. Unfortunately, the whole logic has been distorted. The role of the government is to make sure that citizens are getting the services they need at reasonable costs [Shehadi, August 14, 2000].*

Moreover, the terms of a typical data transmission license reveal the extent to which the legal / regulatory framework is antiquated. A 1996-2001 data transmission license is indeed granted on the basis of regulations dating back to 1959. In way of illustration, a typical license agreement stipulates the following:

The Ministry of Post and Telecommunications, Decree No. 9288, granting a license to DataSat to establish a Radio Data Transmission Network on Lebanese territory:

The President of the Lebanese Republic, based on the Constitution and on Legislative Decree No. 126 of 12/6/1959 and based on the recommendation of the Minister of Post and Telecommunications, and after the approval of the Council of Ministers on 7/8/1996, licenses the company, DataSat, to establish and exploit a Radio Data Transmission Network on Lebanese territory for a period of five years. Thereafter, the license will be renewable on a yearly basis by a decision of the Minister of Post & Telecommunications (Lebanon, 1996, p. 3825).

The Lebanese data transmission segment is thus also facing MPT imposed restrictions, due to limited liberalization in the fixed provision of data, an outdated regulatory framework, and the insistence on revenue-sharing schemes. Indeed, the provision of data over physical connections is still monopolized by MPT and its data-communication subsidiary, *Sodetel*. Interconnection procedures are also not in place, with licenses mainly awarded at MPT's discretion. The failure to clarify licensing procedures and to fully liberalize fixed data transmission are undermining the real potentialities of this important segment. This is yet another example of major cost savings being denied to users because of unjustified monopolistic restrictions.

Table 27 provides a list of some of the companies that are licensed to provide data and Internet services in Lebanon. Table 28 highlights the overall telecom structure as of 1998.

Table 27. Some Licensed Public Data and Internet Service Operators  
(Achkar, 1999)

<i>Company</i>	<i>Services Licensed</i>	<i>License Date</i>
Besco Telecom	Data Services	N/A
Cable 1	Data Services	N/A
Cyberia	Internet Service Provision	N/A
Data Management	Internet Service Provision	November, 1995
DataSat	Data Services International Gateway for Data	October, 1996
DataNet	Data Services Internet Service Provision	1996
Inconet	Internet Service Provision	N/A
Magnerama	Internet Service Provision	N/A
Sodetel	Data Services; Internet Service Provision; Payphones	1998
Wireless Technologies	Data Services	1998

Table 28. Overall Telecom Sector Structure as of 1998 (CDR, 1998)

<i>Segment</i>	<i>Operators</i>	<i>Market Share (%)</i>	<i>Estimated Revenues (M US\$)</i>	<i>Subscribers</i>	<i>Service Offers</i>
Voice (Local, Domestic LD, International)	MPT/OGERO	100	420	620,000	
Telefax and Telex	OGERO	100	4	N/A	
GSM Cellular	LibanCell	51.7	250	250,000	Short message services, cell broadcast
GSM Cellular	FTML	48.3	250	250,000	Voice mail, data-transmission, SMS, roaming, CLIC, prepaid cards
Data Services (wireless)	Datasat, Datanet, Besco Telecom, Cable One, Cedarcom		N/A	N/A	Microwave transmission
Data Services (fixed)	Sodetel	100	2.4	450	
Internet Services	19 ISPs		14	40,000	E-mail, prepaid cards, web browsing, newsgroups

### *Sector Finances*

In 1998, Lebanon's telecommunications operators (fixed, cellular and data) had a turnover of US\$ 1 billion. MPT announced this figure in late December 1998. Less than 50 per cent of the total turnover came from the state-owned fixed line service controlled by MPT. The remaining over \$500 million turnover came from the private cellular and data-communications operators. These figures can be contrasted to those of 1996, where the revenues of MPT amounted to a mere US\$ 300 million, of which US\$ 107 million were generated from mobile operators. The US\$ 1 billion telecommunications industry is second only to customs in terms of the revenues it generates for the treasury.

A large proportion of the revenues is being used to service the debt that had been incurred in the rehabilitation process. The long-term debt is from lending institutions such as the Kuwait Fund and Credit National and was directed toward network upgrading and expansion. As of December 1998, the outstanding debt was about US\$ 48 million, 83% of which is concentrated in two creditors, Kuwait Fund and Credit National (CDR, 1998). The short-term debt mainly consists of government loans. The amount of investment financed by vendors is about US\$ 660 million, most of which needs to be repaid by the end of 1998/1999.

While the Lebanese government has implemented an impressive rehabilitation/expansion investment program over the past few years, the financing strategy (except for the two private

mobile operators) has actually contributed significantly to the fiscal and public, particularly domestic debt issues that Lebanon is now facing. By relying mostly on the national budget, including treasury advances and loans for sector investments, the government was, in the margin, funding the sector with short-term treasury bills (T-bills) at high interest rates, rather than longer-term export/supplier credits that could have been obtained at much lower rates (CDR, 1998).

There is also a clear trend towards an increase in receivables over time (Figure 16). Although the total billed amount from national and international calls has grown from US\$ 109 million in 1995 to US\$ 223 in 1997, unpaid bills represented about US\$ 57 million during the same period, in addition to US\$ 40 million of bills which have been written off over time. As a result, only 79% of the total billed amount has been cashed during this period (Table 29). The high cashed-billed ratio is attributed to an outdated billing collection system, which leaves to the customer the initiative to reach the local branch to pay the bill and an unclear/weakly enforced policy for disconnecting non-paying customers.

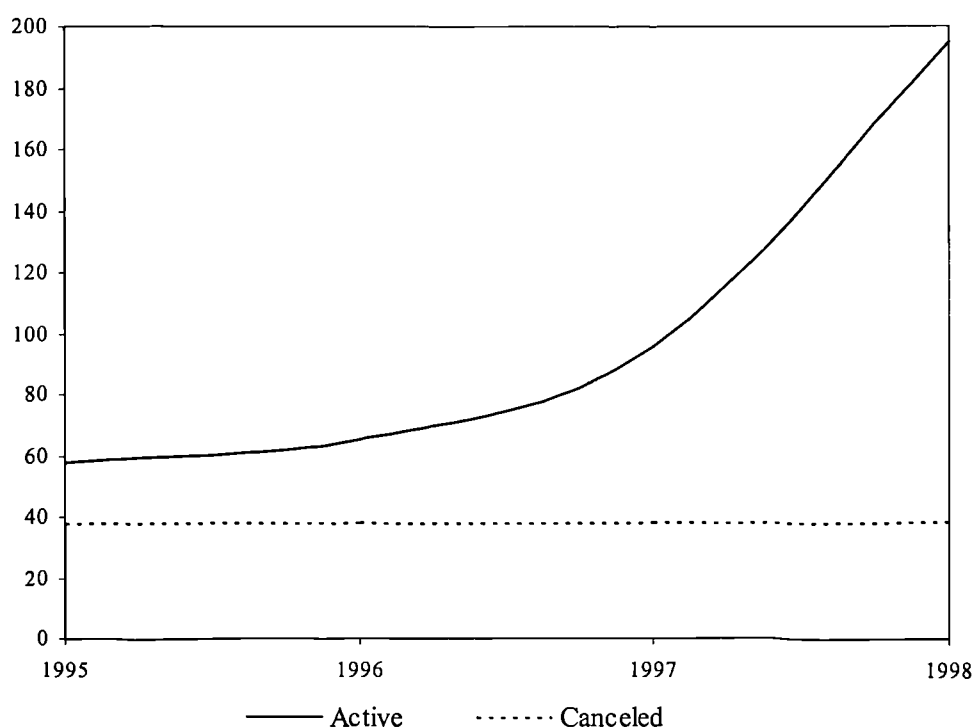


Figure 16. A Trend Towards an Increase in Receivables Over Time (1995-1998)  
(OGERO, 1998)

Table 29. Receivables (1995-1997) (OGERO, 1998)

	1995 (USD)	1996 (USD)	1997 (USD) (mid-year)
Billed International	59,559,055	59,234,304	66,289,204
Billed National	49,997,641	71,971,315	156,796,305
Total Billed	109,556,697	131,205,619	223,085,509
Unpaid International	6,916,442	3,890,385	4,506,294
Unpaid National	5,743,955	9,263,202	26,468,126
Total Unpaid	12,660,397	13,153,587	30,974,420

	Year 1995-1997 (mid-year)
Total Billed	463,847,825
Total Unpaid	56,788,404
Total Cancelled	39,867,275
Total Cashed	366,832,146
Cashed-Billed Ratio	79%

Hence, while the government's rehabilitation and expansion effort has indeed been impressive, the financial management of the telecom sector remains archaic. International auditing and accounting standards for the preparation of balance sheets, income statements, and cash flow statements have not been introduced. The Lebanese government has also failed to introduce billing and customer care systems (BACCS), which have been recently recognized as a key business component for any modern network operator. Receivables are estimated to increase to US\$ 200 million in 1998. In the absence of a remedial policy, the trend of growth in receivables will have a clear negative impact on the cash flow of MPT/OGERO, hence jeopardizing the future development of the sector.

### **Sector Performance: International Benchmarks**

Benchmarking the Lebanese telecommunications sector in an international perspective is essential to allow a comprehensive evaluation of its current status and performance. Strategic indicators that are commonly used for this purpose include i) the status of network development; ii) revenues; iii) quality of services; and iv) Internet and data services.

#### *Network Development*

Network development is usually measured in terms of the absolute number of fixed lines and cellular penetration, and benchmarked against regional and international standards.



- ❑ Fixed line penetration in Lebanon was about 15 lines per 100 inhabitants in 1998. This can be compared positively with most of the countries of the Middle East and North Africa region. In the Middle East, in particular, only Israel (with a penetration of 44%) and Turkey (with a penetration of 22.4%) show higher figures. Figure 17 compares Lebanon's fixed line penetration rate with selected Middle Eastern countries.
- ❑ Figure 17 suggests that it may not be unreasonable to compare the Lebanese penetration rate with European countries, where the average penetration rate exceeds 34 percent. This observation is supported by the rapid growth of the Lebanese mobile segment, which has reached high penetration levels even by European standards. Figure 18 shows that Lebanon has a ratio of cellular subscribers per capita higher than France, Germany and Spain.

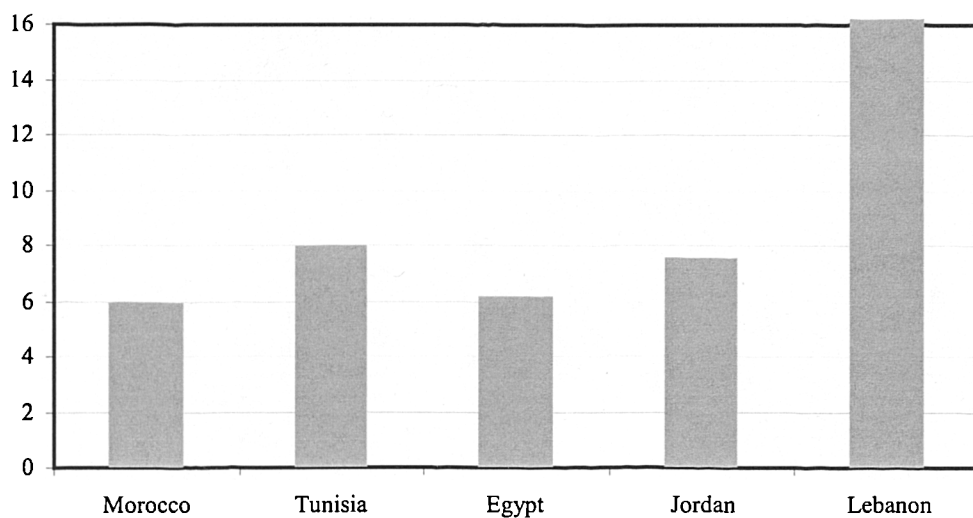


Figure 17. Fixed Lines per 100 Inhabitants (CDR, 1998)

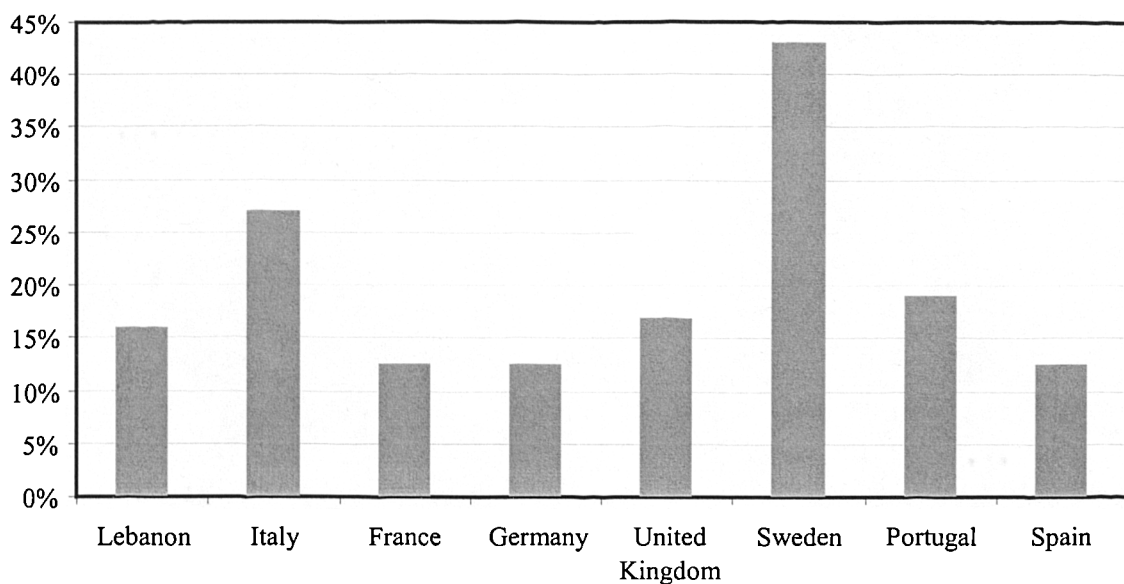


Figure 18. Cellular Penetration Rates (subscribers per 100 inhabitants) (CDR, 1998)

## Revenues

An analysis of the revenues of the Lebanese telecommunications sector against international standards reveals the following:

- Annual telecommunications revenues per inhabitant from fixed line services in Lebanon are less than US\$ 100, which is inferior to indicators of most European operators. For example, the equivalent figure for Portugal is about US\$ 450 per inhabitant, and most of the European operators position themselves between 400 and 500 US\$ per inhabitant. Higher revenues of European operators may be due to purchasing power differentials.
- Given this possibility, it may be worth comparing Lebanon with a sample of countries with comparable GDP per capita. Considering a sample of such countries, including Chile, Croatia, Estonia, Jamaica, Malaysia, Slovakia, South Africa and Uruguay, it can be shown that the average revenue per inhabitant from fixed line services is about US\$ 130, i.e. 30% to 40% higher than the Lebanese figure.
- A similar result can be obtained from observing telecommunications *revenues per line (RPM)*, which better reflect the profitability of the single installed line. In this case, considering again the Portuguese comparison, the revenue per line for Lebanon is US\$ 600, or about half that of Portugal (US\$ 1200 per line). Other European operators commonly achieve revenues in excess of US\$ 800 per line.
- An additional indicator is telecommunications *revenues per employee (RPE)*, a measure that partially reflects the technical productivity of labor. 1996 data indicate that RPE in Lebanon was about US\$ 110 compared to the US\$ 230 per employee obtained by the Italian operator. Most European operators position themselves between US\$ 160 and US\$ 200 per employee. The three indicators combine to suggest that there is room for significant telecommunications revenue growth and improvement in Lebanon as depicted in Figure 19.

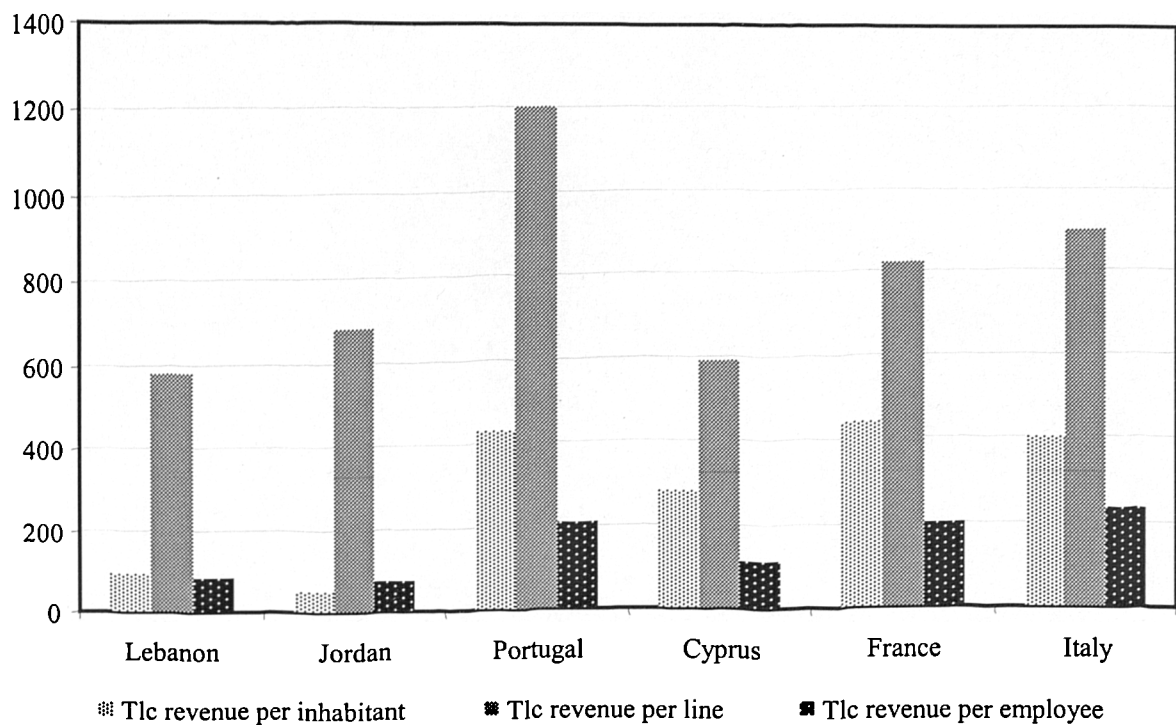


Figure 19. Telecommunications Revenue Growth (CDR, 1998)

### *Quality of Services*

Quality of services is usually measured by number of faults per line and call completion rates.

- ❑ Faults per line in Lebanon have shown improvements in the last few years, as annual faults per 100 lines have dropped from 90 to about 30. This figure is below that of some European operators, but still exceeds the European average of less than 20 faults per 100 lines per year. The more technically efficient operators are capable of fault rates below 10% (Figure 20).
- ❑ Even if the overall quality of service is still below European standards, some prerequisites for future enhancement already exist. For example, digitalization in Lebanon is close to 100%, higher than most European networks, which show digitalization levels between 80% and 90%. Figure 21 shows the high level of network digitalization in Lebanon.
- ❑ Rapid network growth in Lebanon, coupled with high digitalization has allowed a significant improvement in the call completion rate for basic voice telephony services (local and long distance), which has increased from 25% in 1994 to 50% in 1997. Again a good benchmark for Lebanon would be a call completion rate above 70% (based on European comparisons).
- ❑ Notwithstanding the high digitalization of the fixed line network in Lebanon, some basic services, such as international direct dialing (IDD), billing and customer care systems

(BACCS)<sup>19</sup> and voicemail are still under-developed, and not yet offered by MPT/OGERO, thus keeping aside a serious source of revenues for MPT.

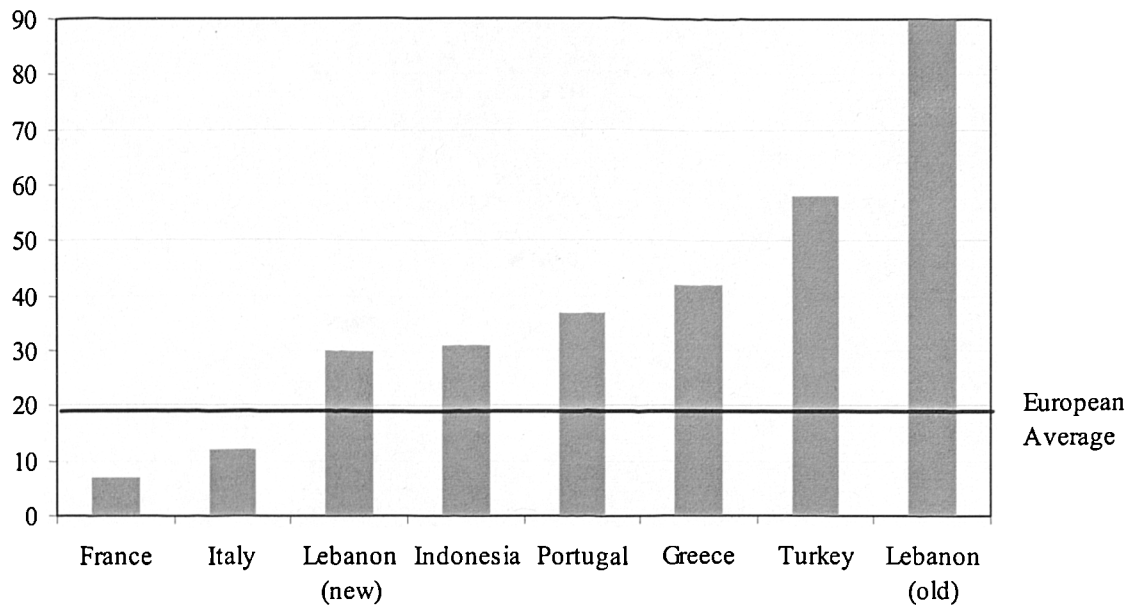


Figure 20. Faults per Line (faults per 100 lines per year) (CDR, 1998)

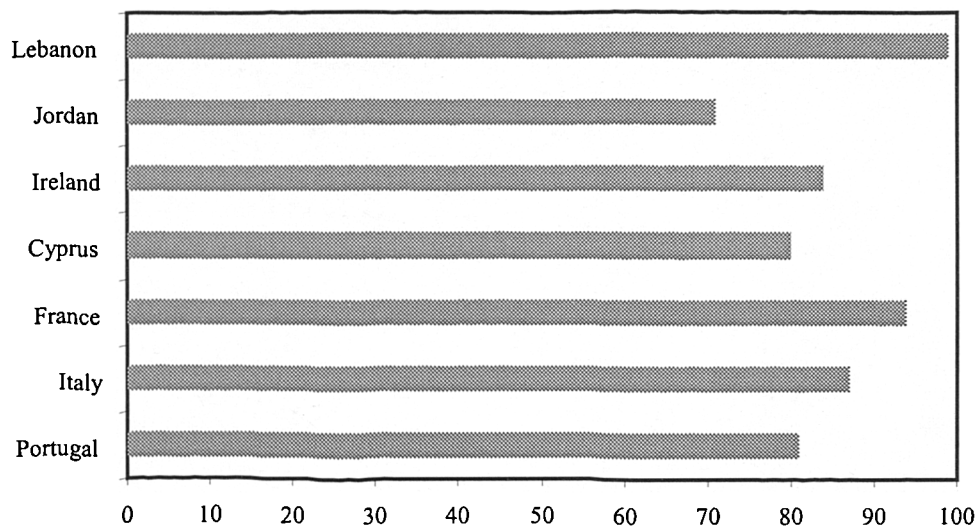


Figure 21. Percent Digitalization (CDR, 1998)

<sup>19</sup> The rapid development of competition in the telecom marketplace has focused attention in recent years on billing and customer care systems (BACCS) as key business components for any modern network operator. BACCS are based on the recognition of customer care as a proactive process and the inclusion of marketing and business development activities e.g. the use of monthly/quarterly invoices as a valuable source of customer and market information that can be actively used in business development strategies.

### Internet and Data Services

A final important benchmark, which is of particular interest given the orientation of the economy towards services, concerns the use of the Internet as a proxy for data services.

- 1996 statistics show that Lebanon lags behind most European standards, both in terms of the number of hosts per 10,000 inhabitants, and in terms of users per 10,000 inhabitants. But the same indicators show that Lebanon is more advanced than some Middle Eastern and North African countries (Figure 22; Table 30).

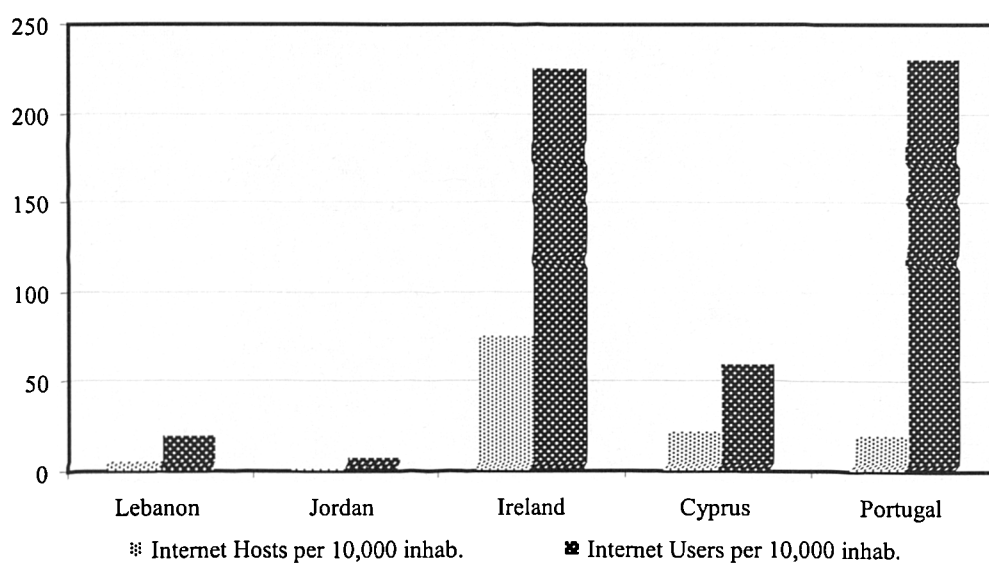


Figure 22. Internet Penetration Rates (CDR, 1998)

Table 30. Internet Hosts by Country (CDR, 1998)

Country	Jan. 96	Jan. 97	Growth (%)
Israel	29,503	38,494	30.5
Turkey	5,345	13,194	146.8
Kuwait	1,233	2,920	136.8
UAE	365	1,802	393.7
Egypt	591	1,615	173.3
Bahrain	142	841	492.3
<b>Lebanon</b>	<b>88</b>	<b>601</b>	<b>583.0</b>
Morocco	234	477	103.8
Iran	271	285	5.2
Jordan	19	140	636.8
Tunisia	82	39	-52.4
Algeria	16	28	75.0

Table 31. Benchmarking Key Performance Indicators (CDR, 1998)

<i>Indicator</i>	<i>Current Value</i>	<i>Benchmark (European Average, End of 1996)</i>	<i>Target by 2001</i>	<i>Roadmap to Improvement</i>
PSTN Revenues as a % of GDP	1.7	2.5	2.5	Further commercialization; regulatory reform; new services development; introduction of competition
Telecommunications revenue per line	600 US\$	800 US\$	European Average (800 US\$)	Further commercialization; new services development; target corporate customers; tariff rebalancing
Telecommunications revenue per employee	110 US\$	250 US\$	222 US\$	Incentive schemes; corporate reorganization; contracting out
Telecommunications revenue per inhabitant	100 US\$	450 US\$	400 US\$	Increased penetration; new services development; payphones introduction
Faults per line	30 %	18 %	15 %	Implementation of BACCS and quality management
Call completion rate	50 %	70 %	70 %	Implementation of BACCS and quality management
Internet Penetration (users per 10.000 inhabitants)	12	250	500	Leased lines; new tariff structure

### **The Role and Recent Experience of CDR**

It should be noted that these important benchmarks of the Lebanese telecommunications sector were derived from a CDR telecommunications sector review report, that was produced with the help of World Bank experts. Since 1993, CDR has been involved in the rehabilitation and development of basic infrastructure sectors in Lebanon. Besides conducting the necessary studies, CDR functions comprise securing financing for projects as well as managing loans and relationships with donors. Dr. Faidallah, a CDR telecommunications official, explains CDR 's post-war involvement in the telecommunications sector in this way,

*The main reason CDR became involved in the telecommunications sector is that, in the wake of the war, MPT did not have the capabilities (human and financial) to carry out rehabilitation and expansion projects. At the request of MPT, CDR conducts the needed studies and tries to secure financing for projects. It then prepares tender documents, allocates contracts and supervises implementation [Faidallah, July 4, 2000].*

CDR is a relatively newcomer to the Lebanese administrative scene. It was established in 1977 and intended to have an economic planning function. However, given the pressing need in post-war Lebanon for an agency to coordinate reconstruction/rehabilitation efforts, CDR gradually

became involved in the implementation/execution of various rehabilitation projects. A CDR transportation official explains the changing role of CDR in this way:

*What happened is that over time, CDR became involved in execution. The reason is that the organization of CDR allowed the council to cut red tape and get projects moving. You had for the first time in Lebanon a council that can cut across ministries and get things done [Helou, July 26, 2000].*

The real powers of CDR over administration thus derive from its influence over reconstruction and development funds, its control over foreign technical assistance, and its role in negotiating economic assistance with foreign donors and lenders. Precisely because of these functions, CDR has served since 1993 as the economic brain trust and staff arm of Prime Minister Hariri. Hariri indeed entrusted CDR with the coordination of his reconstruction plan – Horizon 2000. CDR has thus seen its functions expanded and its capacity enhanced during the tenure of the previous prime minister.

CDR, however, like OGERO, has been under attack from the new Hoss administration, which has sought to undermine its powers by merging CDR with other executive councils. A proposal has indeed been submitted to Parliament, suggesting the merger of CDR with other councils (CEDP and CEDPVB) for purposes of reducing waste and duplication. And although the new government's justification for the merger sounds plausible, observers and informants concur that political motives can not be discounted as having prompted this recent merger initiative. A CDR official comments in this regard,

*The merger recommendation is a purely political move against Hariri, who gave CDR extensive powers and used it during his tenure as a main executive arm for major infrastructure projects [Faidallah, July 4, 2000].*

Other CDR officials similarly concur,

*The attack on CDR is mainly a political move against Hariri who empowered this institution and used it to get on with his reconstruction. There is a trend to weaken or reverse everything that Hariri has done over the past six years [Hindawi, July 12, 2000].*

*The proposal to merge CDR with the other councils is not being done for the right reasons. It is again a political move and you can expect the cost to be high. The proposal is already reflecting on employees' motivation and productivity. We have put all our projects on hold, awaiting the decision of Parliament. But many qualified elements will leave if they actually decide to proceed with the merger and to attach the council to the regular administrative cadre [Helou, July 26, 2000].*

Dr. Shehadi, although mainly concerned with telecommunications, had an important observation to make in this respect,

*The Hoss government was born with a birth defect from the start, because it was operating on the assumption that everything the previous Hariri government had done is wrong. This was the point of departure, whether with respect to OGERO or CDR [Shehadi, August 14, 2000].*

The merger has indeed been approved by the Lebanese Parliament in August 2000 and the mergers promulgated into law (law 247) and published in the official gazette on August 14, 2000 (Lebanon, 2000b). According to this law, CDR has been effectively merged with the CEDP and the CEDPVB and the new institution – the unified institution for reconstruction and development consisting of CDR, CEDP, and CEDPVB- has been placed under the authority of a higher council, comprising besides the Prime Minister, the Minister of Interior, the Minister of Public Works and Transport, the Minister of Finance, and two other ministers who will be appointed in due course by a decree of the Council of Ministers.

While fiscal retrenchment / economic austerity criteria may have prompted/justified this recent merger, it can not be ignored that the merger has simultaneously served other latent purposes. Precisely, the merger has effectively undermined the ability of the Sunnite Prime Minister to exercise exclusive authority over this new institution and forced him to share power with a group of other ministers. The merger has thus served the function of restoring a traditional power-sharing formula to this important institution. This illustrates again the politics of accommodation and the politics of sectarian representation. A CDR official shrewdly observes in this respect,

*CDR has traditionally been attached to the Council of Ministers, which gave the Sunnite Prime Minister exclusive authority over this important institution. Sectarian leaders have been looking for an opportunity to infiltrate into CDR and get some share of power. This is a way of restoring a traditional power sharing formula to this important institution [Faidallah, July 4, 2000].*

The merger of CDR with the other councils was nevertheless denounced by many critics as representing a fundamental departure from the principles of administrative re-organization. There is also a general feeling – not altogether unfounded- that the mergers (of councils and ministries alike) were driven primarily by political considerations. Professor Kaysi of the American University of Beirut observes in this regard,

*In essence, the mergers boil down to an attempt at reversing everything that Hariri has done under the pretext of reducing waste and duplication [Kaysi, July 18, 2000].*

Employees at CDR are demoralized because they realize the political motives behind the merger and its potential implications for their work and livelihood. They also can not rationalize this merger decision in view of the impressive performance of CDR and its key role in post-war reconstruction efforts. One CDR official explains in this regard,



*The new structure can not possibly retain all the existing employees. Some employees will be let go, especially those that are perceived to have Hariri affiliations...There is a simple say in English: if it is not broken, then don't fix it. CDR is not broken. It has been performing extremely well; its performance record is simply impressive. No institution in Lebanon can do the work that we have done since the end of the war in 1990. We find ourselves in a situation today whereby we are not sure whether we are going to have a job and earn a living tomorrow or the day after [Faidallah, July 4, 2000].*

Hence, for CDR officials and employees, recent years have been characterized by turmoil and upheaval. Assuming that the motives behind the merger were good, it remains to be seen how authority over this new institution will be exercised, and whether CDR will be able to resume its role and functions. CDR has played a central role, for example, in the telecommunications sector in general, and in the rehabilitation of the fixed line network in particular. As the political complexion is expected to change once again in late October, the fate of CDR and its various studies and recommendations will once again be determined. It is a sad feeling, however, that the fate of institutions in this country is still dependent on changes in political fortunes.

## **SUMMARY AND CONCLUSIONS**

The last decade has witnessed a worldwide move in the direction of liberalizing telecom markets. The impetus for liberalization has mainly come from technological developments in the electronics/computing industry, the pressures of globalization, and the growth of the service economy. Those pressures have combined to undermine in many countries the old premises of monopolistic provision. The process of liberalization has resulted in a broad range of benefits to users, including efficiency improvements, technological innovation, reduced prices, and higher quality services through more modern technology and better operation.

A fundamental aspect of recent telecom reform endeavors has been the re-structuring of institutional arrangements and the separation of basic functions to meet the challenges of the new environment. Persistent efforts have thus been made in the way of separating policy-making/operating functions and enacting a regulatory framework that provides for transparency, participation and due process. Most reform endeavors have also been guided by the need to enhance competition and provide an expanded role for the market. The challenge has thus been to structure the new institutional environment in such a way as to make good use of market forces to achieve public policy objectives.

Despite the enormous pressures for telecom reform in Lebanon in the wake of the war, the basic institutional structure has remained unchanged, with MPT monopolizing policy-making, operation, and regulation functions. Although minor operating functions have been transferred to OGERO and limited competition has been introduced in the cellular and data transmission segments, the Lebanese telecom sector is still organized as a state-run monopoly carrier. The

fact that the monopolistic institutional model has not lost its footing in Lebanon despite mounting technological and World Bank pressures strongly suggests the inertia of traditional arrangements.

The failure to institute much needed restructuring in the telecom institutional framework may be attributed to the uncertainty and risks associated with the process. It may also be due to a high level of reform politicization and institutional entrenchment. This failure, however, is reflecting negatively on the development of the sector as the monopoly restrictions are denying market and new service opportunities to an ever increasing number of firms and industries. There is general consensus today that competition and liberalization in telecommunications are better able to deliver innovation and increase productivity and competitiveness in a very dynamic and rapidly changing environment.

While the Lebanese government has failed to alter the existing institutional framework, it has initiated in 1993 a major rehabilitation/expansion program. Investment has been considerable and the fixed line network has reached appreciable penetration and digitalization. This impressive capacity expansion and digitalization has not been translated however into a drastic improvement in services. Access to international direct dialing (IDD) for example remains limited and call completion rates are low. This suggests less than optimal use of existing capacity and less than adequate concern for quality enhancement and service diversification.

The current tariff structure is also unbalanced, showing high installation/interconnection charges and international line guarantee fees and an implicit subsidy of local and long distance calls by international calls. Such tariff distortions have resulted in an excessive dependence on long-distance revenues, hence limiting the possibilities of introducing competition. For example, MPT has recently banned a new IP protocol that provides voice over the Internet, claiming that the new service is a breach of MPT monopoly and a threat to MPT revenue. This example clearly illustrates how new service opportunities are increasingly being denied by unreasonable monopolistic restrictions.

The experience of the cellular operators in Lebanon also provides clear evidence of excessive state intervention and unreasonable restrictions. Despite the outstanding success of the Lebanese cellular segment, a shameful dispute has been raging between MPT and the cellular operators over revenue sharing, causing the current stagnation of GSM market growth. The government seems once again to have lost sight of the objectives of promoting efficient and universal service development, and focused only on revenue maximization. In the meantime, the stalemate continues to jeopardize Lebanon's cellular market growth and distort the delicate balance between supply and demand.

The Lebanese data transmission segment is also facing MPT imposed institutional constraints, due to limited liberalization in the fixed provision of data. The provision of data over physical connections is indeed still monopolized by MPT and its data-communication subsidiary, *Sodotel*. Interconnection procedures are also not in place, with licenses mainly awarded at MPT's discretion. The failure to clarify licensing procedures and to fully liberalize fixed data transmission are undermining the real potentialities of this important segment and limiting its growth and development. This is yet another example of major cost savings being denied to users because of unjustified monopoly restrictions.

The financial management of the Lebanese telecommunications sector is also less than satisfactory. The rehabilitation/expansion program was mainly financed by short-term T-bills at high interest rates, rather than longer-term export/supplier credits that could have been obtained at much lower rates. International auditing and accounting procedures and BACCS have not been introduced, thus making it very difficult to reverse the clear trend towards an increase in receivables over time. In the absence of a remedial policy, the rather archaic financial management will have a negative impact on the cash flow of MPT/OGERO, hence jeopardizing the future development of the sector.

International benchmarks of the Lebanese telecommunications sector indicate that the country's network has reached high penetration rates especially in the mobile segment (15 lines per 100 inhabitants). On the other hand, there is considerable room for improvement in telecommunications revenues from the fixed line network, which is still under state monopoly. Regarding quality of services, the fixed line service is still far from European standards, both for basic (high faults per line) and relatively advanced indicators (lack of international direct dialing or BACCS), thus keeping aside a serious source of revenues for the government.

Hence, a comprehensive overview of various telecom segments/components reveals that the Lebanese telecommunications sector of the 1990s suffers from serious deficiencies/constraints: an outdated institutional/regulatory framework, tariff distortions, lack of public sector expertise, less than optimal use of existing capacity, less than adequate concern for quality enhancement and service diversification and unjustified monopolistic restrictions. But more importantly, the review begins to highlight the underlying dynamics of reform in Lebanon and the extent to which reform remains in essence a political process, dictated by political priorities and maneuvers.

The extensive politicization of telecom reform in Lebanon has indeed been repeatedly highlighted throughout the chapter. For example, there was no plausible technical justification for the attempt to dissolve OGERO in the first year of the Hoss administration, although

political justifications abound. Political motives and the politics of accommodation can also not be discounted as having exerted an influence on the evolution of events with the mobile phone operators, resulting in the non-acceptance of the license offers and the continuation of the raging dispute. The merger of CDR with other councils has similarly been attributed to latent political motives and the politics of accommodation and sectarian representation.

These examples point undeniably to the extensive politicization of reform in Lebanon and the difficulty of introducing change within prevailing political traditions (Hypothesis 1). They also confirm the patterns of executive discontinuity observed in Lebanon which typically serve to undermine all sustained efforts at change and modernization (Hypothesis 2). Last but not least, the Lebanese post-war experience with telecommunications reform also points to the importance of the economic factor in accounting for post-war reform patterns. Economic constraints have indeed manifested themselves in this sector in difficulties in attracting qualified elements, the introduction of revenue-sharing schemes, continued monopolization of telecommunications and half-hearted attempts at liberalization.

The analysis in this chapter thus highlights the interplay of political and economic factors as a critical obstacle to reform in Lebanon in the wake of the war. As Dr. Shehadi explains, although reform in the telecom sector can quickly build momentum and precipitate results, the Lebanese patterns of reform in this sector have remained modest at best, a fact which can be primarily attributed to embedded political realities and vested interests,

*I believe that all post-war governments had the opportunity to initiate changes in the telecommunications sector and make a difference, but they chose not to. They were simply willing to take half-hearted measures, like proceeding with a BOT contract instead of a license. The license for example is within the scope of reforming the sector, the BOT contract is not. But reform and change require above all courage and political will and that vested interests be defeated. The needed ingredients for reform and change are thus sadly missing in Lebanon. Although reform in telecom is in principle easier than in any other field, because you can easily create momentum and achieve results, unfortunately, nothing of significance has happened in the Lebanese telecom sector in the past ten years [Shehadi, August 14, 2000].*

In an age of intense competition and globalization, it is doubtful that the Lebanese telecom sector as presently organized could compete internationally. The provision of telecom services is paying less heed to national boundaries, and the Lebanese telecom sector will have to rise to the challenge. The telecommunications sector is indeed the foundation of the now often discussed information superhighway. However, effective access and benefit from the information superhighway will require much more than an expansion of the capacity of transmission facilities. It will require a fundamental change in behavior and a systematic effort to identify issues and priorities, to plan strategically and comprehensively, and to break away with traditional institutional arrangements.

# CHAPTER 9

## TRANSPORTATION SECTOR

### INTRODUCTION

Transport is an important infrastructure sector given the vital role it plays in achieving urban planning goals and a better quality of life. There is also growing evidence that infrastructure development through proper transport planning and provision enhances economic viability and competitiveness. This chapter examines the current status and institutional organization of the transport sector in Lebanon and the specific reform policies that have been recently initiated (1990-present). While an overview of the entire Lebanese transport sector will be presented, the focus will be primarily on land transport reforms and policies. It is hoped that greater insight could be gained into administrative reform in post-war Lebanon by a detailed examination of specific sector policies and reforms.

### BACKGROUND

Lebanon had a well-developed transport infrastructure and a booming transport industry before the war. The country's strategic location on the Eastern Mediterranean has traditionally enabled it to play an important role in business, trade, tourism and transit at the regional and international levels. *Before the 1975 events, the Lebanese transport infrastructure included:*

- ❑ A well developed paved road network leading to all international borders and providing paved access to all villages;
- ❑ A highly efficient airport with traffic approaching 3 million passengers a year and profitable transit traffic served by over 35 international airlines;
- ❑ A highly efficient and active seaport seizing the opportunity of the closure of the Suez Canal to serve a major part of transit trade to neighboring Arab countries;
- ❑ A railway network serving limited national and international traffic;
- ❑ Two pipelines for crude oil export from Saudi Arabia to Zahrani and from Iraq to Tripoli;
- ❑ Two successful and profitable national airlines, MEA and TMA; and
- ❑ A multitude of transport companies, travel agents, freight agents, transit and transshipment operators active at the local, regional, and international levels (Dar-Al-Handasah, 1992).

The Lebanese transport sector has been, however, drastically affected by the war both in terms of damage and infrastructure deterioration and in terms of loss of transit traffic and of government control over the transport industry. Lack of maintenance and material damage throughout the war years have left the Lebanese infrastructure seriously depleted. Transit traffic and trade have also been completely lost to other countries, given the re-opening of the Suez Canal and the creation of transit centers in the Gulf countries. Crude oil exports by pipelines

through Lebanon have also come to a complete halt, thus depriving the Lebanese government of an important source of revenues.

The long years of war have also resulted in a completely de-regulated and un-controlled transport industry in Lebanon, especially in so far as road and sea transport are concerned. Ports have been seized and operated by militias throughout the war, and the government has just recently regained control of this strategic transport component. The country has also witnessed the mushrooming of a multitude of private operators and service providers, who compete over the same lines without any announced schedules/timetables, thereby increasing problems of pollution and traffic congestion. The government has been unable to regulate private supply or provide a reliable mass transit system.

## **AN OVERVIEW OF THE LEBANESE TRANSPORT SECTOR**

The transport infrastructure in Lebanon consists of 4670 km of roads, 408 km of railways, the Beirut international airport and the Beirut, Tripoli, and Saida Sea ports. The government plays an exclusive role in the development, maintenance and management of the transport infrastructure and a limited role in the operation of transport services, namely in the operation of public transport within Greater Beirut and the now idle railway for the transport of goods and passengers. The government is also in charge of the operation of the Beirut international airport and the seaports.

### **Road Infrastructure**

The road network in Lebanon, excluding municipal roads, is about 4670 km subdivided into four categories: international roads (490 km); primary roads (1560 km); secondary roads (1220 km) and local roads (1400 km). A comprehensive inventory of the international, primary and a sample of the secondary roads network during the summer of 1991 revealed that 62% of this network was in bad condition due to the lack of maintenance during the years of war (Dar-Al-Handasah Consultants, 1992) (Table 32). The Council of Development and Reconstruction (CDR) has initiated in 1990 a major program aimed at the rehabilitation of some 60 road links of a total length of 1000 kms.

Table 32. Pavement Conditions of the Lebanese Road Network in 1991  
(Dar Al-Handasah, 1992)

	<i>Very Bad (km)</i>	<i>Bad (km)</i>	<i>Fair (km)</i>	<i>Good (km)</i>	<i>Total</i>
International Roads	90	173	27	200	490
Primary Roads	558	401	115	456	1560
Secondary Roads	210	551	115	344	1220
Local Roads					1400
Total	888	1125	257	1000	4670
<b>% (Except for Local)</b>	<b>27.1</b>	<b>34.4</b>	<b>7.9</b>	<b>30.6</b>	<b>100.0</b>

Table 33. Motor Vehicle Fleet (1974 vs 1986)  
(Dar Al-Handasah, 1992)

<i>1974</i>	<i>Private</i>	<i>Public</i>	<i>Total</i>
Sedan Cars	209555	10649	220204
Trucks	17518	3465	20983
Busses	1779	618	2397
Agricultural Tractors & Public Works Vehicles	7652		7652
Motorcycles	13179		13179
<b>Total</b>	<b>249683</b>	<b>14732</b>	<b>264415</b>
<i>1986</i>			
Sedan Cars	560537	10649	571186
Trucks	53634	3465	57099
Busses	3081	681	3762
Agricultural Tractors & Public Works Vehicles	14309		14309
Motorcycles	20187		20187
<b>Total</b>	<b>651748</b>	<b>14795</b>	<b>666543</b>

### Road Transport

The war years have also witnessed a remarkable increase in the motor vehicle fleet from 264415 in 1974 to 666543 vehicles in 1986, or an annual compound growth rate of 8% (Table 34). More recent estimates place the fleet at about 800,000 vehicles, which indicates a high level of car ownership relative to the size of the population (1 car per 5 inhabitants). The private car represents the prevailing mode of transport, thus accounting for 68% of the Greater Beirut Area (GBA) trip market. Taxi services ensure 15% of motorized trips, whereas public transport is nearly non-existent (less than 3%). Privately operated vans and buses account for the remaining 14% of the GBA trip market.

## **Railway Transport**

The Lebanese rail network consists of 408 km of lines extending along three axes: the coastal line (224 km long); the Syrian border line in the Bekaa valley (102 km); and the narrow gauge 82 km long Beirut-Zeghraya line. The rail system provided a limited transport of goods (558270 tons in 1974) and passengers (27000 passengers) before the war. The Lebanese railway system has been however severely disrupted by the war due to extensive damage to fixed facilities and rolling stock. It has thus effectively ceased operation in the 1990s.

Several studies have been carried out during and after the war for the rehabilitation, upgrading and expansion of the railway system in Lebanon. One of these studies, conducted in the late 1970s, considered the upgrading of the coastal line between Saida and Tripoli to carry 43200 passengers per day and to ensure fuel transport between the refineries and the power plants along the coast. The study also suggested the upgrading of the narrow Beirut-Syrian Border Line, but no action has yet been taken in this regard.

## **Air Transport**

Beirut International Airport was equipped to receive all types of aircraft prior to the war. The airport reached a peak traffic of 2.75 million passengers in 1974. The airport has incurred some physical damage during the war. However, it continued operations under very difficult conditions. Traffic dropped from 2.75 million in 1974 to a lowest of 43800 in 1976 to pick up to about 1.5 million per year between 1977 and 1980 (Dar-Al-Handasah, 1992). A major rehabilitation/expansion of the airport has been initiated under Hariri and is now in the last phases of implementation.

Two Lebanese airlines have continued to provide services throughout the war. Middle East Airlines (MEA), which currently employs 4000 persons and operates a fleet of 15 aircraft, including 3-343, 8-707 and 4-720 Boeing jets. MEA has recently acquired new wide-bodied aircraft. It has also adopted a strategy of route expansion. Trans Mediterranean Airline (TMA) operates a fleet of 7 Boeing 707 freight planes and employs 815 persons. The company has managed, with difficulty, to survive the war and is currently operating within the constraints of its present fleet and facilities.

## **Sea Transport**

Towards the end of the civil war (1990), Lebanon had 49 ports along a 220 km water coast out of which 5 only are legal ones (Tripoli, Jounieh, Beirut, Saida and Sour). The government completely lost control over sea ports throughout the conflict. In addition, facilities of the legal ports, especially in Beirut, incurred substantial damage and maintenance effectively ceased.



The Beirut port, one of the most active ports of the Middle East in 1974 has 13 quays of a total length of 3659 meters. The port traffic has declined drastically as a result of the loss of transit traffic and the development of illegal ports. According to events of specific years, traffic volume ranged from a high of 3 million tons in 1980 to a low of 1.3 million tons in 1989. In 1991, the port of Beirut was estimated to have resumed operation at 85% of its capacity throughput (Dar-Al-Handasah, 1992).

The Tripoli port has not been seriously affected by the war and has kept its throughput at the level of the capacity of the port, or about 0,85 million tons per year. Compared to the Beirut and Tripoli ports, the Saida port handles a small volume of about 140,000 tons per year. Major studies for the rehabilitation of the ports were carried out in the wake of the war, but none have been implemented.

## **INSTITUTIONAL FRAMEWORK**

### **Old Institutional Arrangement**

The Ministry of Public Works and Transport has traditionally been responsible for the development, coordination, and regulation of all activities relating to the sector. The Ministry had four directorates general with transport-related functions or responsibilities:

- ❑ The Directorate of Roads, part of the Directorate General of Roads and Buildings, was responsible for the maintenance and execution of the classified road network.
- ❑ The Directorate General of Railways and Public Transport was in charge of operating the Lebanese railway system (now idle), as well as public transport in Greater Beirut.
- ❑ The Directorate General of Urban and Town Planning was in charge of preparing master plans for urban centers, including transport systems and networks.
- ❑ The Directorate General of Civil Aviation was responsible for the operation and maintenance of the Beirut International Airport.

Other councils, directorates and agencies were also involved in the transport sector, including:

- ❑ The Council for Development and Reconstruction, which has been playing an important role in the rehabilitation and development of the transport sector since its creation in 1977.
- ❑ The 'Conseil Executif des Grands Projets', which since its creation in the early sixties was entrusted with the design and execution of the national expressway network, as well as the development of local roads to remote villages.

- ❑ The ‘Conseil Executif des Grands Projets de la Ville de Beyrouth’, which was also created in the early sixties and entrusted with the design and execution of the major road arteries within the boundaries of the City of Beirut.
- ❑ The Municipalities in charge of local road networks within their municipal borders.
- ❑ The Department of Vehicle Registration of the Ministry of Interior, which was in charge of issuing road transport authorization, license plates, and vehicle inspection.
- ❑ The Railways and Public Transport Authority, created in 1961, to extend railways operations and provide public transport in the Beirut urban area.

### **Current Institutional Framework**

In view of the chaotic state of the transport sector in the wake of the war and the deterioration in the levels and quality of services, the Hariri government decided to introduce changes and accord the sector priority attention. The effort culminated in the creation of the Ministry of Transport in 1993 (Decree No. 214 of April 2, 1993). Many functions of the Ministry of Public Works and Transport were thus transferred to the newly created ministry, which was made responsible for all modes of transportation throughout the country. Accordingly, the Ministry of Transport (MOT) was entrusted, in 1993, with a wide mandate, including:

**Mission I:** To organize and regulate land, maritime and land transport:

- ❑ Adopting a policy relative to the land, maritime and air transport which specifies the role of the government in the provision and regulation of services;
- ❑ Supervising compliance of the private sector with the set regulations;
- ❑ Studying and proposing ratification of international transport and transit agreements.

**Mission II:** To construct / equip / and manage publicly owned transport modes and to develop them in harmony with the needs of the country:

- ❑ Performing studies to determine the transport services that must be publicly provided;
- ❑ Provision of services, when applicable, in ports, airports, railroads and public transport.

**Mission III:** To supervise the safety of transport modes and facilities as well as to provide for their maintenance and modernization:

- ❑ Establishing safety standards to be complied with by all transport operators;
- ❑ Inspecting the operation of the transport facilities, whether public or private to ensure compliance with regulations and safety standards;
- ❑ Ensuring the safety of the various transport modes and minimizing safety hazards.

**Mission IV:** To prepare plans and studies aiming at operating transport means and facilities at the highest level of technical competence:

- ❑ Formulating a national policy on the allocation of transport between various operators and destinations, and through various transport modes;
- ❑ Providing input and guidance to the General Directorate of Roads of the Ministry of Public Works and to municipalities when preparing master transportation plans.

**Mission V:** To enforce laws/regulations relating to transport and public maritime property:

- ❑ Coordinating with the Ministry of Environment and local authorities on the protection of the coastal line and maritime property;
- ❑ Coordinating with customs and local authorities and international security forces for combating contraband through the ports and harbors.

**Mission VI:** To exercise tutelage authority over the autonomous agencies and public enterprises in the public transport sector.

**Mission VII:** To exercise control over transport concessions:

- ❑ Deciding on services that will be conceded;
- ❑ Determining the terms of reference of the concession;
- ❑ Inspecting compliance of concessions with their terms of reference.

**Mission VIII:** To control and periodically update transport tariffs:

- ❑ Conducting periodic studies on the cost of operation of various transport modes;
- ❑ Proposing the transport tax structure, especially fuel taxes, customs duties on vehicles and their parts, toll rates, etc;
- ❑ Setting tariffs of public transport services at reasonable levels to ensure cost recovery and the meeting of social and public policy objectives (NARP reports, 1995).

The Ministry has thus been entrusted with a wide scope of functions and organized around 2 General Directorates: the Directorate General of Civil Aviation and the Directorate General of Land and Maritime Transport. From this review, it is possible to synthesize a number of core functions, which MOT was expected to pursue/accomplish, namely:

- ❑ Policy-making and regulatory functions (Mission I)
- ❑ Transport provision functions (Mission II)
- ❑ Construction of infrastructure (Mission II)
- ❑ Promotion of safety and inspection functions (Mission III)
- ❑ Planning function (Mission IV)
- ❑ Law enforcement functions (Mission V)
- ❑ Tutelage and supervision functions (Missions VI & VII)
- ❑ Tariff setting function (Mission VIII)

A closer look thus reveals that the various functions entrusted to the MOT primarily revolve around policy-making and regulation. Experts indeed concur that the main motive behind the creation of the MOT –aside from the political- was primarily the separation of the infrastructure aspects of transport (traditionally handled by the MPW) from regulatory and policy-making functions. A director in Team International, a transportation company which has been closely involved in post-war transport rehabilitation efforts, explains in this regard,

*The Ministry of Public Works was predominantly pre-occupied with the infrastructure aspects of transport, while the regulatory aspects were neglected and their importance never really appreciated. I believe that the motive for the creation of the Ministry of Transport in 1993 was the separation between the infrastructure aspects and the policy-making and regulatory aspects [Nakkash, July 20, 2000].*

Dr. Slam, another director and partner in the same company similarly observes,

*I think that the Ministry of Transport was conceived to be needed to take care of the policy-making / regulatory aspects of transport, not simply the infrastructure [Slam, July 20, 2000].*

While this may have been the declared technical motive for the creation of MOT, the political motive of course goes hand in hand, and in the context of Lebanon, can not be underestimated. A professor of transportation engineering at the American University of Beirut indeed observes,

*In reality, there were two objectives for the creation of the MOT: one is definitely political, and the other one technical relating to enhancing the performance of the Lebanese transport sector. If one wants to assign weights to those objectives, 80% should be given to the political one [Kaysi, July 18, 2000].*

Even the Director General of Land and Maritime Transport at the MOT admits that the ministry was created mainly for political reasons,

*They needed to create positions for thirty ministers, so they expanded the number of ministries accordingly; this is how MOT came into existence [Kaysi, July 20, 2000].*

The Director General further clarifies that while the MOT was intended to have policy-making and regulatory functions, it was not able to assume this role,

*In theory, MOT has policy-making and regulatory functions. But up to the present day, there has been no clear vision or overall policy in this sector. MOT has thus been handling decisions of a routine nature, implementing ad hoc policies and addressing urgent problems [Kaysi, July 20, 2000].*

The Director General of Land and Maritime Transport thus attributes the failure of the MOT to assume its policy-making and regulatory role to the absence of a clear policy for the sector; others, however, point to the limited capacity of the ministry itself and to severe shortages in needed personnel. One director/partner in Team International observes in this regard,

*We sort of followed that ministry from its conception awaiting changes and results. The ministry, however, remained like a shell with minimum personnel. And although MOT had the mandate to really do all the things that we would have liked a ministry to do, it could not do them because of limited capacity [Slam, July 20, 2000].*

Another director/partner in the same company similarly observes,

*What happened is that the ministry was created in 1993, but its administrative cadre remained empty. This meant that we had a ministry without having the people to do the work [Nakkash, July 20, 2000].*

The scarcity of public personnel thus constitutes a recurring theme in post-war reform accounts and a serious constraint on policy options, whether in telecom or transport. The Director General of the Railways and Public Transportation Authority (RPTA) observes in this regard,

*In theory, the MOT has the mandate for policy-making and for formulating a comprehensive plan of action for the sector. The question is whether MOT is capable of assuming this function. MOT does not have the technical staff and cadre who could take initiative in this respect [Krayem, July 27, 2000].*

A CDR transportation official in turn provides a brief account of the reasons behind the creation of MOT, its assigned mandates, and why it has not been able to assume its role,

*MOT was created for political reasons. MPW never did real planning. MOT was intended as a regulatory and policy-making unit. The separation was important, but MOT did not assume the essential functions it was entrusted with. The reason is that the administrative body is weak and there is a serious shortage of staff. There is also no political will to do the things that need to be done [Helou, July 26, 2000].*

A report from Dar Al-Handasah (1994) similarly notes the shortages of qualified staff at the MOT, attributing the vagueness and interface of transport responsibilities to the weaknesses of this important Sectoral Ministry,

*The Ministry suffers from shortages of qualified staff, absenteeism, declining morale, inadequate working conditions and lack of modern office equipment. The vagueness of transport responsibilities is mainly due to the weaknesses of this Sectoral Ministry and the assumption of a major part of its functions by CDR (Dar Al Handasah, 1994, p. 22).*

By creating empty shells or structures, the reform of 1993 hence signaled a half-hearted attempt at re-organization. More importantly, the reform of 1993 failed to resolve existing problems of institutional fragmentation in the transport sector. Instead, as argued in Chapter 7, the attempt has indeed increased problems of overlapping and duplication. Indeed, a cursory look at the institutions currently involved in transport reveals the extent of jurisdictional fragmentation. The following ministries/public agencies are presently responsible for various transport-related components, namely:

- ❑ The Ministry of Transport (MOT)<sup>20</sup>
- ❑ The Ministry of Public Works (MPW)
- ❑ The Ministry of Interior (MOI)
- ❑ The Ministry of Environment (MOE)<sup>20</sup>
- ❑ The Ministry of Municipal and Rural Affairs (MOMRA)<sup>20</sup>
- ❑ The Municipalities
- ❑ The Council for Development and Reconstruction (CDR)
- ❑ The Conseil Exécutif des Grands Projets (CEGP)
- ❑ The Conseil Exécutif des Grands Projets de la Ville de Beyrouth (CEGPVB)
- ❑ The Railways and Public Transport Authority (RPTA).

It is important to provide a short statement of the transport-related missions of each of those institutions to highlight the interdependence and interface of responsibilities.

*a) The Ministry of Public Works (MPW)*

Although the two directorates general of civil aviation and land and maritime transport have been transferred from the Ministry of Public Works to the Ministry of Transport, MPW has remained in charge of urbanism, roads and government buildings. The Directorate General of Roads (DGR) of the MPW has retained responsibility for road planning, design, maintenance, and overall management, which translate into the following specific missions and functions:

- Mission I:** To collect and analyze data and statistics relating to existing roads, road sections, traffic, and patterns of vehicle ownership and road use.
- Mission II:** To oversee the process of road design through the proper classification of roads and the preparation of a road master plan and numbering system.
- Mission III:** To perform and supervise road studies and execution by studying the status of existing road networks and deciding on rehabilitation programs.
- Mission IV:** To oversee road maintenance (maintaining roads as to pavement, wearing course, drainage channels, retaining walls, bridges, culverts, traffic signs, etc.)
- Mission V:** To ensure traffic safety by conducting traffic surveys, providing and installing traffic signs, and defining conditions for granting driving licenses.
- Mission VI:** To operate a national road materials lab responsible for sampling and analyzing road construction material.

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<sup>20</sup> The Ministry of Transport (MOT), the Ministry of Environment (MOE) and the Ministry of Municipal and Rural Affairs (MOMRA) were all created as part of the Hariri reorganization movement of 1993.

*b) The Ministry of Interior (MOI)*

The missions of MOI are very diverse. Those related to transport and traffic include:

**Mission I:** The management of vehicle registration and inspection and driver licensing.

**Mission II:** Law enforcement, including the enforcement of the traffic code.

**Mission III:** The organization and management of civil defense activities, including rescue services of victims of accidents and incidents, first aid, and emergency assistance.

*c) The Ministry of Environment (MOE)*

MOE is a newly established ministry, which is still under organization. Air quality and emission control are within the scope of this ministry. Studies were recently conducted by MOE pertaining to vehicular emission and to the phase-out of leaded gasoline. The increased involvement of MOE in transport related issues and activities is anticipated.

*d) The Ministry of Municipal and Rural Affairs (MOMRA)*

MOMRA was also created as part of the re-structuring movement of 1993. The missions of MOMRA as stated in Law No. 197/93 still require a lot of clarification and crystallization. The idea behind its establishment was the strengthening of administrative decentralization and the activation of local government. MOMRA is to act as a supervising and coordinating body among the various municipal units. The ministry is thus directly responsible for supervising the activities of field/local units, including transport and traffic-related functions.

*e) The Municipalities*

Municipalities are in theory responsible for the construction and maintenance of the local roads within their municipal borders. Some of the larger municipalities have traffic engineering departments in their organizational structure.

*f) The Council for Development and Reconstruction (CDR)*

Since its creation in 1977, CDR has played an important role in the rehabilitation and development of the transport sector. The functions of CDR include planning and arranging for the financing of projects as well managing loans and relationships with donors. After the war, CDR has been directly involved in the design and implementation of rehabilitation projects in all sectors, including transport.

*g) The Conseil Executif Des Grands Projets (CEGP) and the Conseil Executif des Grands Projets De La Ville De Beyrouth (CEGPVB)*

Both of these councils have been created in the early sixties and assigned the responsibility of executing specific large infrastructure projects. CEGP is in charge of executing major transport

projects in various Lebanese regions outside Beirut. CEGPVB is in charge of executing specific transport projects within the Greater Beirut Area (GBA).

*h) The Railways and Public Transport Authority (RPTA)*

RPTA was created in 1961 and entrusted with extending railways operations and providing public transport in the Beirut urban area. RPTA is an independent authority under the tutelage of MOT (previously MPW). After the war, RPTA was made responsible for providing public transport in the entire Lebanese territory, but has only managed to extend coverage to the GBA and the Bekaa.

This brief institutional overview shows that the jurisdiction over the transport sector in Lebanon remains fragmented. Despite the creation of the Ministry of Transport in 1993, several ministries and public agencies are still responsible for various transport system components. Limits of authority are not always clear, leading to a low level of accountability, and causing inter-ministries' friction. While there are numerous instances of overlapping functions, there are also serious functional and process gaps, which are illustrated as shaded areas in Table 34.

Table 34. Transport Functional Responsibility Matrix \*

<i>Modes and Functional Issues Process Responsibility</i>	<i>Urban Transp. Modal Coordination</i>	<i>Road Construction And Maintenance</i>	<i>Parking Policy And Control</i>	<i>Road Safety</i>	<i>Vehicle Licensing And Control/ Traffic Enforcement</i>	<i>Public Transport</i>
Policy and Research	MOT	MOPW		MOPW		MOT
Standards and Regulations	MOT	MOPW	MOPW (DGR)	MOT	MOI MOPW MOE	MOT MOI
Strategic & Tactical Planning		MOPW CDR				RPTA
Financing		MOF CDR		MOF CDR	MOI	RPTA MOF
Project Preparation and Implementation		MOPW CDR/CEGP CEGPVB MUNI MOMRA	MOMRA MUNI CDR	MOPW CDR CEGP CEGPVB MUNI	MOI	RPTA MUNI
Operations Management		MUNI	MOI MUNI		MOI	RPTA MOMRA
Maintenance Management		MOPW MUNI				RPTA
User Information & Awareness					MOI	RPTA

\* MOT = Ministry of Transport, MOI = Ministry of Interior, MOPW = Ministry of Public Works, MOE = Ministry of Environment, MOF = Ministry of Finance, DGR = Directorate General of Roads, MOMRA = Ministry of Municipal and Rural Affairs, MUNI = Municipalities, RPTA = Railways and Public Transport Authority, CDR = Council for Development & Reconstruction, CEGP = Conseil Executif Des Grands Projets, CEGPVB = Conseil Executif Des Grands Projets De La Ville De Beyrouth



The functional responsibility matrix illustrates the fragmented jurisdiction over various transport components and the lack of coordination between institutions with transport-related functions. In way of illustration, six different institutions are responsible for the function of road construction and maintenance (MOPW, CDR, CEGP, CEDPVB, MUNI, MOMRA), while three institutions can formulate standards/regulations relating to vehicle licensing and traffic enforcement (MOI, MOPW, and MOE). This complex fragmentation in turn heightens the need for coordination, a coordination which is often lacking because of unclear and contested jurisdictions, prerogatives and authority. Noting this complex fragmentation in transport responsibilities, a Dar Al Handasah report (1994) makes the following recommendation,

The responsibility for the conception, design, implementation, maintenance, and operation of transport infrastructure should be clearly defined and the authorities in charge trained and equipped to resume such responsibility. The challenge is to carry out the necessary institutional reforms and to attract the necessary skills by the concerned authorities to ensure the introduction of computerization, data bank systems, management systems, and to proceed with a scientific and modern planning of reform activities in this sector (Dar Al Handasah, 1994, pp. 18-19).

The Director General of Land and Maritime Transport at the MOT highlights in his own words the interface of responsibilities and the fragmentation of authority among the different institutions involved in the transport sector. He notes for example how the placement of the department of vehicle registration in the MOI undermines MOT's regulatory functions. He observes,

*The department of vehicle registration of the MOI belongs and should become part of the MOT. MOT can not be expected to regulate land transport provision when licenses and red plates are separately granted by another institution [Kaysi, July 20, 2000].*

Mr. Kaysi notes that such fragmentation of authority is in turn leading to more bureaucratization and working against efforts to evolve / enforce consistent transport policies. Again, in the words of the MOT Director General,

*We are now discussing new regulations that will require taxi drivers to obtain a license from the MOT, besides the red plate license that they obtain from the MOI. While this is an instance of increased red tape, it is nonetheless essential to enhance the regulatory functions of MOT [Kaysi, July 20, 2000].*

A Dar Al Handasah report (1994) similarly concurs that the function of transport regulation in Lebanon needs to be entrusted to a single authority, which should comprehensively set standards and regulations for the sector,

The Transport Ministry should be the sole authority in charge of all modes of transport regulations including those relating to road transport. Other ministries / authorities may retain the implementation role including the issuing of driving licenses, license plates and vehicle inspection, but the Ministry of Transport should set the norms / standards for

vehicle characteristics, weights and dimensions and the laws / regulations regarding the traffic code, the rights of entry of passengers and goods to the public transport system, as well as safety and environmental criteria. A fragmented institutional framework will only result in fragmented policies and regulations (Dar Al Handasah, 1994, p. 24).

Professor Kaysi of the American University of Beirut highlights in turn the inconsistency of post-war transport policies. He notes, for example, that while all CDR studies and projects are pro-auto or pro-car (e.g. BUTP<sup>21</sup>), there is another study or proposal being promoted by a different governmental group to encourage mass transit and re-activate passenger railway transport [Kaysi, July 18, 2000]. Such inconsistency can be partly attributed to the involvement of several actors in transport-related functions. More importantly, according to Dr. Kaysi, it can be attributed to the absence of a single and effective policy-making authority.

*It is important to have one authority that is responsible for policy-making and for encouraging transport policies that are consistent and responsive to the needs of the country [Kaysi, July 18, 2000].*

Professor Baaj similarly notes that awareness and consensus on the desirability of mass transit in Lebanon have not translated into effective and consistent actions in this regard,

*Although there is general consensus today on the need and desirability of promoting mass transit in Lebanon, all feasibility studies and projects that are currently being funded and implemented revolve around traditional road capacity enhancement [Baaj, July 19, 2000].*

Such awareness and consensus have indeed been reflected in the recommendations of a recent workshop on transportation problems in the Beirut Metropolitan Area, held at the AUB on June 8 and 9, 1993, which emphasized the need to encourage mass transit and re-activate passenger railway transport. "The workshop participants affirmed the major role of public and mass transit in serving transportation flows in Greater Beirut and in limiting congestion difficulties" (AUB, 1993, p. 3). This recommendation conflicts in turn with recent BUTP efforts, which revolve around enhancing road capacity and streamlining mobility on the GBA networks.

While not denying that the BUTP is auto/road-oriented, Dr. Nakkash, director and partner in Team International, explains that the organization of parking and roads is a natural starting point given the chaotic transport realities of the country,

*The Beirut Urban Transport Project is pro-auto. This is true. But this is the only place to start given the chaotic parking and transport realities of the country. We need to start by organizing streets and roads to open room for public transport [Nakkash, July 20, 2000].*

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<sup>21</sup> The Beirut Urban Transport Project (BUTP) is a major transport project, financed by the World Bank, aiming at capacity building in the transport sector, reducing congestion and streamlining mobility on GBA networks. The project includes transport, traffic and parking management components at an estimated cost of 100 MUS.

Professor Kaysi of the American University of Beirut explains in turn the interconnectedness of transport policies and the need for cooperation among various actors to evolve and enforce a consistent transport orientation,

*Policies are obviously inter-related. For example, citizens can not be asked not to make use of their private cars when there is no reliable mass transit system. Similarly, the government can not raise taxes on fuel or parking lots when there is no public transport system in operation. All actions have to be moving in the same direction. This in turn requires the cooperation of the various entities with transport-related functions. Unfortunately, it is very difficult for each of these entities to see the whole picture. This makes it imperative to have a single policy-making organization to entice the various institutions with transport responsibilities to cooperate and coordinate with each other [Kaysi, July 18, 2000].*

Experts concur that there is an acute need for a transport management unit to coordinate among the various actors involved and ensure a coherent and comprehensive policy for the sector. A recent move in this direction has been catalyzed by the combined efforts of the World Bank, CDR, and Team International as part of the Beirut Urban Transport Project (BUTP). The BUTP aiming at capacity building in transport and traffic management in the Greater Beirut Area has indeed allocated US\$250 thousand for the creation of a Transport Management Organization (TMO) to be responsible for transport and traffic management and coordination in the entire GBA. Both the preparatory studies for the project and its eventual implementation will be financed by the World Bank.

The creation of a new transport management organization (TMO) was suggested by the World Bank for at least two reasons. The World Bank wanted to entrust the implementation of the BUTP to an organization that can coordinate across existing institutions to get the project moving despite the complex jurisdictional fragmentation. It also wanted to ensure that the project will not only be implemented but also operated and maintained in a professional and sustainable manner. Dr. Slam, a director/partner in Team International, a Consulting Company that is also involved in the project, explains in this respect,

*So the World Bank wants to ensure that there is a caretaker, somebody in the government who is going to be responsible for overseeing and operating the project and that is why the TMO issue was raised. This is part of their policy, that whatever financing they put, they want to make sure at the end that they put the money in a project that is well operated, well-maintained and sustainable [Slam, July 20, 2000].*

Dr. Slam further clarifies why the BUTP and its TMO component have been delayed for many months. He attributes the delay to traditional immobility on the part of the government.

*The World Bank intends to finance the implementation of the project. We are now doing the preparatory work, including preliminary designs, feasibility studies, environmental and social impact assessments. The BUTP was however delayed for many months,*

*because there was no decision on behalf of the government to specify a location for the new TMO...The seat of this new organization lies best of course, within the Ministry of Transport...Now all this is easy, it is professional work, it can be done, but anything which has to do with decisions by the government is something that takes time, and somehow does not find a champion; and this is our suffering in many projects that we do here [Slam, July 20, 2000].*

Professor Kaysi of the AUB, who is also involved in the project on a consultancy basis, explains how the placement of this new TMO has become entangled in politics,

*It has been recently suggested as part of the BUTP to create a new TMO. A central question that immediately came to the fore was to which ministry the TMO would eventually be attached: Will it be part of the Municipality of Beirut? Will it be part of the Ministry of Interior? Will it be part of the Ministry of Transport? Or should it be part of the Ministry of Public Works? Logically speaking, the TMO may have best been attached to the Ministry of Transport, to enhance its current status and functions. Unfortunately, the direction today is to attach it to the Ministry of Interior. This has to do with the fact that the Minister of Interior today is a strong figure, and was able to flex some muscles and pull the string to his side. But structurally speaking, there is no reason for the TMO to be part of the Ministry of Interior. Where it ends up being placed will ultimately not be determined in a scientific way. It is more a reflection of who currently has more political influence and can pull the strings to his side [Kaysi, July 18, 2000].*

The MOT Director General of Land and Maritime Transport does not deny his frustration with the TMO placement decision. He observes,

*The World Bank is now financing the BUTP feasibility studies, including those relating to the TMO. Naturally, we wanted the TMO to be attached to the MOT. It was decided, however, that the new TMO will be attached to the MOI under the pretext that the Traffic Control Center of the TMO can not function without the enforcement agents of the MOI. The Minister of Interior claims that the two can not be separated [Kaysi, July 20, 2000].*

Dr. Nakkash, another partner in Team International, explains in more detail the dynamics which have affected the creation of this new TMO. His explanation captures nicely the consensual decision making patterns and the politics of accommodation prevalent in this country,

*The establishment of a TMO was studied thoroughly as part of the BUTP. So an essential part of the preparatory work was to determine, among other things, where to place this new TMO. The government created a committee, including a representative of the Ministry of Transport, a representative of the Ministry of Interior, a representative of the Ministry of Public Works, a representative of CDR and we used to meet with them as well. For several months, the representatives worked very hard on finding a solution which really keeps some kind of balance between the different people at stake. They always start from the premise and spend much effort finding a suitable compromise. They also wanted to find a solution that does not require a new decree or law, because otherwise the process will take too much time. So the decision was to work within existing institutions. Keep in mind that what they are always looking for in Lebanon is not the best solution, but rather the best compromise solution that will keep everyone happy. After much debate and negotiations, they reached a decision to place the new TMO under the tutelage of the Ministry of Interior. If there had been a strong champion for this TMO in the Ministry of Transport, the same way there was a strong champion for it in the Ministry of Interior, it would have ended up in the Ministry of Transport. The Ministry of Interior, besides having a strong champion was an acceptable candidate because it included the department of vehicle registration and a small traffic enforcement unit. But at the same time, the decision to place the TMO within the Ministry of Interior*

*was not very suitable, for the simple reason that it risks giving this new organization a para-military aspect. Moreover, the Ministry of Interior is already too big, and its functions too fragmented and diversified [Nakkash, July 20, 2000].*

Indeed, a comprehensive preparatory study for the Beirut Urban Transport Project comprised an assessment of alternative TMO placement scenarios, outlining the pros and cons of alternative TMO placement decisions within the administrative cadre. The study concluded that although “the attachment of TMO to the MOI implies fair chances of coordination, the TMO function is in essence a transport sector function and falls within the scope of the MOT. Moreover, MOT is a new ministry that is still undergoing organization, so the integration of TMO should be easy” (Team International, 1998, p. 28).

The TMO story reveals very well the dynamics of decision-making in Lebanon. The placement of TMO was ultimately determined, not by rational scientific criteria, but rather by political peddling and the politics of accommodation. Indeed, the emphasis throughout the process was on finding a suitable compromise that will maintain a balance between the different people at stake. The formula evolved in the way of placing the new TMO under the tutelage of the strong Minister of Interior and to institute a governing board at the top of the organizational hierarchy consisting of representatives of the various institutions that have transport-related responsibilities.

Although “*the seat of this new organization lies best of course within the MOT*”, a less than optimal -compromise- solution was nevertheless adopted. This confirms again that decisions in this country are not based on optimization. Rather, decisions are often determined by conflicting political interests and the politics of accommodation. The process is oriented primarily towards balancing and compromise, lest smaller gains be lost in the efforts to win greater benefits. This inclination in turn translates into half hearted reform measures and less than optimal compromise solutions. A CDR official observes in this regard,

*The attachment of TMO to the Ministry of Interior was again a compromise solution. TMO could have well been attached to the Ministry of Transport. But in my opinion, where it ends up being placed ultimately makes no difference. What is really important is whether the agency will be allowed to assume its functions of coordination and resolve the feuds among the different institutions. The creation of TMO signals an effort to coordinate but the effort is still lacking. Much remains to be done. It is really a shame that in ten years after the war, we have achieved nothing of value or significance in this sector. We have built a few roads here and there, but this is all. It is hardly surprising though, with the nature of politics and the caliber of politicians that we have in this country [Helou, July 26, 2000].*

These observations, and the details of the recent creation of this new TMO, also highlight some cynicism about the workings of the Lebanese political system and the difficulty of introducing reform within prevailing political traditions (Hypothesis 1). Systematic effort was made to avoid

referring the placement decision to the Cabinet or to Parliament, which have become notorious in Lebanon as bottlenecks of decision-making. Dr. Shehadi, a regional telecommunications expert, made a pertinent comment in this respect,

*In Lebanon, a two-page law needs on average six months in the Council of Ministers and one year and a half in Parliament. In the meantime, the momentum is lost and the initiative dies of its own. The question is why, and the answer is that our political system is designed in such a way as not to allow for change to happen. Our political system is fragmented. In the wake of Taif, I think that there was even more of a paralysis in our political system. We had to live with this weakness known as consociational politics or consociational democracy; this means that every minister can delay even paralyze the work of the Council of Ministers and every deputy can delay the work of the Chamber of Deputies. This is it; it is paralysis and it continues, and I don't think that new parliamentary elections or a new government will change this reality [Shehadi, August 14, 2000].*

Dr. Slam, a director and partner in Team International similarly observes,

*Now we are in a situation where Minister X does not want to antagonize Minister Y; and Minister Z does not want to create problems, so we are keeping more or less the status quo. In Lebanon, people are somehow afraid to make strategic decisions, controversial decisions. This is why there are a lot of decisions which are not based on optimization. The decision to place the TMO under the Ministry of Interior is a typical example. So we accumulate a lot of mistakes, and when it is time to make new decisions to correct what has been done, we find that the decision has to be very courageous and has to cost money. So we try to patch up by making small decisions and trying to keep everyone happy. Let us not rock the boat, this is the modus operandi in Lebanon [Slam, July 20, 2000].*

Harmony, stability, consensus-building, compromise, negotiation, and accommodation have indeed become the modus operandi in Lebanon and the hallmarks of Lebanese political and administrative processes. They are sacredly respected and reflected in political interactions and decision-making patterns. These consensual traditions have permeated the formal institutional structures (e.g. Cabinet/Parliament) which have become notorious in Lebanon as bottlenecks of decision-making. They also manifest themselves in micro-level interactions and decisions, as the dynamics of the recent creation of the TMO clearly reveal.

One can safely assume that the same dynamics that have determined the creation of TMO have also affected the creation of other institutions in the sector. "The development of the transport sector in Lebanon has not taken into consideration real needs criteria but rather ad-hoc allocation of public resources as dictated by conflicting political pressures and interests" (Dar-Al-Handasah, 1992, p.14). There has been no attempt at rational policy formulation, which explains the overlapping functional responsibilities as well as the serious gaps in transport regulation and enforcement as per Table 34. These deficiencies translate into practical problems of congestion, accident hazards, excessive pollution and overall loss of economic productivity. These deficiencies are further illustrated in the review of the land transport sector below.

## REVIEW OF THE LAND TRANSPORT SECTOR PERFORMANCE

### Elements of the Land Transport Sector

Lebanon is one of the few countries in the world that allow transport vehicles (private and public) to move freely anywhere in the country without planning or regulation. Besides the large number of private passenger cars (estimated at 800 000 vehicles in 1998), the country has witnessed a three fold increase in the taxi fleet over a period of two years (from 110,650 service plates in 1996 to 33,300 plates in 1998), a sharp increase in the privately owned bus fleet (2,400 buses and 2,000 minivans in 1998) and the concurrent operation of 225 buses of the Railways and Public Transport Authority. Currently, the land transport sector comprises the following elements or transport providers:

- ❑ 800,000 private passenger cars, a large proportion of which are old polluting vehicles;
- ❑ 33,000 red service plates (*taxis and shared taxis*) whose owners have the right to provide service in any part of the Lebanese territory;
- ❑ 2,400 private sector buses operating mainly within urban areas;
- ❑ 2,000 minivans as part of a total of 4,000 minibus plates allowed by law in 1996;
- ❑ 225 RPTA buses in operation out of a total of 302 such buses owned by the government.

A 1998 study estimated the transport demand at about 1.75 million daily motorized trips within the Greater Beirut Area (GBA). The demand is expected to increase to 3 million and 5 million daily motorized trips in 2005 and 2015, respectively. The different transport providers contribute unequally to meet this growing demand. Indeed, the shares of the different transport providers of the GBA trip market were recently estimated as follows: 68% for private cars, 15% for service and taxi vehicles, 14% for private sector buses, and 3% for RPTA buses (Team International-Iaurif-Sofretu, 1995a). Table 35 illustrates the 1998 demand distribution by vehicle classification for the cities of Beirut and Tripoli. Table 36 is a tentative comparison between Beirut and Amman with regards to land transport provision.

Table 35. 1998 Demand Distribution by Vehicle Classification (Baaj, 2000)

<i>Region</i>	<i>Greater Beirut</i>	<i>Tripoli</i>
Population	1,300,000	400,000
Daily Motorized Trips	1,750,000	500,000
Transport Share:		
1) Private Passenger Cars	68%	67%
2) Service and Taxi Vehicles	15%	21%
3) Private Sector Buses	14%	12%
4) RPTA Buses	3%	0%
Trips by bus (3) + (4)	297,500	60,000

Table 36. Comparison Between Lebanon and Jordan in 1998 (Baaj, 2000)

<i>Region</i>	<i>Greater Beirut</i>	<i>Amman</i>
Population	1,300,000	1,100,000
Private Passenger Cars	280,000	90,000
Service and Taxi Vehicles	20,000	9,900
Buses and Minibuses	4,100	810

It is important to note in this respect that the number of red plates in Lebanon (taxis/shared taxis) increased exponentially in 1994 by a decision of the Minister of Interior<sup>22</sup>. The decision was made despite its expected aggravation of congestion, pollution and regulation problems. And despite the obvious non-rationality of such a decision in the context of post-war land transport realities, it was again completely justifiable in political terms, given that it has served to advance the political/economic interests of the strong Minister of Interior. Although the precise political motives and compromises that have prompted this recent decision remain obscure, there is little doubt that the decision was determined by political considerations. A professor of transportation engineering at the AUB and advisor to the Minister of Transport explains the tactful maneuvers of the Minister in this respect and his ingenious solution to overcome potential hurdles/opposition,

*There used to be 11,000 red plates which used to be inherited across generations. To open the door for the selling of 11,000 new red plates without antagonizing traditional plate owners, the Minister of Interior suggested to offer them each one free red plate in compensation. This is how the number of red plates jumped from 11,000 to 33,000 overnight. This happened simply for political reasons and to benefit some groups and regions [Baaj, July 19, 2000].*

Another professor of transportation engineering at the AUB comments on the absurdity of this recent decision,

<sup>22</sup> The Department of Vehicle Registration is part of the Ministry of Interior.



*The granting of 22,000 new red plates was an unbelievable decision. The number was approved without studying how much the market can actually assimilate or how to divide them amongst Lebanese regions. We are now paying the price. Many taxis that are in operation today can not find sufficient passengers and their operation is not sustainable. They are also not making enough money to maintain their vehicles in a safe way or to revamp the existing fleet. So we have simply increased the number of vehicles roaming the streets and exacerbated problems of congestion and pollution [Kaysi, July 18, 2000].*

Dr. Nakkash explains that Team International was consulted regarding this recent decision, but that their recommendation was considered absurd in view of prevalent motives/inclinations,

*Team was consulted about the 1994 decision to issue new license plates, but their opinion was considered a heresy, because it was not in line with dominant interests at the time. We suggested to the government to buy all red plates from existing owners and then re-issue licenses and allocate them according to routes. The response was that this was a kind of nationalization and was not in harmony with our free economic principles and traditions [Nakkash, July 20, 2000].*

Dr. Nakkash further suggests that although there is no explicit transport policy in Lebanon, there is nevertheless an undeclared de-facto policy guiding actions/decisions in this sector,

*There is no explicit transport policy in Lebanon. I am emphasizing the word explicit, because I believe that there is an undeclared policy that is guiding action in this sector. The government's de facto policy is that transport problems in Lebanon can be resolved by increasing the number of cars and vehicles. Otherwise, why would the government license 22,000 new red plates in 1994? [Nakkash, July 20, 2000].*

Dr. Baaj in turn comments on the inconsistency of post war transport policies,

*Even in the wake of the war, successive governments have continued to institute patchy and inconsistent policies. It was all a matter of expediency and of serving constituency needs and political interests. The 22,000 red plates for example, were granted for political reasons. The new buses that the government has acquired for RPTA comprised part of a big deal between Hariri and Renault. What we need today is regulation, but regulation is beyond the capacity of the Lebanese government because it is politicized [Baaj, July 19, 2000].*

The Director General of the Railways and Public Transport Authority (RPTA) also makes a general comment about the politicization of transport policies in Lebanon,

*In Lebanon, transport in general and public transport in particular are very politicized. The reason is that this is a service that affects billions of voters, especially poor voters. Vested interests are at play and policies are often determined by political considerations [Krayem, July 27, 2000].*

Although none of these explanations provides a precise account of what prompted the Minister's recent decision – the motives for which remain well coveted behind the scenes- they all testify nevertheless to the absurdity of this exponential overnight increase in the number of red plates, and to the politicization of post-war transport policies. The 'red plate saga', although still obscure in some respects, nevertheless reveals once again that decisions in this country are

not always based on optimization or guided by the public interest. They are rather determined by complex political priorities, compromises / considerations, which are always justifiable in political terms in view of the modus operandi of the country – “harmony, consensus, accommodation”.

### **The Inefficiency of Public Land Transport Services**

The current levels of congestion on the road network make it very difficult to operate an efficient or reliable mass transit system. 1998 RPTA reports reveal that the number of passengers transported that year was 14 million passengers. Moreover, in 1998, RPTA requested and was granted a 13.5 billion LL subsidy from the Lebanese Treasury. The same subsidy was requested by RPTA in 1999, and a subsidy of 20 billion LL (equivalent to 13.5 million US\$) was requested in the year 2000 (a 40% increase). While the subsidy has been growing steadily to account for 0,25% of the budget of the Lebanese state, it has not translated into any significant improvement in services or productivity.

Indeed, a cursory comparison of the performance of RPTA’ s bus operation with that of a private bus operator – the Lebanese Commuting Corporation- reveals the extent of RPTA’ s inefficiency. The Lebanese Commuting Corporation (LCC), a major bus competitor to RPTA, owns a fleet of 185 Mercedes buses deployed on 12 routes. It transported 18 million passengers in 1998 (29% more than RPTA) generating revenues of about 9 billion LL. LCC’ s 1998 route mileage was 12.8 million bus-km (22% more than RPTA, whose fleet covered only 10.5 million bus-km). LCC’ s cost per bus-km was 54% less than RPTA’ s (920 LL/bus-km Vs 2,000 LL/bus-km for RPTA). Table 37 presents the comparison between RPTA and LCC.

Table 37 reveals that the private Lebanese Commuting Corporation (LCC) has managed to outperform its public competitor –RPTA- despite the fact that the latter is receiving a yearly – costly- government subsidy. LCC indeed manages to transport 4 million passengers a year more than RPTA, making 2 billion US\$ in revenue every year in excess of RPTA. It is possible to attribute this discrepancy in part to the mis-allocation of routes between the two providers (LCC is providing services on 12 profitable routes only), but the numbers still suggest the government’ s inefficient operation and regulation. Table 38 presents the 1998 budget of RPTA and Table 39 presents the 1998 employment levels in RPTA compared to international norms.

Table 37. Comparison between RPTA and LCC in 1998 (RPTA, 1999)

	<i>RPTA</i>	<i>LCC</i>
Fleet Size in Operation	164 buses in Beirut 20 buses in the Bekaa	185 buses
Routes in Operation	22 in Beirut and its suburbs 15 in the Bekaa	12
Yearly Number of Transported Passengers	14 million	18 million
Yearly Travel Distance	10.5 million bus-km	12.8 bus-km
Yearly Revenue – LL	7 billion	9 billion
Yearly Cost – LL	20.5 billion	11.6 billion
Cost/Bus-km – LL	2,000	920
Annual Deficit – LL	13.5 billion	2.6 billion
Ration of Employees to Operational Fleet Size	3.8 employees/bus	2.4 employees/bus

Table 38. 1998 Budget of the RPTA (RPTA, 1999)

<i>Revenues</i>	<i>Million LL</i>	<i>Expenses</i>	<i>Million LL</i>
Railway Revenues	0	Railway Expenses	3,289
Public Transport Revenues	12,000	Public Administration	559
Charles Helou Station	750	Charles Helou Station	752
Public Sector Contribution	13,000	Public Transport Expenses	19,821
Other Business Operations	5	Unusual non-recurring	2,143
Contribution of the National Security Fund	1,629	Budget Reserve	980
Other Revenues	210		
Total Revenues	27,594	Total Expenses	27,594

Table 39. Employment Levels in RPTA Compared to International Norms in 1998 (RPTA, 1999)

<i>System Characteristics</i>	<i>RPTA</i>	<i>International Norm (for equal fleet)</i>	<i>% Increase Over International Norm</i>
Drivers/Bus	3	2.2	36%
Number of Drivers	585	429	36%
Controllers/Line	0.8	1	-
Number of Controllers	30	38	-
Technicians/Bus	1/3	1/8	167%
Number of Technicians	75	28	167%
Administrative Employees/Line	4	1	300%
Number of Adm. Employees	150	37	300%
Total Number of Employees	840	532	58%

## **Consequences for Quality of Land Transport Networks and Services**

The actual distribution of transport allocations, the inefficiency of public provision, and the high number of private passenger cars lead to high transport costs and poor service levels. In fact, traffic congestion in the GBA results in very long trip times and a high consumption of gasoline, causing in turn serious pollution problems<sup>23</sup>. The consequences for Lebanese consumers and the overall economy are multi-faceted: higher gasoline import bills, congestion, accident hazards, excessive pollution, noise and overall loss of productivity.

Furthermore, in the absence of any regulation, the driving pattern of service providers (particularly taxi services and minivans) is one of random roaming, which increases problems of pollution and traffic congestion. Thousands of service providers compete over the same routes, roaming the streets in search for limited passengers. Taxis stop frequently, without warning, anywhere on the network to negotiate prices and destination with passengers, thus usurping an unreasonable share of the total road capacity and increasing traffic hazards and congestion.

Traffic safety has thus become a serious issue in Lebanon. The competition between the various service providers leads to daily irritations. The driving pattern is often spontaneous and aggressive, thus endangering the safety of passengers, pedestrians and other car occupants. Moreover, most of the service vehicles operate without mandatory insurance, and do not undergo mechanical or emissions testing programs. Annual inspection is only a paper formality to ensure the cashing of fees. In the absence of effective emissions inspection, many vehicles illegally utilize cheaper diesel fuel or leaded gasoline, thus releasing excessive emissions that pose environmental / health hazards.

Road safety has also become a serious concern. More than one third of the road network in Lebanon is in poor condition and the traditional maintenance practices have been twice as costly as those for stable well-maintained networks. Road safety devices such as signing, marking, collision barriers and delineators are generally lacking. The fatal accident rate on the northern GBA highway, for example, was estimated as double that expected in the US for similar highways. On-street parking is still a free activity, resulting in the consumption of vital road space and denying both moving vehicles and pedestrians the benefits of using the roads. Traffic violations are beyond enforcement capabilities and axle loads are consistently violated.

Many of the land transport problems can be attributed to the complex institutional framework discussed above. They can also be partly attributed to the tendency to solve transport problems in Lebanon by extending the road network and a modest enhancement of police enforcement

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<sup>23</sup> Beirut city was reported as early as 1986 to have a high road network density (23 km/km<sup>2</sup>), twice as dense as that of Paris (11 km/km<sup>2</sup>) (TEAM, International 1995b).

effort. More importantly, they can be attributed to the politicization of transport reform in Lebanon and to the patchy and inconsistent policies which have been adopted in the wake of the war (e.g. half-hearted attempt at rationalization through the creation of a nominal MOT; weak policy-making and regulatory oversight; random increase in red plate numbers, etc.).

A fragmented institutional set up and inconsistent policies may have been sustainable when the road network was still evolving, vehicle ownership was low, and the urban structure was simple and sparse. The Lebanese urban scene of the 1990s is characterized, however, by a dense road network and high vehicle ownership. The road network has reached saturation levels with considerable loss of utility and productivity to the users. This implies that increasing transport demand cannot simply be met by additional physical expansion. Similarly, traffic cannot be controlled by the traditional enforcement effort.

The complexity of the situation has thus outgrown existing institutional capacity, which has not been adapted enough to meet the new challenges. As in the case of telecommunications, the Lebanese government has adopted with respect to transport a traditional physical expansion approach to the detriment of effective institutional reform, re-organization, and regulation. There is thus a strong inclination in this country to improvise temporary and patchy solutions, and to postpone engagement with the core issues, perhaps indefinitely.

## **RECENT LAND TRANSPORT REFORM EFFORTS**

There is increasing awareness today of the need for a comprehensive reform of the Lebanese transport sector. A workshop on 'Land Transport Policy in Lebanon' has been recently organized by the MOT (July 6-8, 1999). The workshop was attended by local and international experts and by representatives of the International Bank for Reconstruction and Development (IBRD). The participants reviewed past studies relating to the land transport system, identified the problems of the sector, and formulated policy recommendations to cope with the complex transport issues / problems.

The principal recommendation of the workshop participants was one pertaining to the strategic role of the Lebanese government in reforming and regulating the sector. The participants recommended that the Lebanese government abandon its public provision effort through RPTA and enhance its functions of planning and regulation. While encouraging the private sector to play a more significant role in land transport provision, the government should regulate prices and competition and ensure a rational supply of services. This recommendation is reminiscent of the Osborne and Gaebler's entrepreneurial principles of 'steering rather than rowing' and 'empowering rather than serving'.

A second important recommendation of the workshop participants pertained to the enhancement of the managerial, policy-making, and regulatory capacities of MOT. Acting on this recommendation, a 'Transport Regulatory Unit' (TRU) was recently established in MOT (ministerial decision No. 138/99, dated October 13, 1999). The TRU effectively began operations on September 1, 1999 and is working in collaboration with the World Bank and with local and international transport experts. The main assignment of this unit is the development of a land public transport reform plan and the subsequent supervision of its implementation.

The reform plan is now in the last phases of formulation. The plan envisages that a restructured Railway and Public Transport Authority shall be the ultimate regulatory authority. The plan also envisages the corporatization of the bus operation division of RPTA. This will allow the new commercial company to focus on upgrading its performance and reducing its operating costs. In the second phase, the company shall be partially or fully privatized and required to compete with other private sector providers. It is estimated that the process of re-structuring and commercialization will require three years, by the end of which the government will be relieved of its costly RPTA subsidy.

Moreover, the plan proposes a number of practical measures to meet the growing demand for transport services, namely:

- Identifying the layout and capacity of routes of the RPTA bus lines and those allocated to the privately-operated bus companies;
- Identifying the layout and capacity of routes allocated to service and taxi vehicles;
- Identifying the allowable number of competing service and taxi vehicles on the routes;
- Reallocating excess service vehicles and buses to new routes or terminating their service;
- Setting tariffs on routes of service;
- Identifying routes where service is important from a social perspective (poor, isolated, and/or deprived areas) and contracting with private sector operators to cover those routes;
- Supervising and monitoring private operators' compliance with rules and regulations;
- Construction and operation of new bus terminals;
- Enhancing the quality of services offered by requiring transport drivers to undergo specialized training in an academy established for this purpose.

The plan thus envisages a proper methodology for route allocation and performance evaluation via a continuous monitoring of private sector operations to ensure a rational supply of services at reasonable costs. These functions will ultimately be assumed by the newly restructured RPTA. Moreover, both syndicates of service and taxi owners/operators have recently submitted to MOT a plan suggesting routes for service vehicles and identifying locations that are suitable

for service stops. The plan constitutes a positive start, but is still awaiting TRU modifications in light of the overall national transport policy and a comprehensive allocation of routes.

Although the new land transport reform plan is a preliminary positive step in the right direction and involves an effort towards restructuring/re-organization, nothing has yet changed about land transport problems or the realities of people's existence. It will remain to be seen whether this attempt to address the complex land transport problems will indeed enter the phase of practical implementation. Unfortunately, the general pattern of administrative reform in post-war Lebanon suggests that the likelihood is slim, given the economic situation and the strong inertia of traditional arrangements.

Experts concur and express guarded optimism about the ability of the Lebanese government to embrace transport reform and re-organization in the foreseeable future. The Director General of Land and Maritime Transport at the MOT observes for example,

*Chances are slim that any changes will take place before the year 2001. The main reason is that we are now awaiting new parliamentary elections, which are scheduled for August 27 and September 3, 2000. Any changes will have to be approved by the new parliament. The new parliament, however, will initially devote its attention to issues of budget allocation for the year 2001. It will then turn its attention to other pending issues. A new council of ministers will also be appointed in October. In the meantime, the current cabinet will be reluctant to take any radical decisions. The stakes are too high [Kaysi, July 20, 2000].*

Professor Baaj, who has been closely involved in the drafting of the land transport reform proposal in his capacity as advisor to the Minister of Transport since 1998 comments,

*The Minister is no longer backing the proposal. The upcoming parliamentary elections have put everything on hold and changed the power and alliance equations. The current Minister of Transport, Najib Mikati, who has aspirations for the premiership in the new government, wants to stay on good terms with his Directors General, both of whom are opposed to the plan, but for different reasons. Krayem wants MOT and its RPTA division to retain their operation functions. Kaysi on the other hand, perceives the new proposal as undermining the regulatory functions of MOT [Baaj, July 19, 2000].*

The Director General of RPTA indeed confirms his dissatisfaction with the recent land reform proposal, which he considers to be shallow and lacking in substance. He further explains his intention to submit a new reform proposal to the Council of Ministers, outlining in more details how to approach the regulation of land transport provision in Lebanon,

*The land transport reform proposal that was recently submitted to the Council of Ministers consists of broad and shallow guidelines, and does not accord due attention to implementation and feasibility considerations. I have in mind to present a complete proposal to the Council of Ministers outlining how to proceed with regulation and the specific steps that should be initiated. But putting together a comprehensive proposal of this sort may take several years [Krayem, July 27, 2000].*

The RPTA Director General is obviously not impressed with the land transport reform proposal which has recently been submitted to the Council of Ministers and by implication has no intention to cooperate / take part in its implementation. This highlights in turn the lack of coordination between the various actors in the sector and the resulting fragmentation in policies. Professor Baaj further sheds light on why the implementation of the proposal has been delayed, given that the plan has been ready and awaiting cabinet approval since November, 1999.

*The worst part is that the plan has been ready since November 1999 and went to the Council of Ministers for approval. At that time, MOT did not have a Director General for land transport. The previous director general was jailed, and the position was vacant for a while. Unfortunately, the Council of Ministers did not immediately approve the plan. The question is why, or what happened during those five months. The answer is that the Minister of Interior, Michel El-Murr, objected to the proposal and requested from the Council of Ministers time to review its details. Up to that point, he had sold 2,000 minivan plates and had the intention to provide another 2,000. Knowing that the granting of more minivan plates was in conflict with the essence of the land reform proposal which essentially calls for a freeze on taxi and minivan permits, he vetoed the proposal until April. When the 4,000 minivan permits had been finally sold in April, the Minister of Interior retreated his veto, but there was now a director general in the MOT who was opposed to the plan for different reasons. The new director general assumed his position in December 1999. Kaysi is opposed to the plan because he perceives it as undermining his role and authority and those of MOT. The Minister now has a stake in preserving good relationships with his directors general in view of the upcoming parliamentary elections. But you can not push a program of change without creating problems or even enemies [Baaj, July 19, 2000].*

The explanation of Dr. Baaj illustrates once again the political constraints on reform initiatives in Lebanon. The recent land transport reform proposal, which advanced a number of fruitful ideas and practical solutions to existing land transport problems, was submitted to the Council of Ministers for approval in November, 1999. It was nevertheless vetoed by the Minister of Interior in his capacity as representative of the Greek Orthodox community in Lebanon. By the time the Interior Minister retreated his veto in April – after having accomplished his strategic objectives – the Minister of Transport was no longer supporting the proposal in view of the upcoming parliamentary elections and changing power and alliance equations.

This example in turn suggests that there are serious constraints on reform endeavors in Lebanon dictated by the nature of the political system and the rules of the political game. While the mutual veto, another feature of the politics of accommodation in Lebanon, can in theory be used to protect vital community interests, it is not intended to be abused to promote personal political objectives. Unfortunately, the rules of the Lebanese political game are too often abused and the consequence is immobility and stagnation. Similarly, while political support for reform proposals should in theory depend on their value and merit irrespective of electoral interests/maneuvers, this is rarely the case in the highly politicized Lebanese environment.



These examples in turn further reinforce the observations made earlier regarding the politics of accommodation and their detrimental influence on patterns of reform and change (Hypothesis 1). Moreover, the story of this recent land transport reform proposal suggests that the multiplicity of institutional veto points (political leaders, ministers and deputies) introduces further rigidity into the system and decision-making processes by allowing for reform proposals to be assessed by their prospective consequences for the interests of specific factions, communities and even individuals (Hypothesis 2). The limits on political action in the Lebanese multi-confessional context are thus narrow and constraining, rendering radical and innovative reform practically impossible. Dr. Shehadi, for example, observes in this regard,

*If you are seeking radical and positive change, you have to be ready to upset some people and even shock them before you reach your objectives. You can not deal with reform with shyness and timidity. You have to push for change with courage and will. The rules of the political game in Lebanon, however, dictate prudence and compromise, so reform and change are not likely. The needed ingredients for reform are sadly lacking in Lebanon because of the nature of the political system [Shehadi, August 14, 2000].*

Dr. Baaj observes along the same lines,

*We have in Lebanon clusters of factional power bases. All reform attempts have to survive the pushing and pulling of these power bases. Progress ultimately depends on the possibility of reconciling the interests of these power bases and finding acceptable compromises. In the final analysis, reconciliation is only possible, however, over issues that are of little importance and that somehow promote personal and factional interests [Baaj, August 22, 2000].*

Other informants have also shown sensitivity and awareness of the complex limitations of the Lebanese environment. Dr. Slam, a director and partner in Team International, expressed his skepticism with regard to the implementation of the recent land transport reform proposal,

*Although the workshop was rich and some very serious recommendations came through, I don't think anything will be implemented. The reason is that the objectives of individuals in the government are not in line with rocking the boat...Reform requires above all courage and political will. One can say in short that most of the problems of the Lebanese administration stem from a political system which is not healthy and does not allow reforms to thrive [Slam, July 20, 2000].*

Dr. Nakkash, another partner in the same company also made a very pertinent observation,

*We were hoping that the recent land transport policy proposal which involves the creation of an independent regulator will acquire momentum. But nothing has happened in this regard, because our politicians are not much concerned with regulation. They are more interested in ceremonial events, like building a bridge or expanding a road, for which they can get credit. In one word, our problem in this country is one of governance. Reform has to start at the top. We first need to reform our political system before we move to reforming specific sectors [Nakkash, July 20, 2000].*

Indeed, our problem in this country is one of governance, a governance system that is peculiar and complicated to say the least because of embedded cultural/political realities. It would be simplistic to characterize the problem as one of jurisdictional fragmentation or non-implemented reform proposals. Rather, the essence of the problem lies with the rules of the Lebanese multi-confessional political game. As one colleague has poignantly observed in an informal discussion about the topic “administrative reform in Lebanon is the casualty of the political system and the rules of the Lebanese political game. It is like when you have pollution in your river, it does not help to apply treatment to the stream (administration), you have to put it at the source” [Khashan, *informal discussion*, October 27, 2000].

## **SUMMARY AND CONCLUSIONS**

Land, sea and air transport had traditionally been a main source of income for the Lebanese government (rail transport is an exception). Prior to the war, income from the transport sector is believed to have exceeded the budgets allocated for infrastructure development and maintenance. The war years, however, have resulted in a fully deregulated transport industry in Lebanon and the loss of a substantial part of government revenues from this important sector. Most transport laws/decrees and institutional structures are now at least 20 to 30 years old. During this long period, the transportation environment has notably changed, mainly because of the war, but also because of the complex evolution of urban life.

The institutional overview presented in this chapter suggests that the development of the Lebanese infrastructure in general and the transport infrastructure in particular have been ad-hoc and subject to political considerations, rather than a clear conception of needs and priorities. Dar Al Handasah consultants wrote in 1991 that “the development of the transport sector in Lebanon has not taken into consideration real needs criteria but rather ad-hoc allocation of public resources as dictated by conflicting political pressures and interests, through which the MOPW and the Executive Councils under its tutelage are believed to have been executing policies set by politicians rather than carrying the responsibility of rational policy formulation” (Dar-Al-Handasah, 1992, p.14).

The review presented in this chapter indeed confirms this observation. The current situation of the transport sector in general and the land transport sector in particular is chaotic and in need of comprehensive reform. The sector is characterized by a complete jurisdictional fragmentation. Several ministries and agencies share various transport responsibilities. Limits of authority and responsibility are not clear and coordination is absent. There are also severe shortages in personnel in key ministries and departments. These deficiencies in turn translate into practical problems of congestion, accident hazards, excessive pollution and loss of economic productivity.

Moreover, the review has suggested that the 1993 Hariri re-organization movement has increased problems of overlapping and duplication. While the reform effort culminated in the creation of the MOT in 1993, it simultaneously created a number of other ministries and organizations that have transport-related responsibilities (e.g. MOE, MOMRA). Moreover, the MOPW and the MOI have not completely relinquished their transport functions. The complex jurisdictional fragmentation and the lack of coordination are working against the government's efforts to evolve consistent policies to meet growing transport demand.

But the general overview of the land transport sector in Lebanon reveals more than problems of fragmentation, duplication, lack of coordination, or shortages of personnel. It also reveals problems of politicization in the transport sector or more precisely the permeation of post-war reform policies by political considerations and the politics of accommodation. This has been clearly illustrated in the details of the recent creation of the TMO. What has been referred to as the 'red plate saga' (or the exponential increase in the number of red plates overnight) similarly suggested that decisions in this country are rarely based on optimization or guided by the public interest. They are rather determined by complex political compromises and considerations. The recent delay in implementing the land transport reform proposal similarly suggested the complex political maneuvers and constraints on reform endeavors in Lebanon.

Hence, there is ample evidence in this chapter to suggest that the rules of the Lebanese political game severely constrain reform and policy options. The politics of accommodation which have become the hallmarks of Lebanese political/administrative processes, render innovative change almost impossible. The emphasis on balance and compromise indeed tends to translate into half-hearted, sub-optimal reform decisions, high tolerance for political abuses and irregularities, and an orientation towards system-maintenance which subdues all inclinations to articulate the really important issues. Evidence in this chapter thus lends further support to the research hypothetical model and highlights the salience of cultural/political factors in accounting for the patchy and incremental reform patterns observed in Lebanon in the wake of the war.

# CHAPTER 10

## CONCLUSION

### INTRODUCTORY COMMENTS

While the research presented in this thesis began with an interest in analyzing administrative reform dynamics in a multi-confessional setting, it is not and was never meant to be an exhaustive study of administrative reform in Lebanon. Rather, it was an attempt at understanding the workings of the Lebanese bureaucracy and the dynamics of administrative reform within the larger Lebanese social, political and economic environment. Indeed, the analysis presented in this thesis is based on the simple observation that administration does not function in a vacuum and must necessarily be related to the social context in which it thrives. The isolated treatment of administrative reform is thus not possible and needs to be inextricably linked to a variety of factors, cultural, political and economic.

Within this broad orientation, the research has sought to accomplish four objectives:

1. To place administrative reform in a specific social, political, and historical context and link it to the realities of pluralism and sectarian politics in Lebanon.
2. To link administrative reform to embedded institutional factors (the nature of the Lebanese political system, administration, and society in general) as these have been hypothesized in the literature to have a significant influence on the fate of reform initiatives.
3. To link administrative reform in Lebanon to the specific constellation of cultural, political and economic factors in specific periods from independence (1943) until the present.
4. To examine post-war reform dynamics and policies in specific administrative sectors and hence gain greater insight into Lebanese post-war reform patterns.

Administrative reform has not been the subject of extensive research in Lebanon. This may well have to do with the fact that the landscape of Lebanese political and administrative phenomena is so variegated and complex that a comprehensive analysis is too vast an undertaking. Although some scholars did attempt to explore specific areas and facets of Lebanese administration (e.g. Iskandar, 1964; Bashir, 1970; Iskandar, 1996), there was no attempt to examine administrative reform holistically and contextually, and to link it to what remains today the most undeniable fact of Lebanese political life, that of sectarianism and diversity. Despite its over-ambitious scope and comprehensiveness, this thesis is an attempt to fill this gap in the literature, and provide additional data for theories of administrative development and comparative analysis.

In an attempt to tie the main themes, arguments and threads of thought together, the conclusion to this thesis will: i) present a summary of the study and its findings; ii) highlight the main

conclusions of the thesis and their relevance for wider fields of knowledge; and iii) suggest ideas for further research on the topic.

## **A SUMMARY OF THE STUDY AND ITS FINDINGS**

Administrative reform theory has always been polarized between a branch of political science and managerial or organization studies. The focus in this thesis was on theories that occupy a middle ground between these two ways of studying the public sector. Chapter 2 highlighted the gradual ascendancy of four different paradigms for studying the public sector (the traditional model of public administration, the new public administration, the new public management and the new institutionalism), but also emphasized that there has not been a single uniform response to any single paradigm. Indeed, although the new public management ideas have achieved great currency in many parts of the world (mostly Western industrialized countries), it was nevertheless underlined that the obstructiveness of national contexts/values does raise the usual question of transferability. Both old and recent claims of historical inevitability and international reform convergence, of widespread policy transfers and diffusion of administrative innovations, founder on the grounds that national political styles and cultural environments offer different countries different kinds of opportunities to pursue specific reform trajectories. Indeed, persistent variation has been noted in the adaptation patterns and reform trajectories of Western-style democracies -- and more variation can be anticipated for LDCs. This variation has been largely predicated on historically determined patterns of state-society relations and significant variations in political cultures.

Given this observation, namely, that there is no administrative reform framework with universal applicability, the review in chapter 2 has instead focused on examining the administrative reform literature critically and selectively, to extrapolate those variables that have been commonly advanced to account for such persisting variation. It was thus possible to synthesize a number of factors that have been hypothesized to mitigate the effects of administrative reform initiatives in specific national contexts, namely, the nature of the political system (consensual vs. adversarial), the national reform capacity which is dependent on the strength of executive leadership, institutional entrenchment, and bureaucratic powers, and the specific configuration of the national political nexus triad, in turn determined by the relative power of politicians, bureaucrats, and civil society. Based on this extrapolation, a number of specific hypotheses were derived to be tested in the Lebanese context, namely that national reform capacity will be limited given the country's special brand of consensual politics (**Hypothesis 1**); that national reform capacity will be limited in view of prevailing patterns of weak executive leadership and strong institutional entrenchment (**Hypothesis 2**); a pattern of politician-driven administrative reform was also hypothesized for Lebanon in light of the continuing minimalist influence of bureaucracy and civil society on the course of reform initiatives in this country (**Hypothesis 3**).

Further, based on the same and firmly grounded observation that there is no administrative reform framework with universal applicability, an attempt was made in chapter 2 to evolve a hypothetical model that identifies those factors which most significantly influence and condition the fate of reform initiatives in Lebanon. Cultural/societal factors were highlighted as very salient in the Lebanese context and as potentially very important in defining the acceptable directions of change and reform. Indeed, more than anything else, the sectarian divisions in Lebanese society remain the key to understanding the whole picture. Political factors and the nature of the political system were also highlighted as important for understanding reform action and non-action in Lebanon. Specific and peculiar political power configurations have evolved in Lebanon to accommodate the realities of pluralism and sectarianism and these set limits both on the types of changes that can be promoted in the public sector and on the speed of change. Economic factors were also underlined as potentially important and as presenting specific opportunities (before the war) and constraints (after the war) in the pursuit of reform goals. Finally, the research hypothetical model highlighted the potential influence of the external environment (regional and international) on country-specific planned programs of change. This is especially true in Lebanon, which has been receptive to such influences in view of its strategic geographic location and the unique composition of its population.

As per the research hypothetical model, the analysis in chapter 3 has focused on issues of pluralism and diversity, and their relevance and salience in the specific Lebanese context. Chapter 3 thus reviewed the theoretical literature on pluralism and diversity with the objective of accounting for the resilience of ethnic and religious identifications and attachments in Lebanese society today. The chapter highlighted how the dynamics of inter-communal conflict in Lebanon evolved with time from traditional (parochial) religious rivalries to intense struggles over political and economic rewards. Theorists have indeed warned that far from eliminating particularistic group loyalties, modernization tends to accentuate them as group awareness mobilizes men along familiar solidarity lines. As ethnic groups modernize, they increasingly desire the same economic, political, and symbolic values, and as supply fails to satisfy these increasing and competing expectations, tensions tend to mount. The Lebanese experience indeed lends support to this observation. Rigid religious demarcations took on political importance in Lebanon to the degree that they were relevant in legitimating differential claims and access to resources. Indeed, in the period leading to the war of 1975, religious and ethnic identities were consciously manipulated and re-asserted as powerful instruments for utilization in the ensuing political competition. The specific patterns of mobilization of the main religious communities in Lebanon in the period leading to the war of 1975 (also highlighted in chapter 3) indeed suggests that the circumstantial, situational and contingent use of ethnic identification in the pursuit of material advantage cannot be under-estimated. Ethnicity provided individuals and

groups in Lebanon with their most important political resource in the competition for the scarce goods of modernity.

With the same kind of concern for further exploring and clarifying the undeniable salience of pluralism in the Lebanese environment, chapter 4 attempted to describe the genesis of ethnic politics in Lebanon by examining three phases that have marked the historical development of the divisions in Lebanese society, namely the Ottoman Period, the French Mandate, and the Independence Phase. The ethnic and confessional legacy of the Ottomans in the Middle East and in Lebanon relates to their promotion of the religious community as the main unit of social organization. Although this practice contributed to stability, it also made the differences between the religious communities more conspicuous and reinforced communal separateness and distinctiveness. Lebanon indeed witnessed the first formal institutionalization of communalism and sectarianism under Ottoman rule, precisely in 1845 and 1861. Under the French mandate, Lebanon witnessed increased tensions and polarization along religious lines, prompted primarily by the addition of new provinces -predominantly Muslim- to Mount Lebanon. This caused a major disruption to the traditional sectarian composition of the population and “restated the problem of Lebanon all over again”. The problem became one of reshaping the balance of power among the various sects. It is exactly this problem that is still manifesting itself today and impacting all aspects of Lebanese politics. In 1943, Lebanon embarked on its independence with all its historical, political, social, ethnic and religious cleavages intact. The reality of this situation necessitated the enactment of a compromise agreement between Muslims and Christians, the National Pact of 1943. The National Pact was a re-confirmation of the need to institutionalize communalism, and to preserve a delicate sectarian balance of power between the many ethno-religious communities. The National Pact thus established the foundation upon which Lebanese politics had been grounded from 1943 until the present (with slight power-sharing modifications introduced in the Taif Accord of 1989). While chapter 4 is mainly grounded in history, it was nevertheless perceived to be essential to promote a better understanding of present-day Lebanon, with all its cleavages, its social structure, and its peculiar political and administrative styles. A historical approach indeed provides a better starting point for understanding the context of public administration than does a ‘snap-shot’ description of some idealized particular point in history.

Having examined the main historical forces that shaped the evolution of the divisions in Lebanon, chapter 5 embarked on exploring how the sectarian realities have in turn shaped the democratic order of the Lebanese republic. Indeed, a unique democratic tradition has evolved in Lebanon in response to the imperatives of coexistence, commonly referred to as confessional or sectarian democracy. Chapter 5 highlighted the main pillars of this unique democratic order namely the Constitution of 1926, the Census of 1932 and the National Pact of 1943. And

although these devices embodied the main features of Liphart's consociational model (namely power-sharing and proportional representation) and proved to be successful conflict-regulation mechanisms in the early independence years, their effectiveness was seriously called into question in the 1970s. In trying to account as to why the Lebanese democratic order collapsed at that critical juncture, the research highlighted the complex interplay of domestic and regional factors which contributed to Lebanon's vulnerability and eventual breakdown. On the domestic scene, the research pointed out to new demographic realities which were not reflected in the state's representative structures, to asymmetrical political exchange patterns which perpetuated the hegemonic posture of the Maronite – and to a lesser extent-- the Sunnite communities, in addition to rising socio-economic (sectarian) inequities. The turbulence of the Middle East environment of the 1960s-1970s and the influx of Palestinians into Lebanon further strained an already fragmented social structure. The consequence was a violent war that raged in Lebanon for nearly fifteen years, defying the best efforts at negotiation. Ironically, the exit to the war came through a revival of the National Pact and its consociational principles, while introducing minor changes to the power-sharing formula to reflect new communal realities. The chapter analyzed the Taif agreement comprehensively given that it has marked a turning point in the history of Lebanon. The Taif Accord, which has been adopted as the new constitution of the second Lebanese Republic, thus culminated in the restoration of the principles of consociationalism/consensual politics to the Lebanese democratic order. The significance of this agreement lies in its expression of a widespread national consensus on the necessity to restore to Lebanon the politics of accommodation.

As outlined in chapter 6, the politics of accommodation have also permeated the political institutions of the Lebanese Republic -Presidency, Parliament, and Cabinet- before and after the war, which have become oriented to performing representational, conflict-management, interest communication and especially solidarity functions for members of the various communities, to the detriment of other more important responsibilities. Indeed, the overriding political objective of the country has become that of maintaining harmony and stability, and this message has come through more strongly in the wake of the war. This higher political purpose, in turn, justifies the politics of accommodation and the less edifying acts of balancing, bargaining and negotiation. It also justifies the paralysis of the executive branch of government and the frequent redistribution of cabinet portfolios to maintain a delicate state of equilibrium and coalesce the leaders of the major political factions. This higher political purpose also justifies the improvising of temporary settlements, the repression of unmanageable claims/issues, and the stifling of opposition and repression of public demonstrations. It justifies the division of major sources of wealth among the key players in the country's political economy. It also justifies Syrian intervention in purely domestic political affairs to avoid rocking the ship of state. Or does it, indeed? While chapter 6 has touched on those various themes, it also highlighted an important –albeit informal-



aspect of micro and macro political processes in Lebanon, namely that of clientelism and patronage. Informal patronage networks have indeed permeated Lebanese policy circles and political processes and these networks are cemented in Lebanon by ties of kinship and ethnicity. The review in chapter 6 indeed suggests that hardly any dimension of Lebanese politics has been immune to the contamination of confessional-patronage networks and that post-war political elite have proved incapable of breaking out of the narrow confessional-patronage politics game.

Having explored the complexities of the Lebanese political landscape, chapter 7 examined the various attempts at administrative reform in Lebanon before and after the war. In light of the contextual material introduced to this point, it should not come as a surprise that while the need for reform and transformation has been repeatedly espoused, old behavior patterns have had a remarkable sustaining quality and performance has tended to lag behind normative requirements. The review in chapter 7 indeed suggests that only one reform attempt was relatively successful in the pre-war period, namely that of President Fuad Chehab (1964-1970). The research attributed the success of this reform experience to a presidential leadership of an exceptional caliber. President Fuad Chehab was indeed able to stand above partisan politics and circumvent Lebanon's traditional political stagnation and immobility. He also managed to insulate Lebanon from the turbulence of the Middle East environment by adopting a neutral/diplomatic stand in foreign policy. All other reform attempts before the war were undermined by a constellation of traditional sectarian rivalries and factional politics in addition to the infiltration of the turbulence of the Middle East environment into Lebanon, which aggravated tensions and political complications. While the regional environment has been relatively stabilized in the 1990s, post-war reform attempts have been undermined by a constellation of cultural/political and economic factors. The economic dimension has indeed become very salient in the post-war Lebanese environment. The reconstruction efforts of the post-war period have contributed to large budgetary deficits and domestic debt accumulation. Large fiscal imbalances have in turn seriously constrained the policy options of successive governments. Reform attempts in this period have focused on symbolic re-organization and high visibility projects, to the neglect of long-term planning and policy-making. The looming financial crisis has also stood in the way of adjusting public sector salaries and attracting qualified elements. Post-war public sector employment patterns indeed reveal acute shortages in personnel and the lack of training and expertise in relevant policy fields. It is doubtful that the Lebanese administration as presently organized can face the challenges that lie ahead.

The review of post-war reform policies in the telecommunications and transportation sectors indeed confirms this observation. The review in chapter 8 suggests that although telecom reform has been the order of the day in almost all countries for some time now, the Lebanese patterns

of reform in this sector have remained modest at best. The massive investment in the rehabilitation of the fixed network infrastructure (estimated at US\$ 800 million) has not translated into drastic improvements of services. The pre-war institutional structure has also remained unchanged, with MPT monopolizing policy-making, operation and regulation functions. MPT monopoly restrictions are in turn denying market and new service opportunities to an ever increasing number of firms and industries. The review in chapter 8 thus makes clear that the Lebanese telecommunications sector of the 1990s suffers from serious deficiencies / constraints: outdated institutional/regulatory framework, tariff distortions, lack of public sector expertise and qualifications, less than optimal use of existing capacity, and less than adequate concern for quality enhancement and service diversification. But more importantly, the review in chapter 8 begins to highlight the underlying dynamics of reform in Lebanon and the extent to which reform remains in essence a political process dictated by political interests, priorities and maneuvers. The extensive politicization of telecom reform in Lebanon has indeed been repeatedly highlighted throughout the chapter. For example, there was no plausible technical justification for the attempt to dissolve OGERO in the first year of the Hoss administration, although political justifications abound. Political motives and the politics of accommodation can also not be discounted as having exerted an influence on the evolution of events with the mobile phone operators, resulting in the non-acceptance of the license offers and the continuation of the raging dispute. The merger of CDR with other councils has similarly been attributed to latent political motives and the politics of accommodation and sectarian representation. These examples point undeniably to the extensive politicization of reform in Lebanon and the difficulty of introducing change within prevailing political traditions (Hypothesis 1). They also confirm the patterns of executive discontinuity observed in Lebanon which typically serve to undermine all sustained efforts at modernization and change (Hypothesis 2). Last but not least, the Lebanese post-war experience with telecommunications reform suggests the importance of the economic factor in accounting for post-war reform patterns. Economic constraints have indeed manifested themselves in this sector in difficulties in attracting qualified elements, the introduction of revenue-sharing schemes, continued monopolization of telecommunications and half-hearted attempts at liberalization. In summary, the analysis in chapter 8 highlights the interplay of political and economic factors as a critical obstacle to reform in Lebanon in the wake of the war.

The second case study, presented in chapter 9, provides further insight into post-war reform patterns and the underlying dynamics of reform. The review in chapter 9 suggests that the transport institutional framework has been allowed to evolve in an ad-hoc manner without a clear conception of needs and priorities. The Lebanese transportation sector is indeed characterized by a complete jurisdictional fragmentation. Several ministries and agencies share various transport responsibilities. Limits of authority and responsibility are not clear and

coordination is absent. The complex jurisdictional fragmentation and the lack of coordination in turn translate into practical problems of congestion, accident hazards, excessive pollution, and overall loss of productivity. As to why successive Lebanese governments have continued to pursue patchy and inconsistent policies in this sector, the answer lies once again with prevalent political styles and traditions. The details of the recent creation of the TMO highlighted for example the patterns of decision-making by bargaining and negotiation prevalent in Lebanon. The attachment of the TMO to the MOI rather than the MOT was determined, not by scientific criteria, but rather by political peddling and the politics of accommodation. What has been referred to as the 'red plate saga' (or the exponential increase in the number of red plates overnight) similarly suggested that decisions in this country are rarely based on optimization or guided by the public interest. They are rather determined by coveted political considerations and compromises. The reasons for the delay in implementing the recent land transport reform proposal similarly suggested the narrow limits on political action dictated by the rules of the Lebanese political game. The objective of reform in Lebanon, as in other countries, is to achieve maximum strategic impact within the limits of political feasibility. The problem in this country is precisely with those limits, which seem to be very narrow and constraining. Reform that seeks to preserve consensus/harmony and a delicate balance of power among leaders and communities is no reform as it typically culminates in maintaining the status-quo. The rules of the Lebanese political game indeed dictate restraint, prudence and compromise, lest higher political objectives (harmony) be lost in the effort to win smaller benefits. The consequence is immobility and stagnation born of too much balancing and fragmentation. Evidence in this chapter thus lends further support to the research hypothetical model and highlights the salience of cultural / political factors in accounting for the patchy and incremental reform patterns observed in Lebanon in the wake of the war.

## **MAIN CONCLUSIONS AND CONTRIBUTIONS OF THE RESEARCH**

The main contribution of this research lies in its multi-dimensional approach to administrative reform. Administrative reform is explored contextually and holistically and linked to prevailing social, political and economic realities. The reality of modern governance is such that public administration and administrative reform can only be understood by placing them within a larger historical, cultural and political frame of reference. Indeed, public administration cannot be understood outside the same historical, political, and constitutional context that has shaped the evolution and development of other societal institutions. Similarly, administrative reform cannot be adequately understood if cut off from the cultural, political and economic context in which it thrives.

Given this orientation, the research did not limit itself to exploring the technical dimensions of reform. Administrative reform has also been analyzed from the perspective of the socio-political

dynamics of a system, trying to adjust by accommodating the demands of a pluralistic society. An attempt was thus made to link administrative reform to what remains the most salient facet of Lebanese politics and society, namely that of sectarianism and diversity. The sectarian cleavages in Lebanese society indeed remain the key to understanding the whole picture. They have shaped the constitution and the democratic process and have dictated peculiar political consensual patterns and traditions. While these patterns realized great benefits in some instances, they have also limited the ability of politicians and change agents to launch reforms, which represent major deviations from previous practice.

The research has also presented a number of fruitful hypotheses and a research hypothetical model, which could widen the comprehension of the topic and prove useful and relevant in other contexts. The first hypothesis suggested the need to link administrative reform to the nature of the political system and to prevailing political styles and traditions. The second hypothesis suggested the need to link administrative reform to the general capacity for executive leadership, to the multiplicity of institutional veto points, and to the influence of the bureaucracy on policy-making. The third hypothesis suggested the need to link administrative reform to the configuration of the political nexus triad, reflecting in turn the relative influence of politicians, bureaucrats and citizens on the course of administrative reform in any particular nation/country.

The three hypotheses have proven to be very fruitful in the Lebanese context. The research in this thesis indeed confirms the salience of the political factor and of national political styles and traditions in administrative reform endeavors. The Lebanese political system embodies the norms of balancing and accommodation. The arts of reconciling and accommodation which Lebanese politicians have come to master, however, often translate into a zero-sum game with respect to administrative reform. Too much balancing and compromise indeed introduce a high degree of rigidity into the system and preclude comprehensive reform programs which represent major deviations from previous practice. While accounting for variations in intensity and extent, a similar rigidity can be expected in other nations where the politics of accommodation prevail.

The research presented in this thesis also lends support to the second hypothesis, namely that limited administrative reform capacity can be expected in cases of weak executive leadership and multiple institutional veto points. The patterns of weak executive leadership observed in Lebanon have been justified by the need to coalesce the leaders of the major political factions through frequent rotation of cabinet portfolios. Executive discontinuity, however, undermines executive capacity. The multiplicity of institutional veto points, on the other hand, implies opposition to any changes that risk to alter the balance of interests among political factions and communities. Hence, a pattern of patchy and incremental reform can be expected as long as

actions in the public sphere continue to be assessed by their prospective consequences for the situation of specific factions and communities.

The third hypothesis suggests that the Lebanese political nexus triad is tilted in favor of politicians. This is especially true in view of the continuing minimalist influence of bureaucracy and civil society on the course of reform initiatives in this country. Lebanese bureaucracy indeed has had to compromise many of its autonomous functions to adjust to the clientelistic race prevalent in Lebanon. It thus exerts very little independent influence on policy formulation and implementation. This is why the Lebanese administration does not fit Knill's typology very well. It is not an autonomous bureaucracy but is not instrumental either for it has forged some symbiotic – primarily clientelistic- relationships with key politicians and sectarian leaders.

The citizenship role, on the other hand, has never been a compelling one in the history of Lebanon. It has been weakened by an over-emphasis on community rights and divergent interests without a balancing concern for common interests and needs. The ritualistic visit to the voting booth becomes a way of maintaining a semblance of a role, but without much of its substance. The reconstruction and amplification of the citizen role is thus a necessary task in Lebanon but it is also a challenging one in the face of the forces of pluralism. Citizens who find themselves alienated from the political process may easily take refuge in pluralism. The trappings of pluralism may indeed distract citizens from engaging each other in an effort to discern their common needs.

The research has also presented a hypothetical model that could widen comprehension of the topic. The model emphasizes the contextual distinctiveness of administration and reform in each country and identifies embedded cultural, political, and economic factors as important variables to account for in any comprehensive analysis of administrative reform. The model suggests that the complex inter-relationships of these factors and their specific constellations in specific periods can exert a significant influence on the course and fate of reform endeavors and help account for specific reform trajectories. The model also highlights the potential influence of the regional and international environments on country-specific programs of planned change.

The evolution of such a research hypothetical model was deemed useful and necessary based on the simple observation that reform endeavors are undertaken within a specific environment that affects and shapes their dynamics and operations. Notwithstanding the vastness and complexity of the word 'environment' and the many additional elements which could have been included in this model, a subjective evaluation had to be made to incorporate those factors which are of most significance and relevance to the phenomenon of interest. Although such delineation is

obviously difficult, it was nevertheless facilitated by a comprehensive review of the literature as well as by an intimate familiarity with the peculiarities of the Lebanese context.

The elements of the national environment which were included in the model (cultural, political and economic factors) have indeed been consistently emphasized by researchers on the topic. The contribution of the research, however, is in underlining and highlighting the complex causal texture and interrelationships between those environmental elements and between them and the phenomenon of interest (administrative reform). The research has also attempted to underline, where possible, the interaction of those elements with regional and international forces at play. The objective has thus consistently been to avoid linear, simplistic conceptions of reform and to highlight the complexity and contingency inherent in deliberate attempts at reform and change.

The first component of the model, cultural/societal factors, has proven to be particularly salient in Lebanon. The research has revealed in this respect how the segmentation of Lebanese society into numerous, politically salient communities exercises a major influence on the directions of reform and change. There is the ever-present consideration, under conditions of pluralism and diversity, that reform initiatives will be interpreted and evaluated, not on their own merit, but by their potential consequences for the situation of specific factions and communities. This has been illustrated for example in the divergent communal stances which have been consistently invoked in Lebanon to accommodate changing demographic realities, namely the Muslims' call for political secularization Vs. the Christians' call for a total secularization of state and society.

Besides providing important frames of reference for individuals/groups in society and shaping their orientation to reform and change, cultural factors also influence the political configurations and political dynamics of the system (and consequently reform dynamics as well). The research has underlined in this respect the peculiar political power configurations and consensual decision-making patterns which have evolved in Lebanon to promote communal coexistence. Such consensual traditions have also permeated reform dynamics, resulting in patterns of patchy and incremental change. There is no doubt that this complex cultural/political cluster exercises a major influence on reform initiatives and dynamics in Lebanon.

It has been emphasized in this research that the critical political issue relating to cultural diversity is whether people belonging to different communal groups move beyond this simple awareness to taking action based on their community interests. This is precisely when cultural/political factors become a cluster rather than neatly compartmentalized environmental components or categories. This also illustrates the vivid causal texture and interrelationships between the various elements of the model. Moreover, it is this cultural/political cluster, for example, which helps account for Lebanon's vulnerability vis a vis regional/international

turbulence. As illustrated in the review of pre-war reform attempts, the cultural/political cleavages of Lebanese society have facilitated its repeated embroilment in great power and inter-Arab rivalries.

The third component of the model is the economic. The complexity of this factor lies in the fact that it represents an environmental element which the government is trying to influence / change through reform and which is simultaneously placing constraints on policy and reform options. The economic factor has proven to be particularly salient in post-war reform attempts in Lebanon. It has translated for example into a huge loss of investment in the type of skilled human resources required for effective public action and an orientation towards reforms, which promise short-term returns and benefits. Lebanese policy-makers are thus having to face a post-war environment where the scarcity of human and financial resources inevitably leaves much to be desired.

The influence of the regional/international environments on country-specific programs of change has also been highlighted in this research. It has been shown, for example, that the infiltration of the turbulence of the Middle-East environment into Lebanon in the pre-war period has reflected in further constraining reform options by increasing tensions and political complications. The influence of the international environment was felt in the pre and post-war periods through the persistent attempts of developed nations to influence Lebanese reform trajectories by guiding or gearing them in specific directions (e.g. technical assistance efforts in the pre-war period and World Bank interventions in post-war telecom and transport reforms – e.g. BUTP).

The international environment is expected to exert a more significant influence on country-specific programs of planned change given contemporary processes of globalization. Indeed, one feature of the international scene which seems to have remained unchanged over the years is the belief in reform diffusion and the continued propensity of donor nations and their multilaterals to transfer their policy models and ideas to developing countries without adequate consideration for embedded contextual differences. The research presented in this thesis, however, constitutes a reminder that the impact of such efforts is likely to remain limited as the outcomes of planned change are invariably conditioned by a multitude of contingent and embedded contextual factors, cultural, political and economic.

The patterns of reform observed in Lebanon can thus only be explained in light of these complex clusters of interrelated environmental factors and forces. Although the factors identified in this model have been highlighted as potentially important by other researchers, the contribution of this research lies in its attempt at i) organizing them systematically; ii)

highlighting their causal texture and interrelationships; and iii) validating their salience empirically, through a comprehensive study of administrative reform in a specific context and through the case study approach. The two case studies presented in this research constitute an original contribution, in the sense that no attempt has been previously made at analyzing administrative reform dynamics in the Lebanese context using this perspective or approach.

The case studies of the Lebanese telecommunications and transportation sectors have indeed illustrated the politicization of reform in Lebanon and the persistent influence of Lebanese peculiar cultural/political configurations on reform dynamics. Administrative reform in Lebanon remains in essence a political process, which involves conflict, bargaining, coercion, compromise, and coalition-building. Reform processes in Lebanon have thus been permeated by the politics of accommodation. They are guided less by technical rationality and the public interest than by power dynamics and political compromises and considerations. The research in this thesis thus confirms the importance of the political factor in administrative analysis and the need to abandon mechanistic views of reform focusing on objectivity and technical rationality.

More than just an affirmation of the importance of the political factor in administrative analysis, the research in this thesis has highlighted the interconnectedness of several environmental forces and factors and their influence on reform dynamics. The objective has consistently been to highlight the complexity and contingency inherent in deliberate attempts at reform and change. Admittedly, the research hypothetical model could have been expanded by including other factors (e.g. demographic) but the comprehensiveness of the research suggests that the most salient/significant factors in the Lebanese context have indeed been incorporated. In any case, the *environment* is anything but a clear empirical reality; it has been and will likely remain a zone of subjective evaluation and fervent contestation.

In view of the findings of the research, the model can however be slightly re-adjusted to reveal the permeable boundaries between cultural and political factors in the Lebanese multi-confessional context and the fact that these should be viewed as a cluster, rather than neatly compartmentalized environmental components or categories. Figure 23 thus presents the slightly revised hypothetical model for the Lebanese multi-confessional context.



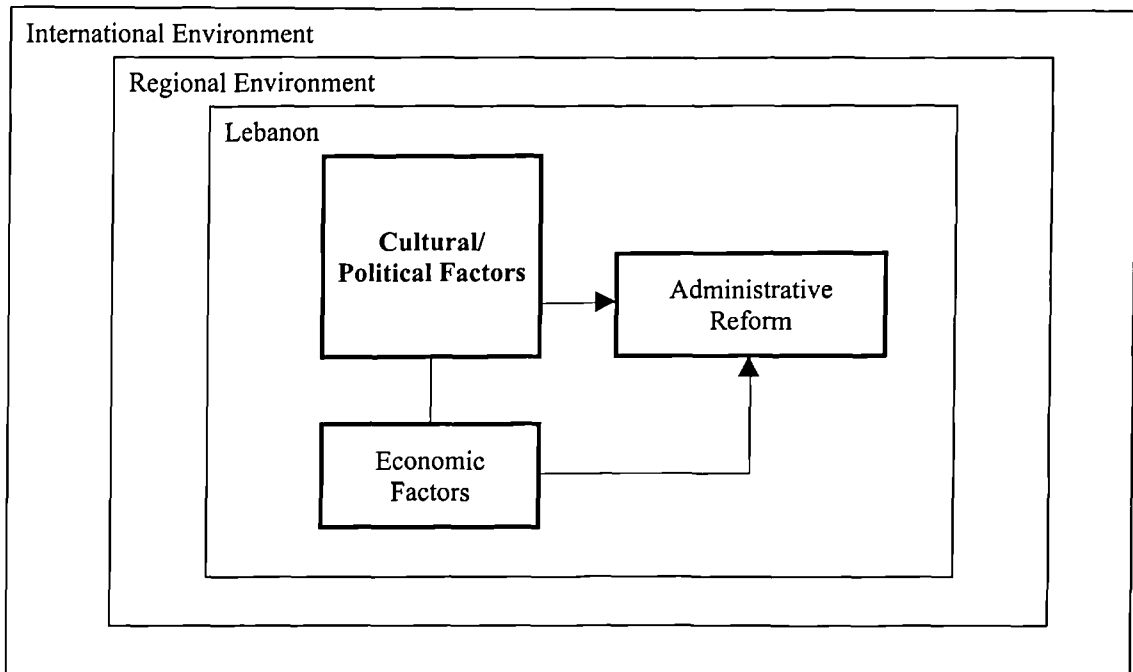


Figure 23. Revised Hypothetical Model

Although the model presented in this research may be useful and relevant in other contexts, claims of general applicability will be avoided (consistent with the essence of this research). The main reason is that countries vary enormously in terms of culture, history and political orientation. Collective titles, such as the South, the Third World, or even pluralistic societies give an aura of similarity to a disparate and differentiated group of countries. What constitutes the environment of public administration in Bosnia may be quite different from what is encountered in Lebanon. Suffice it to say in this respect that the research in this thesis confirms the usefulness of a multi-dimensional approach to reform which takes into account embedded contextual realities.

#### FINAL COMMENTS AND IDEAS FOR FURTHER RESEARCH

The research in this thesis has explored the processes and dynamics of administrative reform in a multi-confessional setting. But the research has also implicitly touched upon a number of other themes including among others, the challenge of reconciling effective administration with democracy. This concern has been an eternal one in the study of public administration. Indeed, as early as 1887, Woodrow Wilson advocated the reexamination of political and administrative roles and functions, suggesting that democratic politics could profit from an administratively efficient public service. The main rationalization of Wilson and other democratic theorists is that government *by the people* is useless unless it produces effective government *for the people*.

A main theme in this thesis has been the failure of the Lebanese political system to seek alternative counterweights to the excesses of representative democracy that have permeated legislatures and other arenas of decision-making. The challenge is thus one of reconciling

effective administration with representative democracy, of balancing rational policy making with participatory democratic processes. Research about Lebanese democracy however is still in its infancy. There has been no comprehensive attempt to explore the peculiarities of the Lebanese democratic order and the extent to which it conforms or deviates from Arent Lijphart's consociational model. There has also been no research about the relationships between the legislative, executive and administrative branches of government or how the new equilibrium in the Lebanese political system resulting from Taif has affected the democratic process generally and relationships with the administration more specifically.

These are examples of questions, which remain pertinent in the Lebanese context. A number of more general questions have also remained unanswered and these constitute challenging themes to be pursued. Is it possible to reconcile representative democracy with administrative efficiency? In other words, is administrative efficiency necessarily compromised in cases of representative democracy? What are other factors that can mitigate the effects of administrative reform initiatives in specific national contexts? Is it possible to assign weights to such factors or grade them in terms of salience and importance? Have the complexities of modern governance rendered the Wilsonian mandate irrelevant? Or have escalating policy and managerial problems within public administration made it even more necessary to resurrect it as a model for administrative reform?

The research presented in this thesis implicitly calls for a reconsideration of the politics/administration dichotomy. The research has demonstrated how bad politics can be bad administration and how administrative reform has been the casualty of the excesses of the Lebanese political system. Some have indeed suggested that the search for an apolitical administration has not been totally abandoned in contemporary times, but rather that it has assumed different forms and dimensions. Caiden (1984) for example, notes that the myth of the politics-administration dichotomy has not died and that for some, it still buttresses ideas about the nature and role of the public bureaucracy in the modern state. For others (Lebanese people included), it still remains an ideal that may be attained, and a symbol of the struggle against spoilsmen and corruption and the private administration of the public weal.

Notwithstanding the complexities of modern governance generally, and the complexities of Lebanese governance more specifically, the prospects of insulating the Lebanese administration from spoils, patronage, corruption and selfish partisanship remain enticing. Admitting that the preservation of representative processes will remain the number one political objective in Lebanon and that open bargaining, negotiation, and consensus building will continue to occupy center stage and remain the hallmarks of Lebanese political and administrative processes, the

question is whether these givens necessarily preclude the emergence of a different type of administrative culture and a scheme of values reflecting responsibility for the public interest.

The research in this thesis should by no means be interpreted as an invitation to despair or inaction. Rather, by identifying the constraints of the Lebanese multi-confessional context, it should be viewed as an invitation to move beyond the shrugging of shoulders to an attempt to construct a politics of policy improvement. There are undoubtedly potent embedded constraints to effective policy-making and implementation in Lebanon, but even under adverse conditions, there is room for maneuver and improvement. The cultural/political constraints are not going to be removed from the Lebanese policy process, but the question remains if they can be made to produce policies which are more effective and which make better use of scarce resources.

Those themes, among others, represent potentially fruitful lines of inquiry. Answers to such questions can undoubtedly enrich the study of public administration and comparative public administration. Those questions were not ignored intentionally but were also not addressed because of the specific scope and orientation of the research as well as the daunting complexity of the Lebanese political and administrative landscapes. Much more however needs to be known of the Lebanese polity, not only to enhance the state of the art, but also to provide additional data for theories of public administration and comparative administrative analysis.

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# **APPENDIX A**

## **NATIONAL RECONCILIATION (TAIF) ACCORD**

# NATIONAL RECONCILIATION (TAIF) ACCORD

October 22, 1989

## GENERAL PRINCIPLES AND REFORMS

### A. GENERAL PRINCIPLES

- ❑ Lebanon is a sovereign, free, and independent country; a final homeland for all of its citizens; a unity of people, land, and institutions within its borders as defined by the Lebanese constitution and recognized internationally.
- ❑ Lebanon is of Arab affiliation and identity; it is a founding and active member of the Arab League and it is bound by its character; it is a founding and active member of the United Nations and abides by its charter, and it is a member of the Non-Aligned Movement. The Lebanese state manifests these principles in all fields and domains without exception.
- ❑ Lebanon is a democratic, parliamentary republic founded on the respect for public liberties, the foremost of which are freedom of opinion and belief, and on social justice and equality of rights and duties among all citizens without discrimination or distinction.
- ❑ The people are the source of power and the possessors of sovereignty, which they exercise through the constitutional institutions.
- ❑ The system is founded on the principle of separation, balance, and cooperation of powers.
- ❑ The economic system is a free system that assures individual initiative and private ownership.
- ❑ The balanced cultural, social, and economic growth of the region is a principle pillar of the principles of unity of the state and of the stability of the system.
- ❑ The Lebanese State seeks the realization of comprehensive social justice through financial, economic and social reforms.
- ❑ The land of Lebanon is but one land for all Lebanese; and every Lebanese has the right to reside on any part thereof and to enjoy it under the supremacy of the law. No segregation of people on the basis of any affiliation whatsoever: no partitioning, dividing, or settling.
- ❑ No legitimacy to any authority that contradicts the charter of cohabitation.

### B. POLITICAL REFORMS

#### I. Parliament

Parliament is the legislative authority; it exercises comprehensive control over the policy of government and its affairs.

1. The head of parliament and his deputy are elected for the duration of the term of parliament.
2. Two years following the election of the head of parliament and his deputy, and in the first meeting it holds, parliament may, for one time only, withdraw its confidence from the head

of parliament or his deputy by a two-thirds majority of its members pursuant to a petition signed by at least ten deputies. Parliament must immediately in this case hold a meeting to fill in the vacant position.

3. Each project law referred to parliament by the Council of Ministries that is classified as urgent shall not be issued except, after being listed on the agenda of a regular session and read therein, after the passage of the time delay mentioned in the constitution, without being acted upon and after the approval of the Council of Ministries.
4. The electoral unit is the Mohafazah.
5. Until parliament enacts an election law which is not based on religious affiliation, seats in parliament shall be allocated according to the following rules:
  - a) Equally between Christians and Muslims
  - b) Proportionally among the sects of each of the two categories
  - c) Proportionally among the regions.
6. The number of members of parliament shall be increased to (108), divided equally between Christians and Muslims. The newly created positions based on the present charter, as well as the positions, which became vacant prior to its declaration shall, for once and by exception, be filled in by appointment of the anticipated government of national reconciliation.
7. Concurrent with the election of the first parliament on a national rather than confessional basis, a Senate will be created wherein all spiritual families will be represented with its authority being confined to matters of destiny.

## **II. The President of the Republic**

The president of the republic is the head of the state and the symbol of the unity of the nation; the independence of Lebanon, its unity, and the safety of its land as mandated by the constitution. He is the supreme commander of the armed forces, subject to the authority of the Council of Ministries. The president exercises the following authorities:

1. He chairs the Council of Ministries at his discretion without voting.
2. He heads the Supreme Council of Defense.
3. He issues the decrees and requests their proclamation. He has the right to ask the Council of Ministries to re-consider any decision taken by it within a period of fifteen days from the time the said decision is deposited with the presidency. If the Council of Ministers insists on the decision taken, or if the delay has passed without the decree being issued or returned, the decree or the decision becomes imperatively effective and must be proclaimed.
4. He issues the laws as per the delays stipulated by the constitution, and requests their proclamation following their ratification by parliament. He has the right, following notification of the Council of Ministers, to demand the reconsideration of a [new] law

within the delays stipulated by the constitution and in conformity with its mandates; and in the event the delays end without their issue or return, the law becomes imperatively effective and must be proclaimed.

5. He refers project laws, submitted to him by the Council of Ministries, to parliament.
6. He nominates the designated prime minister in consultation with the head of parliament based on binding parliamentary consultations that he officially communicates to the head of parliament.
7. He individually issues the decree nominating the prime minister.
8. He issues, in agreement with the prime minister, the decree constituting the government.
9. He issues the decrees accepting the resignation of the government or the resignation or dismissal of ministers.
10. He accredits ambassadors and accepts their credentials, and awards official state decorations by decree.
11. He assumes negotiation in entering into international treaties and their execution in agreement with the Prime Minister; such treaties do not become effective except after the consent of the Council of Ministers; the government shall, whenever national interest and the safety of the state permit, present them to parliament. As to treaties comprising terms that are related to state finance and commercial agreements and other agreements, which may not be abrogated on a year-to-year basis, they must not be executed except by consent of parliament.
12. He addresses, when necessary, letters to parliament.
13. He calls parliament, in agreement with the Prime Minister and pursuant to a decree, into extraordinary sessions.
14. The president has the right to present to the Council of Ministers any emergency issue not included on the meeting agenda.
15. He exceptionally convenes the Council of Ministers, as he deems necessary, in agreement with the Prime Minister.
16. He grants private pardons by decree.
17. The president shall not bear the consequences of carrying out his function, except when violating the constitution or in the case of high treason.

### **III. The Prime Minister**

The Prime Minister is the head of government; he represents it and speaks on its behalf, and is considered responsible for the implementation of the general policy established by the Council of Ministers. He exercises the following authorities:

1. He heads the Council of Ministers.

2. He conducts parliamentary consultations to form the government and signs with the president the decree for its constitution. The government shall, within a period of thirty days, present its ministerial address to parliament to obtain its confidence; and it shall not exercise its authorities prior to acquiring the confidence of parliament, or following its resignation or being deemed resigned, except in the narrow meaning of carrying out business.
3. He presents to parliament the general policy of government.
4. He signs all decrees, except the decree designating the Prime Minister and the decree accepting the resignation of the government or deeming it resigned.
5. He signs the decree calling for an extraordinary session and the decrees proclaiming the laws and the request for their reconsideration.
6. He calls on the Council of Ministers to convene and draws up its meeting agenda; and informs the president, a priori, of the subjects included thereon as well as of the urgent matters that will be discussed, and signs the original minutes of meetings.
7. He follows up the activities of the departments and public agencies and coordinates among the ministers, and gives general directives so as to ensure a proper flow of work.
8. He holds, in the presence of the minister concerned, working sessions with involved parties in the state.
9. He is, imperatively, the deputy head of the Supreme Council of Defense.

#### **IV. The Council of Ministers**

Executive power is vested in the Council of Ministers, and among the powers it exercises are the following:

1. Formulating the general policy of the state in all domains, drawing out project laws and decrees and taking necessary decisions for their implementation.
2. Overseeing the implementation of laws and regulations and supervising the activities of all state agencies with no exception, including departments and civil, military, and security institutions.
3. The Council of Ministers is the authority to which the armed forces are subject.
4. Appointing state employees, dismissing them, and accepting their resignation in accordance with the law.
5. The right to dissolve parliament pursuant to a request by the president, if parliament has abstained from meeting during the term of a regular or extraordinary session extending for a period of not less than one month, despite being called in two consecutive times, or if it rejects the national budget in its totality for the purpose of disrupting government activities. The exercise of this right may not be repeated for the same reasons that resulted in the dissolution of parliament the first time.

6. If present, the president heads the meetings of the Council of Ministers. The Council of Ministers convenes regularly in a specific quarter, and the legal quorum for its meeting shall be a two-thirds majority of its members; and it takes its decisions by consensus, and in the absence of consensus, they are taken by voting. Decisions are taken by simple majority of the attendants, except major issues, which require the consent of two-thirds of the Council's members. The following subjects are considered major issues:

The state of emergency and lifting it; war and peace; general mobilization; international treaties and agreements; the national budget of the state; comprehensive development and long-range plans; appointment of the employees of the first category and its equivalent; reconsideration of administrative divisions; the dissolution of parliament; elections law; naturalization law; personal status laws; the dismissal of ministers.

#### **V. The Minister**

The authority of the minister shall be strengthened in line with the general policy of government and the principle of collective responsibility, and he shall not be dismissed except by a decision by the Council of Ministers or by parliament withdrawing confidence from him individually.

#### **VI. Resignation of Government, Deeming it Resigned, and Dismissal of Ministers**

1. The government shall be considered resigned in the following cases:
  - a) If the Prime Minister has resigned.
  - b) If it loses more than one-third of the number of its members specified in the decree constituting it.
  - c) Upon the death of its head.
  - d) At the commencement of a presidential term.
  - e) At the commencement of a parliament term.
  - f) Upon losing the confidence of parliament as a result of the latter's initiative or by pledging it itself.
2. The dismissal of a minister shall be pursuant to a decree signed by the president and the Prime Minister following the approval of the Council of Ministers.
3. Upon the resignation of government or deeming it resigned, parliament shall enter into an extraordinary meeting session until a new government has been formed and obtained confidence.

#### **VII. Political Deconfessionlization**

Political deconfessionlization is a principle national objective that must be pursued in accordance with a transitional plan. Parliament, which is elected on the basis of an equal



distribution of Muslims and Christians, shall take appropriate measures to achieve this objective and to form a national commission headed by the President and comprising political, intellectual and societal personalities in addition to the head of parliament and the prime minister. The mission of the commission is to study and recommend the means of eliminating confessionalism and to present them to parliament and to the Council of Ministries and to follow up the implementation of the transitional plan. During the transitional stage, the following shall be achieved.

1. The rule of confessional representation shall be abolished and qualification and specification shall be adopted in public offices, the judiciary, the military and security establishments, public and mixed agencies, and independent authorities as may be required to achieve national reconciliation, except for first category positions and their equivalent positions therein, which shall be shared equally by Christians and Muslims with no position being confined to either sect.
2. Abolishing the mention of religion and sect on national identity cards.

## **C. OTHER REFORMS**

### **I. Administrative Decentralization**

1. The Lebanese state is a single unified state with a powerful centralized authority.
2. The authority of governors and of deputy governors shall be extended and all the departments of the state shall be represented in the administrative regions at the highest level possible so as to facilitate the provision of services to the citizens and respond locally to their needs.
3. Reconsidering administrative divisions so as to secure national fusion and preserve cohabitation and the unity of land, people, and institutions.
4. Adopting maximum administrative decentralization on the level of small administrative units (Kada' and below) by electing a council for each Kada' headed by a deputy governor so as to ensure local participation.
5. Adopting a unified development plan encompassing the nation and enabling the economic and social development of all Lebanese regions, and strengthening the resources of the municipalities, the united municipalities and the municipality unions with necessary financial means.

### **II. The Courts**

1. In order to secure the submission of all officials and citizens to the supremacy of the law and to secure the conformity of the legislative and executive authorities to the postulate of cohabitation and to the basic rights of the Lebanese citizens stipulated in the constitution.

- a) The Supreme Council stipulated in the constitution shall be formed with its mission being the impeachment of presidents and ministers. A special law devoted to the council's legal proceedings shall be decreed.
  - b) A Constitutional Council shall be established for the purpose of interpreting the constitution and monitoring the constitutionality of the laws and to rule on all disputes and appeals relating to parliament and Presidential elections.
  - c) The following parties have the right to consult with the Constitutional Council regarding the interpretation of the constitution and the monitoring of the constitutionality of the laws:
    - The president of the republic.
    - The head of parliament.
    - The prime minister.
    - A certain percentage of the members of parliament.
2. To safeguard the principle of harmony between religion and state, the head of the Lebanese factions shall have the right to consult with the Constitutional Council with regard to:
    - a) Personal statutes.
    - b) The freedom of belief and practice of religious rites.
    - c) Freedom of religious education.
  3. To strengthen the independence of the judiciary, a determined number of the members of the Supreme Council of Justice shall be elected by the judicial body.

### **III. The Law of Parliamentary Elections**

Parliamentary elections shall be conducted in accordance with a new election law based on the Governorate (Mohafaza) and that considers the principles that guarantee cohabitation among Lebanese and that insures the accuracy of political representation of the various categories of people and their generations and the effectiveness of such representation, after the reconsideration of administrative divisions within the framework of the unity of land, people, and institutions.

### **IV. The establishment of Economic and Social Objectives for Development**

A Social Economic Council shall be established to ensure the participation of the representatives of various sectors in the formulation of the economic and social policy of the state by offering advice and suggestions.

### **V. Education and Instruction**

1. To put education at the disposal of people and to make it mandatory, at least in the elementary stage.

2. To emphasize the freedom of education in accordance with the laws and regulations.
3. To protect private education and strengthen state control over private schools and the school textbooks.
4. To rehabilitate formal, vocational, and technical education and strengthen it and to develop it in such a manner so as to fulfill and suit the developmental and constructive needs of the nation. To rehabilitate the Lebanese University and support it, especially in its applied faculties.
5. To review and develop the curricula in a manner that strengthens national cohesiveness and fusion, and spiritual and cultural openness, and to standardize the textbooks in the history and civil education courses.

## **VI. Information**

To reorganize all media under the law and within the framework of responsible freedom, and in a manner that serves the objectives of reconciliation and of ending the state of war.

## **VII. Reinstating the Sovereignty of the Lebanese State over the Entire Lebanese Land**

Whereas an agreement was reached among the Lebanese parties on the establishment of a strong and able state founded on national reconciliation, the government of national reconciliation shall draw up a detailed one-year security plan aiming at gradually reinstating the authority of the Lebanese state over its entire territory by means of its own forces, with its broad lines being characterized as follows:

1. Disbanding all Lebanese and non-Lebanese militias and surrendering their arms to the Lebanese state within a period of six months after the ratification of the National Reconciliation Charter, the election of the president, the formation of the government of national reconciliation, and the adoption of political reform in a constitutional manner.
2. Reinforcing Internal Security Forces through:
  - a) Opening the door to all Lebanese, without exception, to volunteer and commence their training centrally and then to distribute them to the units in the mohafazat, and to subject them to periodic and organized training programs.
  - b) Strengthening the security system in such a way so as to be capable of controlling the entry and exit of persons across land, sea, and air borders.
3. Reinforcing the Armed Forces:
  - a) The primary duty of the armed forces is to defend the nation and, if necessary, to protect national order whenever the danger exceeds the capability of the internal security forces to deal with it.

- b) The armed forces shall be used to support the internal security forces in preserving security under circumstances as may be determined by the Council of Ministers.
  - c) The armed forces shall be unified, prepared, and trained so as to be capable of assuming its national duties in facing Israeli aggression.
  - d) The armed forces shall return to barracks at the time when the internal security forces become ready to assume its security mission.
  - e) The intelligence activities of the armed forces shall be re-organized to serve military purposes only.
4. Fundamentally solving the problem of the Lebanese immigrants by approving the right of every Lebanese immigrant who emigrates since 1975 to return to the place from which he or she emigrated; passing the necessary legislation securing this right and providing the necessary means for reconstruction.

Whereas the aim of the Lebanese state is to reinstate its authority over the entire Lebanese territory by means of its own forces, which are represented primarily by the internal security forces, and out of the brotherly ties that bind Syria to Lebanon, Syrian forces shall, with due thanks, assist legitimate Lebanese forces in reinstating the sovereignty of the Lebanese state within a maximum of two years after the ratification of the National Reconciliation Charter, the election of the President, the formation of the government of national reconciliation and the adoption of political reforms in a constitutional manner. At the end of this period, the Syrian government and the Lebanese government of national reconciliation will decide on the repositioning of Syrian forces in the Bekaa area and the access to western Bekaa in Dahr-El Beidar up to the Hamana-Mdeirej-Ein Darah line and, in necessary, other points to be decided by a joint Lebanese-Syrian military committee. Also, an agreement shall be signed by both governments which determines the size and duration of the presence of the Syrian forces in the above areas and the relation of these forces with the Lebanese state authorities present in these areas. The Tripartite Supreme Arab Committee is ready to assist the two states in reaching this agreement, if they so desire.

### **VIII. The Liberation of Lebanon from Israeli Occupation**

Regaining the authority of the state up to internationally recognized Lebanese borders requires the following:

1. Pursuing the implementation of UN Resolution 425 and all Security Council resolutions promulgating the total elimination of the Israeli occupation.
2. Adhering to the truce agreement signed on March 23, 1949.
3. Taking all necessary measures to liberate all Lebanese territory from the Israeli occupation, extending the authority of the state over all of its land, deploying the Lebanese army along

the internationally recognized borders and pursuing the reinforcement of the existence of the internationally peacekeeping forces in southern Lebanon so as to ensure the withdrawal of Israel and allow for the return of law and order to the border zone.

### *Lebanese-Syrian Relations*

Lebanon, a country of Arab affiliation and identity, is tied to all Arab states by true fraternal relations; and there exists between Lebanon and Syrian distinguished relationships which draw their strength from the roots of kinship, history, and common fraternal interests, which is the concept on which the coordination and cooperation between both countries are and will be manifested in agreements between them in various domains, and in the manner which serves the interests of both countries within the framework of the sovereignty and independence of each of them. Based on that, and because strengthening the bases of security provides the needed atmosphere for the development of these distinguished ties, Lebanon shall under no circumstances be made a source of threat to the security of Syria. And Syria, which is keen on preserving the security, independence, and unity of Lebanon and concurrence among its people, shall not permit of any act, which may threaten Lebanon's security, sovereignty, and independence.

## **APPENDIX B**

### **TREATY OF BROTHERHOOD, COOPERATION, AND COORDINATION**

# **Treaty of Brotherhood, Cooperation, and Coordination**

May 22, 1991

The Lebanese Republic and the Syrian Arab Republic:

By virtue of the distinctive brotherly ties that bind them and that derive their strength from the roots of kinship, history, single affiliation, common destiny, and common interests;

Convinced that achievement of the widest scope of cooperation and coordination would serve their interests, provide the means to guarantee their development and progress, the protection of their national security, provide prosperity and stability, enable them to confront all regional and international developments and meet the aspirations of the peoples of the two states in keeping with the Lebanese National Charter approved by the Council of Deputies on May 11, 1989; Agree on the following:

## **Article I**

The two states will strive to realize the highest degree of cooperation and coordination between them in all political, security, cultural, scientific, and other concerns in pursuit of the interests of the two brotherly countries within the framework of the sovereignty and independence of each of them, so as to enable the two countries to utilize their political, economic, and security resources, guarantee their national security, and expand and strengthen their common interests in affirmation of brotherly relations and for the preservation of their common destiny.

## **Article II**

The two states will strive to achieve cooperation and coordination between the two countries in the fields of economics, agriculture, industry, commerce, transportation, communications, customs, the initiation of joint projects, and the coordination of development plans.

## **Article III**

The inter-relationship of the two countries' security requires that Lebanon not be made the source of a threat to Syria's security, or Syria to Lebanon's in any circumstances whatsoever. Lebanon shall therefore not allow itself to be a passageway or a base for any power or state or organization the purpose of which is the violation of its security, independence, and sovereignty, or that of Syria.

## **Article IV**

After the approval of the political reforms in a constitutional manner, as the Lebanese National Charter provides, and when the periods specified in the charter expire, the Syrian and Lebanese

governments shall decide to re-deploy the Syrian forces in the Bekaa region and the Bekaa's western approach in Dahr el-Baider and up to the Hammana-Mdairej-Ain Dara line and, if necessary, in other posts to be determined through a joint Lebanese-Syrian military committee. The two governments shall also arrive at an agreement that determines the size of the Syrian forces and the duration of their presence in the aforementioned areas, and also determines the relationship of those forces with the authorities of the Lebanese state in the areas where they are present.

#### **Article V**

The two countries' foreign policies, both Arab and international, shall be based on the following principles:

1. Lebanon and Syria are two Arab countries committed to the charter of the League of Arab States, the Arab joint Defense and Economic Cooperation Treaty, and all other agreements promulgated in the framework of the League. They are also members of the United Nations, committed to its Charter, and members of the Non-Aligned Movement.
2. The common destiny and common interests of the two countries.
3. Each will support the other in matters relating to its security and its national interests, in keeping with the provisions of this treaty.

The governments of the two countries shall therefore strive to coordinate their Arab and international policies, realize the greatest possible cooperation in Arab and international institutions and organizations, and coordinate their positions on the various regional and international issues.

#### **Article VI**

The following agencies shall be instituted to achieve the objectives of this treaty, and other agencies can be established by a decision by the Higher Council mentioned below:

##### **A. The Higher Council**

1. The Higher Council shall be comprised of the president of the republic of each of the two contracting states and the Speaker of the People's Council [parliament], the prime minister and the deputy prime minister of the Syrian Arab Republic; the speaker of the Council of Deputies; the prime minister and the deputy prime minister of the Lebanese Republic.
2. The Higher Council shall meet once a year and when the need arises, the venue to be agreed upon.
3. The Higher Council shall define the general policy for coordination and cooperation between the two states in the political, economic, security, military, and other fields and shall oversee its implementation. It shall also approve the plans and decisions of the Follow-



up and Coordination Committee, the Foreign Affairs Committee, the Economic and Social Affairs Committee, and any other committee that may be created later.

4. The decisions of the Higher Council are binding and applicable within the framework of each of the two countries' Constitutional rules.
5. The Higher Council shall determine the topics on which the specialized committees are authorized to make decisions that are automatically implementable in accordance with the Constitutional rules and principles in each of the two countries or if they do no conflict with those rules and principles.

#### **B. The Follow-up and Coordination Committee**

The Follow-up and Coordination Committee shall be comprised of the prime ministers of the two countries and a number of ministers concerned with relations between them, and it shall have the following tasks:

1. Following up the implementation of the decisions of the Higher Council and reporting to the Council on the stages of implementation.
2. Coordinating the recommendations and decisions of the specialized committees and referring the suggestions to the Higher Council.
3. Holding meetings with the specialized committees when necessary.
4. The Commission shall meet once every six months and whenever the need arises, the venue to be agree upon.

#### **C. The Foreign Affairs Committee**

1. The Foreign Affairs Committee shall be comprised of the Foreign ministers of the two countries.
2. The Foreign Affairs Committee shall meet once every two months and whenever the need arises, in one of the two countries in rotation.
3. The Foreign Affairs Committee shall strive to coordinate the foreign policies of the two states in their relations with all states, and shall also strive to coordinate their activities and positions in the Arab and international organizations and shall, for that purpose, prepare plans for approval by the Higher Council.

#### **D. The Economic and Social Affairs Committee**

1. The Economic and Social Affairs Committee shall be comprised of the ministers concerned with the economic and social sectors in the two countries.
2. The Economic and Social Affairs Committee shall meet in one of the two countries in rotation once every two months and whenever the need arises.

3. The task of the Economic and Social Affairs Committee shall be to strive for economic and social coordination between the two states and to prepare recommendations to that end.
4. The recommendations of the Economic and Social Affairs Committee shall go into effect, in keeping with the constitutional principles of each of the two countries, when they are approved by the Higher Council.

**E. The Defense and Security Affairs Committee**

1. The Defense and Security Affairs Committee shall be comprised of the ministers of Defense and the Interior in each of the two countries.
2. The task of the Defense and Security Committee shall be to study the means by which the two states' security can be preserved and to propose joint measures to confront any aggression or threat to their national security or any disturbances that jeopardize the internal security of either state.
3. All plans and recommendations prepared by the Defense and Security Affairs Committee shall be referred to the Higher Council for approval, in keeping with the Constitutional principles of each of the two countries.

**F. The Secretariat General**

1. A Secretariat General shall be set up to follow up the implementation of the provisions of this study.
2. The Secretariat General shall be headed by a Secretary General appointed by a Higher Council decision.
3. The Headquarters, jurisdiction, staff, and budget of the Secretariat General shall be determined by a Higher Council decision.

**Final Rules**

1. Special agreements shall be signed by the two countries in the fields covered by this treaty- such as the economic, security, defense, and other fields-in accordance with the constitutional principles of each of the two countries, and these shall be considered a complementary part of this treaty.
2. This treaty shall go into effect when it is promulgated by the authorities concerned in accordance with the constitutional principles of the two contracting states.
3. Each of the two states shall take action to annual laws and regulations that are not in conformity with this treaty, without violating the rules of each of the two countries' constitutions.

## **DEFENSE AND SECURITY AGREEMENT**

September 1, 1991

Based on the Brotherhood, Cooperation, and Coordination Treaty between the Lebanese Republic and the Syrian Arab Republic signed in Damascus on May 22, 1991 and ratified by the Lebanese Chamber of Deputies on May 27, 1991 in Beirut, including its third, fifth, and sixth Articles, particularly Clause 5 of the six Article, agreement has been reached on the following:

### **1. Structure**

A defense affairs committee consisting of the two countries' defense and interior ministers is to be formed. This committee will meet every three months, alternating between the capital cities of Beirut and Damascus or in any other location agreed upon, and will also meet whenever it is deemed necessary. The committee may seek assistance from any of the chiefs of the two countries' security authorities for from the chiefs of other branches of the two ministries. The army commands, the security services, and other concerned administrative departments will meet every month, alternating between the capital cities and will meet whenever the need arises at an agreed-upon location to implement the defense and security committees' programs and supervise their details.

### **2. Missions**

The defense and security affairs committee is charged with studying ways to safeguard the two states' security and with proposing joint plans to confront any aggression or threat against their national security and any disturbance that may upset either country's internal security.

In implementation the contents of Article III of the Brotherhood, Cooperation, and Coordination Treaty, the following must be realized:

In an effort to reaffirm the two states' pledge and ensure that Lebanon does not become a source of threats against Syria's security and vice versa, the military and security authorities in the two countries must implement the following:

- A. Ban all military, security, political, and media activity that might harm the other country.
- B. Refuse to give refuge to, facilitate the passage of, or provide protection to persons and organizations that work against the other state's that state must arrest them and hand them over to the other side at the latter's request.
- C. To enable the military and security services in each of the two states to carry out their duty of implementing the aforementioned Clauses A and B, these services must meet regularly in each of the two countries to exchange information involving all issues of strategic, national,

and internal security, including those related to drugs, major financial crimes, terrorism, and espionage. The military and security services will coordinate their work to follow up and resolve these issues within each country as well as abroad, and will cooperate with international institutions as necessary. All legal and procedural steps must be taken to facilitate the joint action of the two states' authorities as part of the agreement to expedite the adoption of legal prosecution and ways to solve these problems.

- D. The two countries' defense ministries and their relevant department will meet every three months, alternating between the capital cities, and as necessary, to exchange information on everything that concerns the two countries' security and all hostile activities in an effort to reach a mutual understanding on the dangers and their dimensions, and consequently, to draw up integrated plans at various levels to confront these dangers. In this regard, the two Defense Ministries will establish joint organs to follow up and supervise strategic coordination.
- E. The two countries' Ministries of Defense and Interior will increase the exchange of officers and troops through training courses at various levels, including the exchange of military instructors in the military colleges, in order to achieve a high standard in military coordination and adequate familiarity to confront common threats.
- F. The ministerial committee for defense and security affairs will draw up the necessary plans to promote exchange and development in each country's civil defense field.

### **3. Final Provisions**

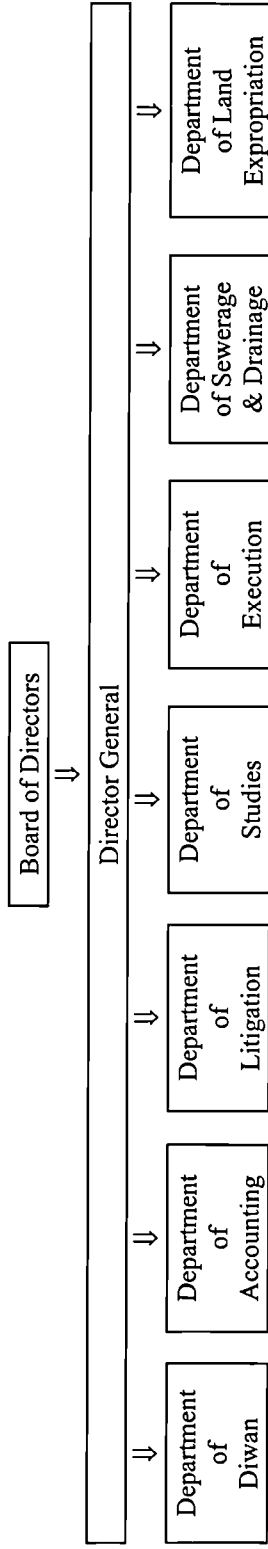
In addition to its tasks, the defense and security committee will do the following:

- A. Follow up the implementation of all the provisions of the agreement and give the necessary instructions to ensure its progress.
- B. Propose to the Higher Council the bases, principles, and regulations that are bound to ensure full and effective implementation of the agreement.

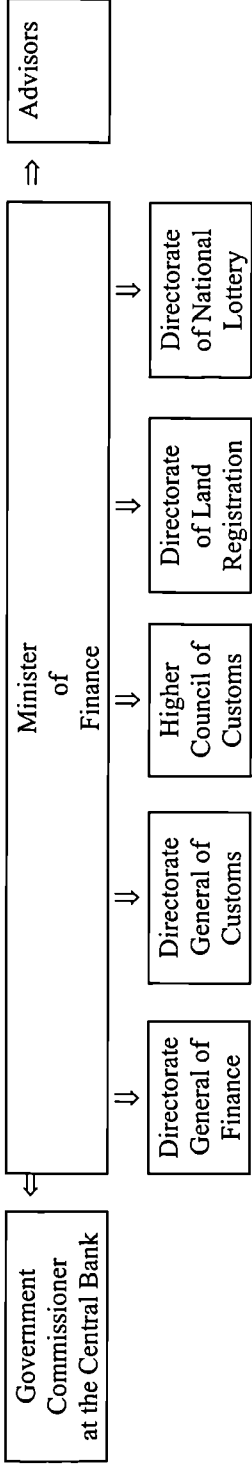
# **APPENDIX C**

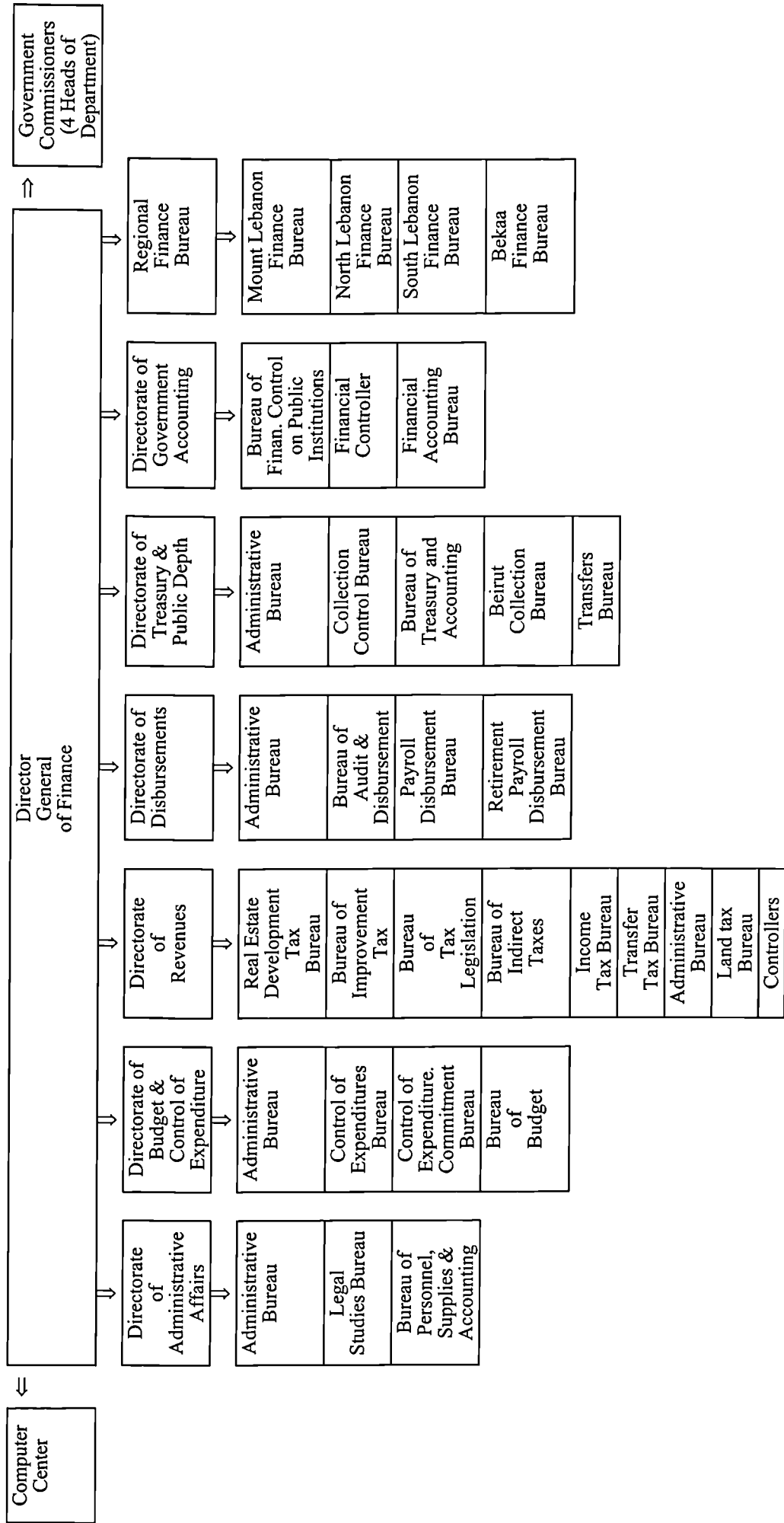
## **ORGANIZATIONAL STRUCTURE OF SELECTED MINISTRIES AND PUBLIC AUTHORITIES**

**Council for Execution of Major Projects for the City of Beirut**

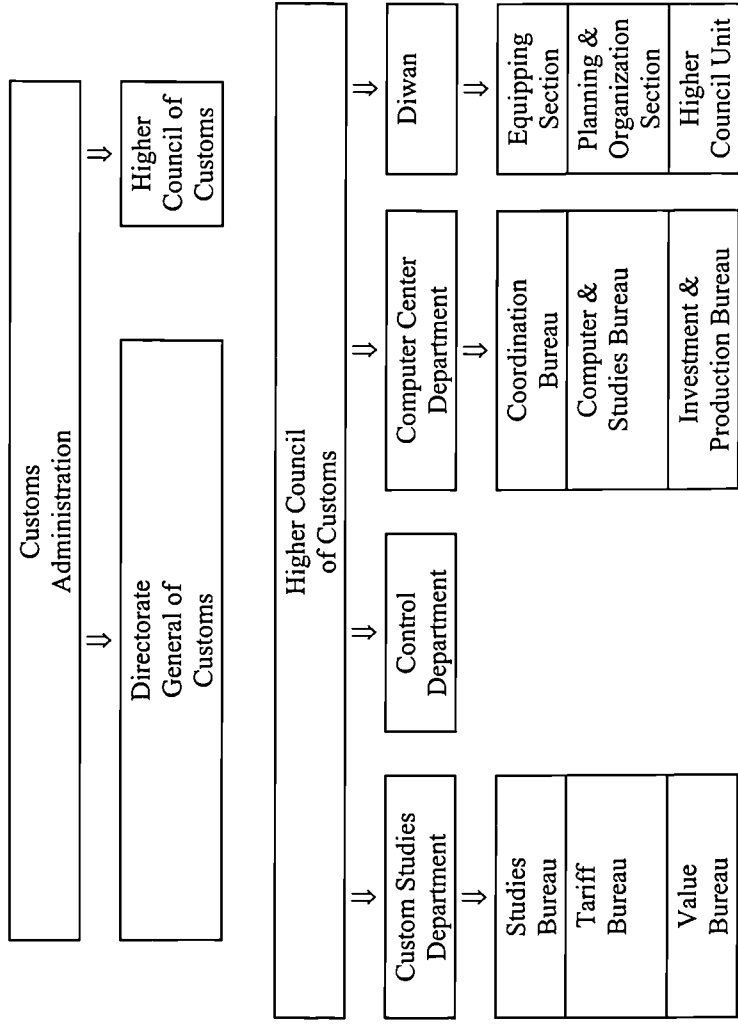


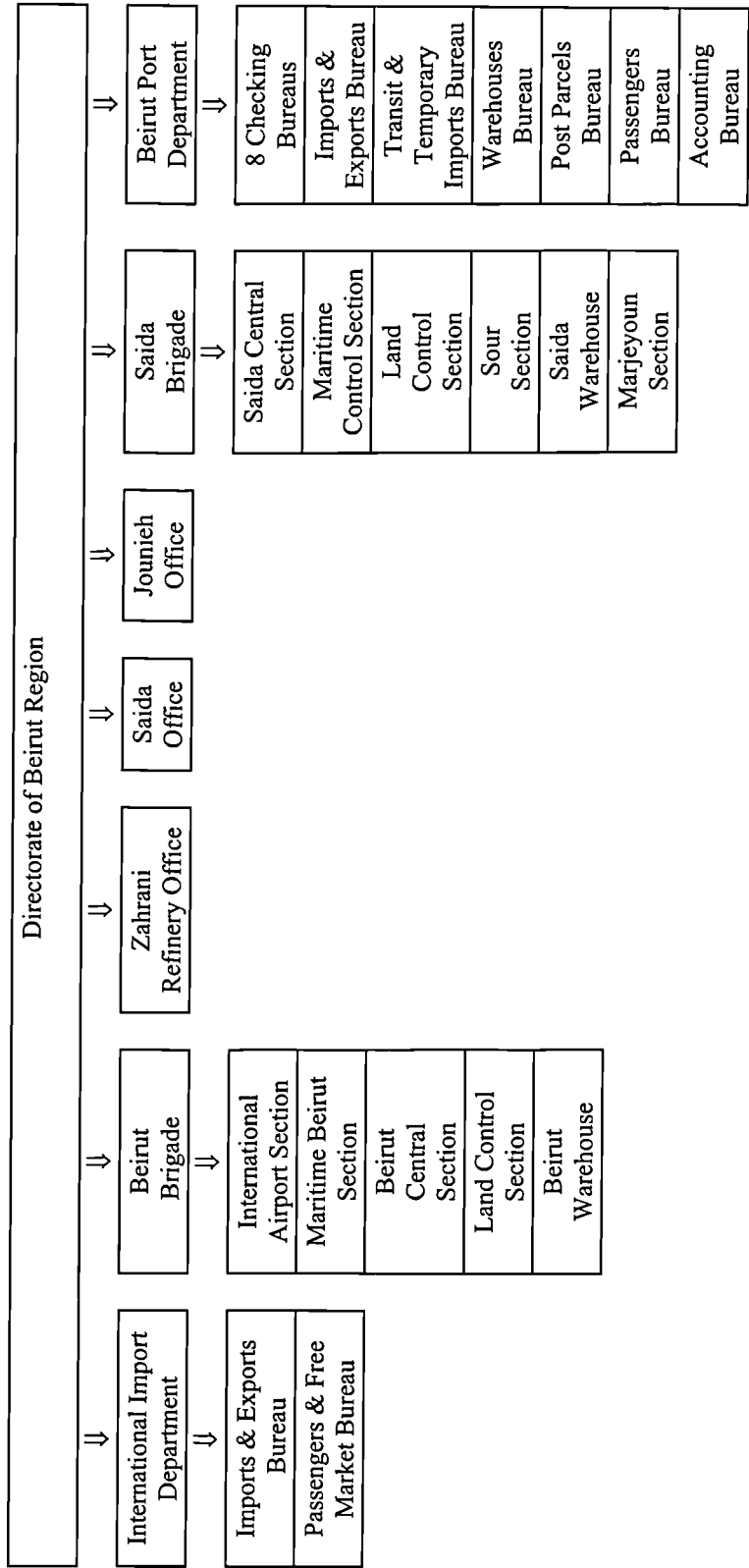
**Ministry of Finance**

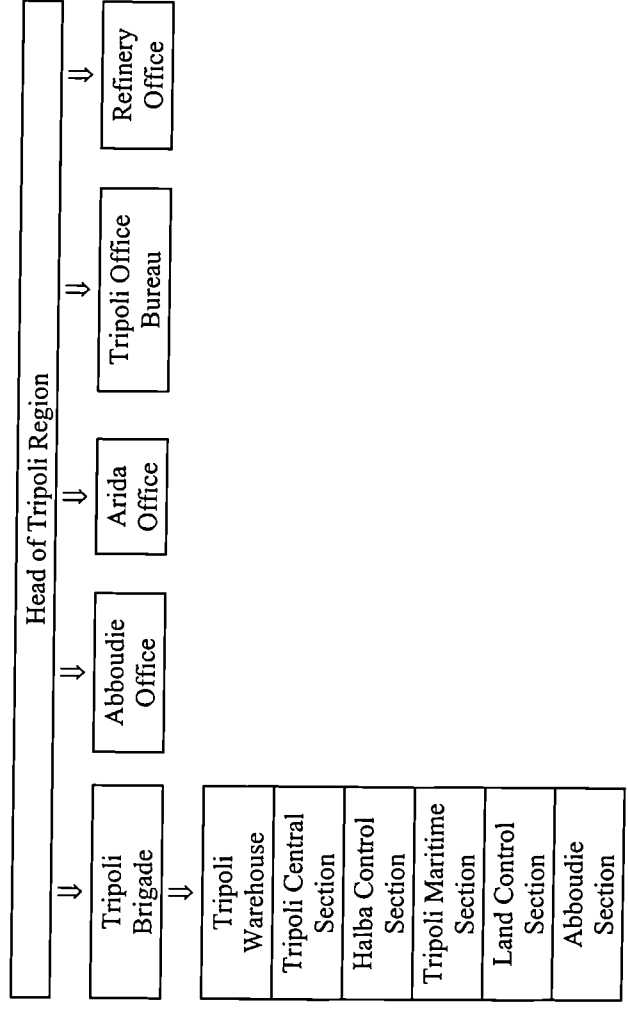
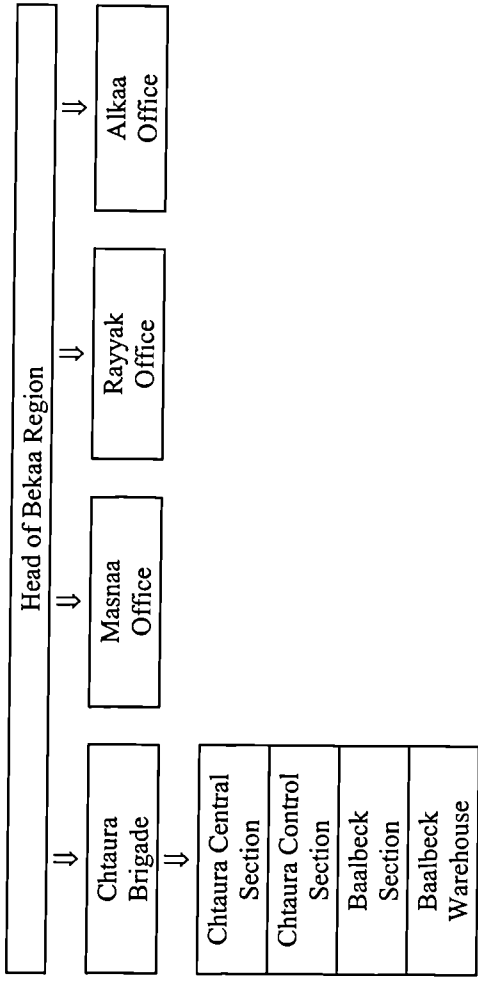


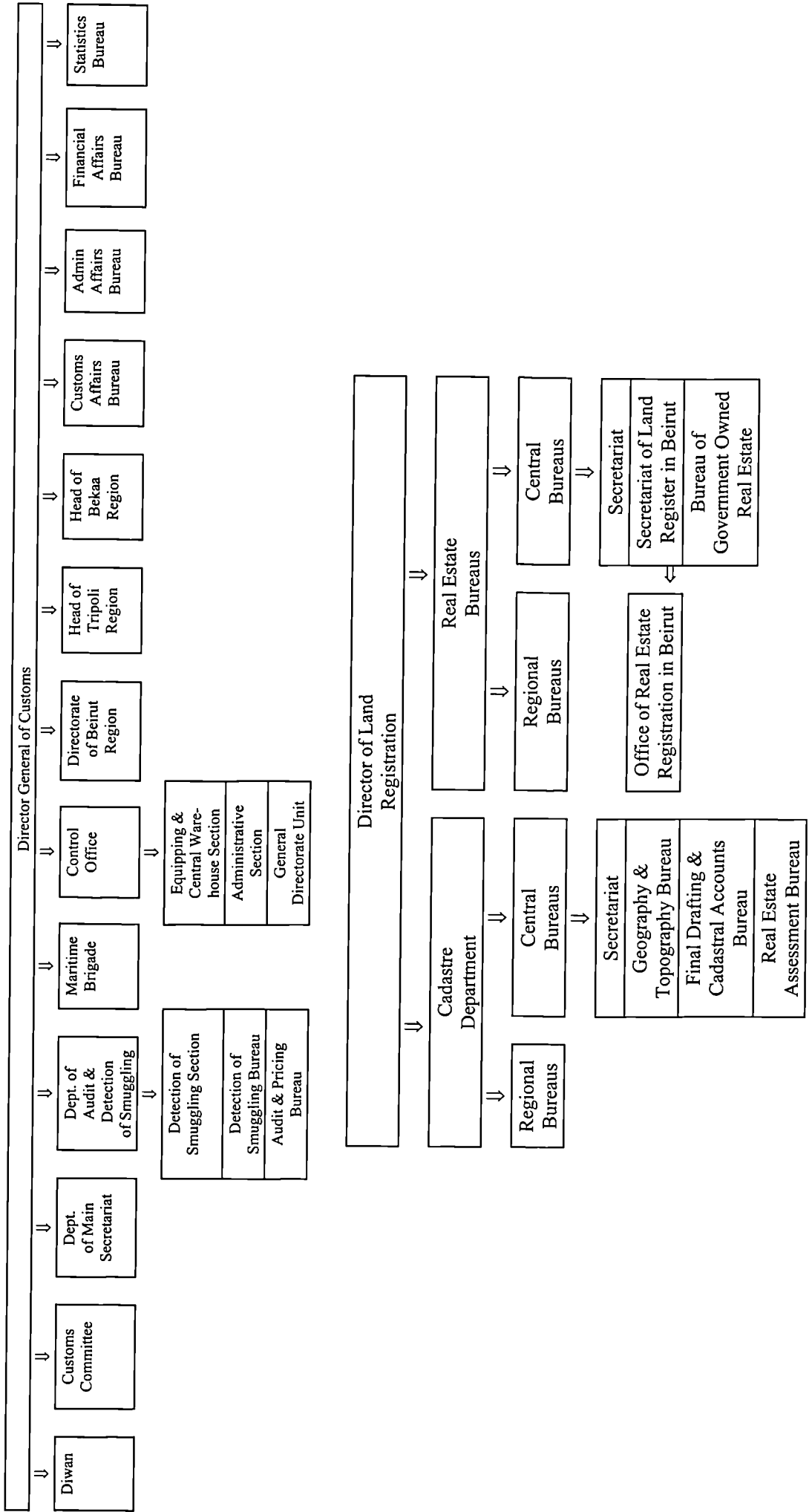


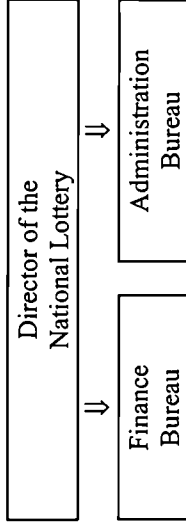




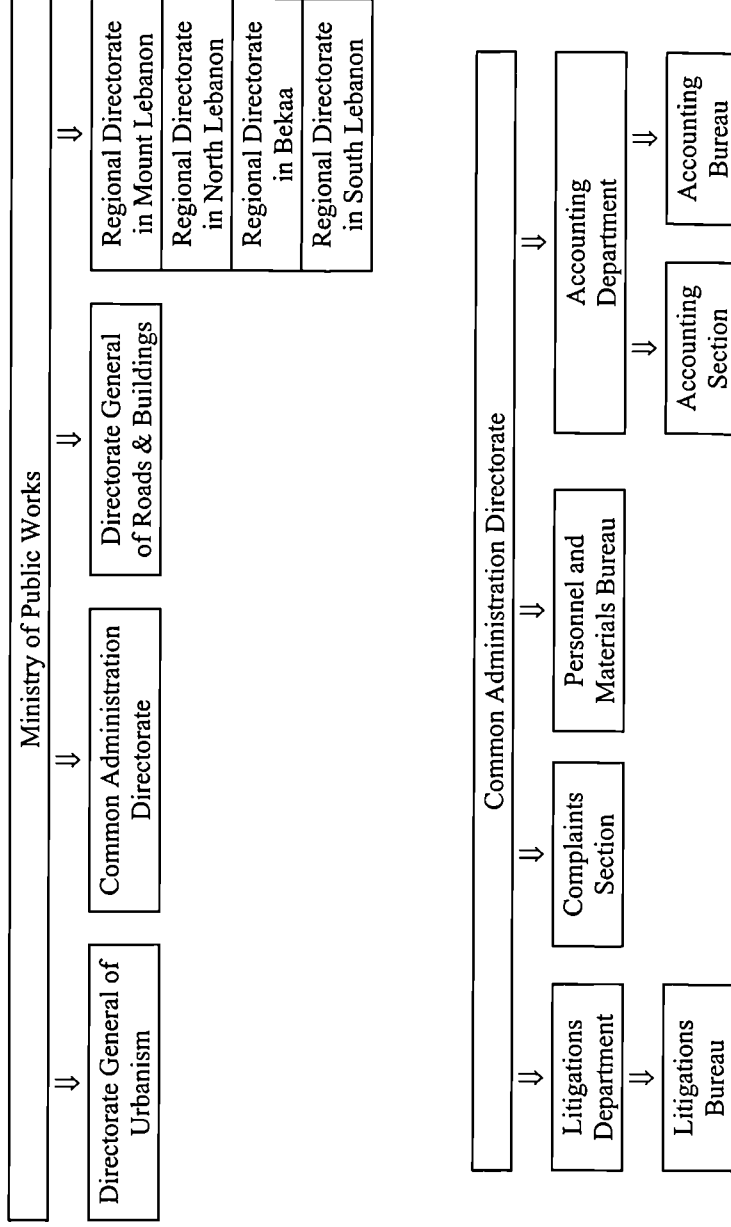


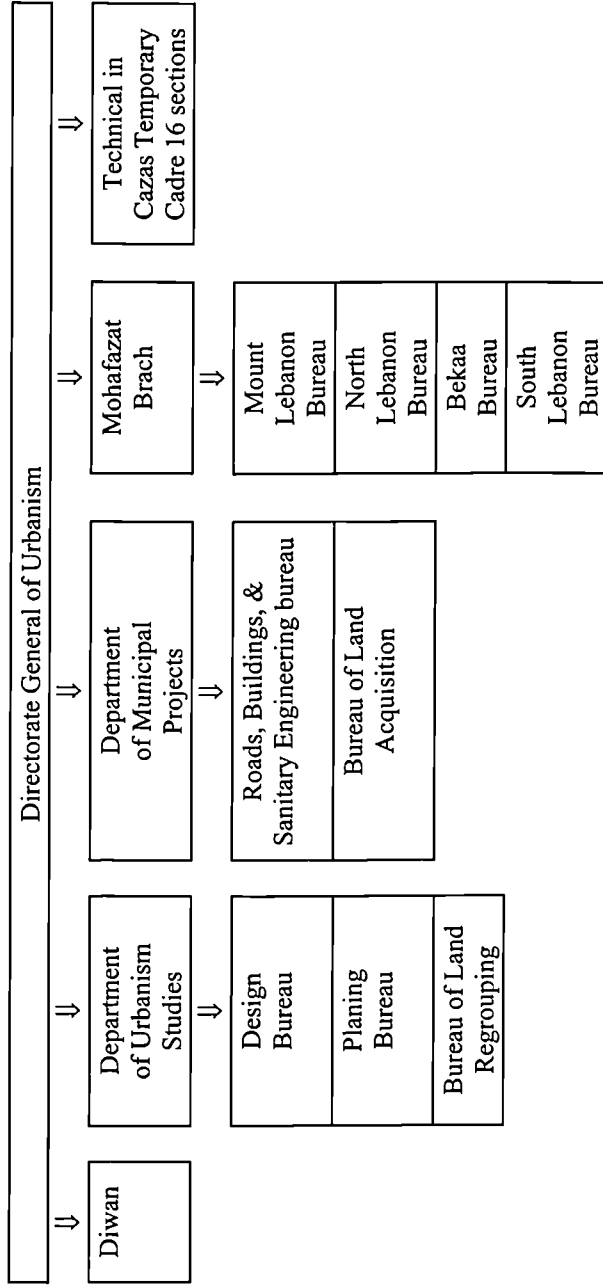


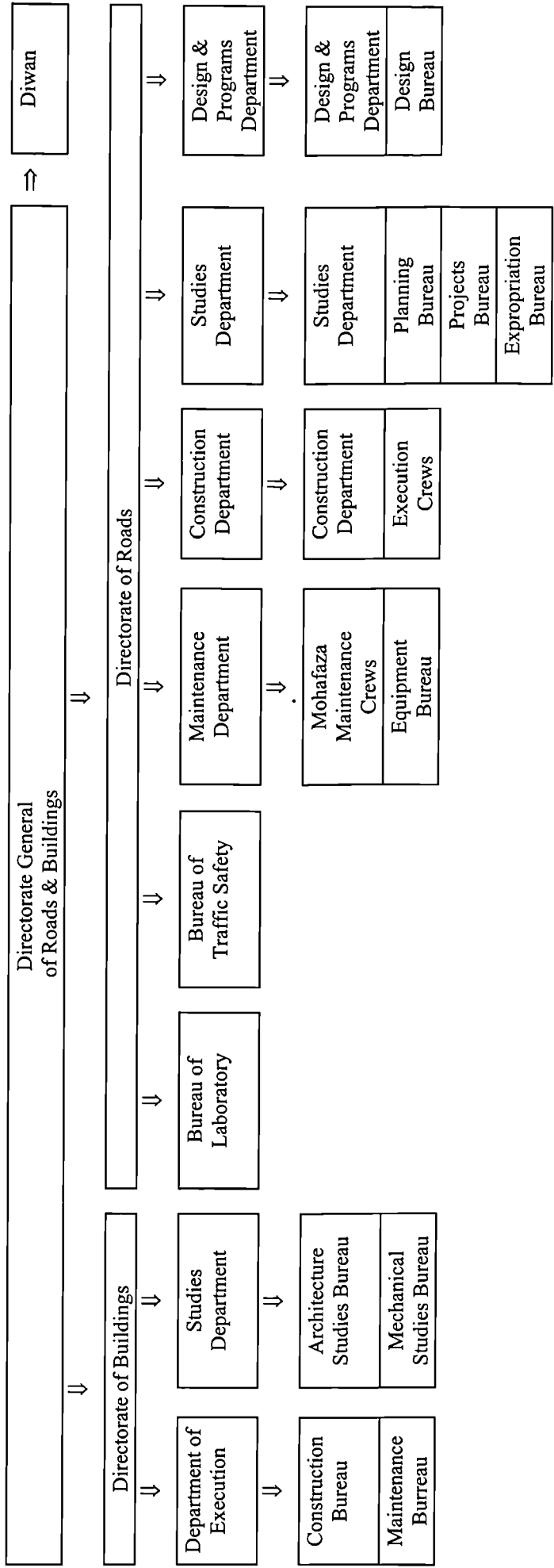




## Ministry of Public Works

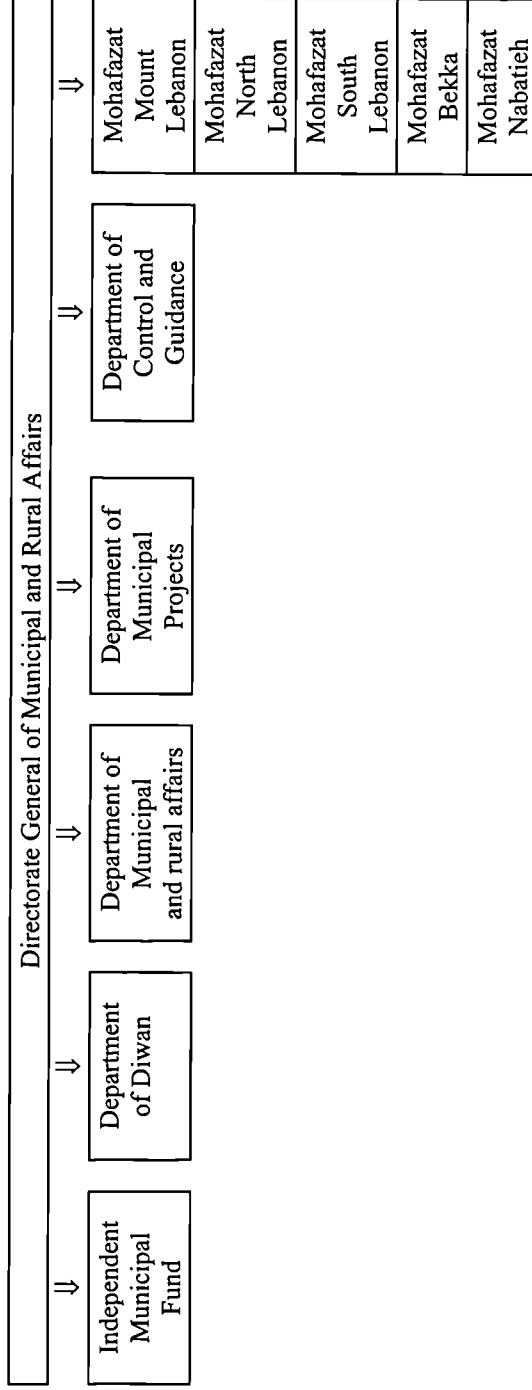




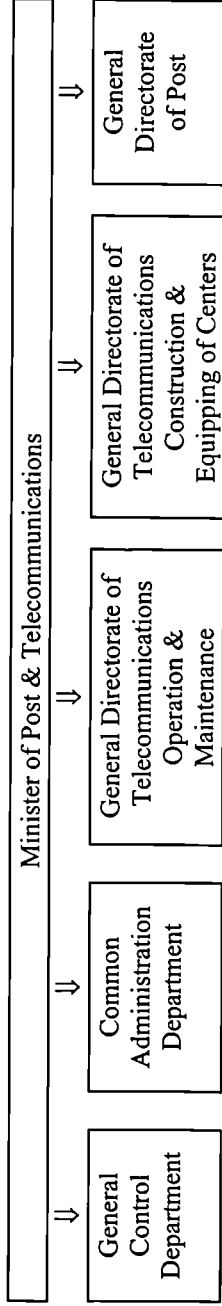


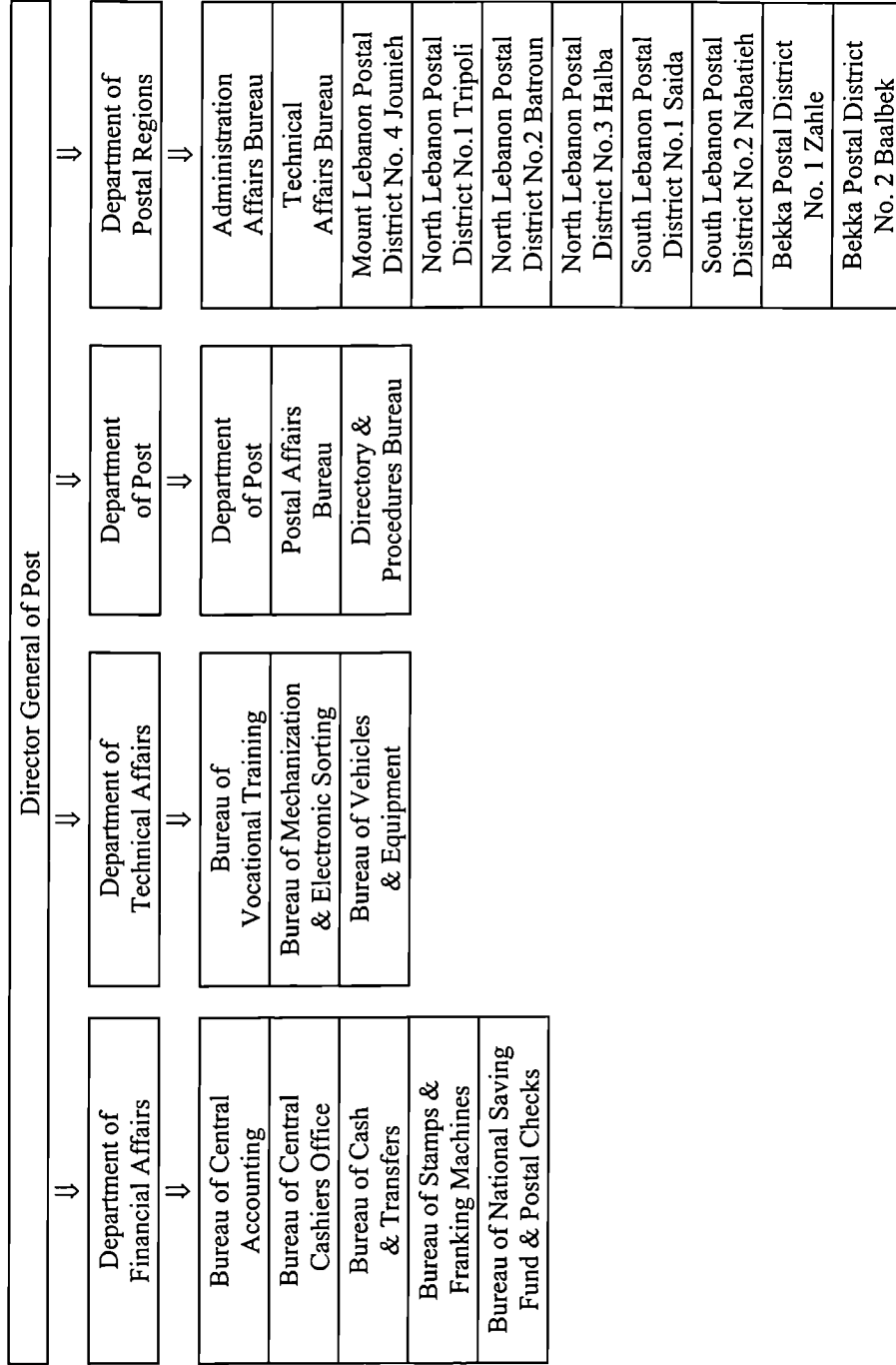


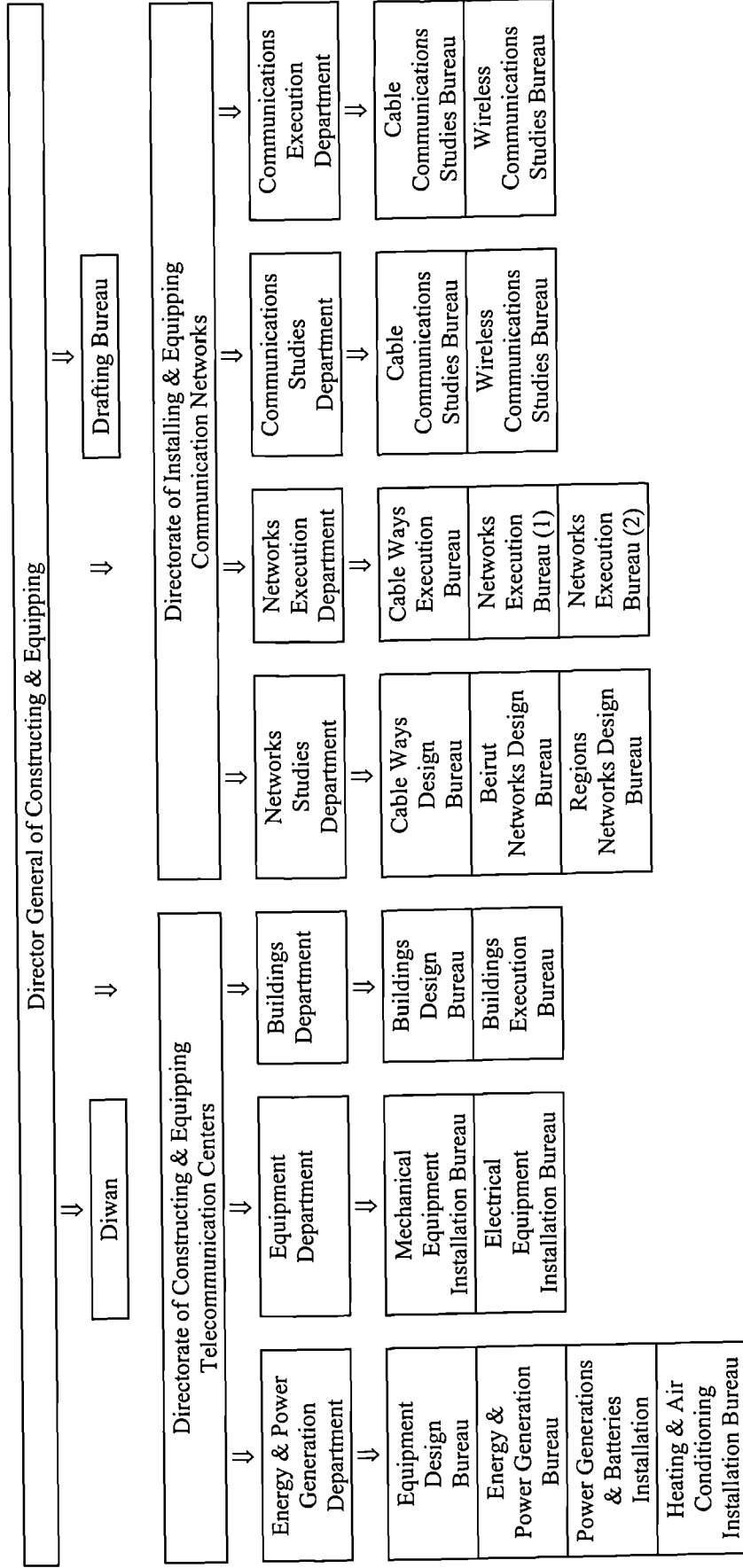
## Ministry of Municipal and Rural Affairs

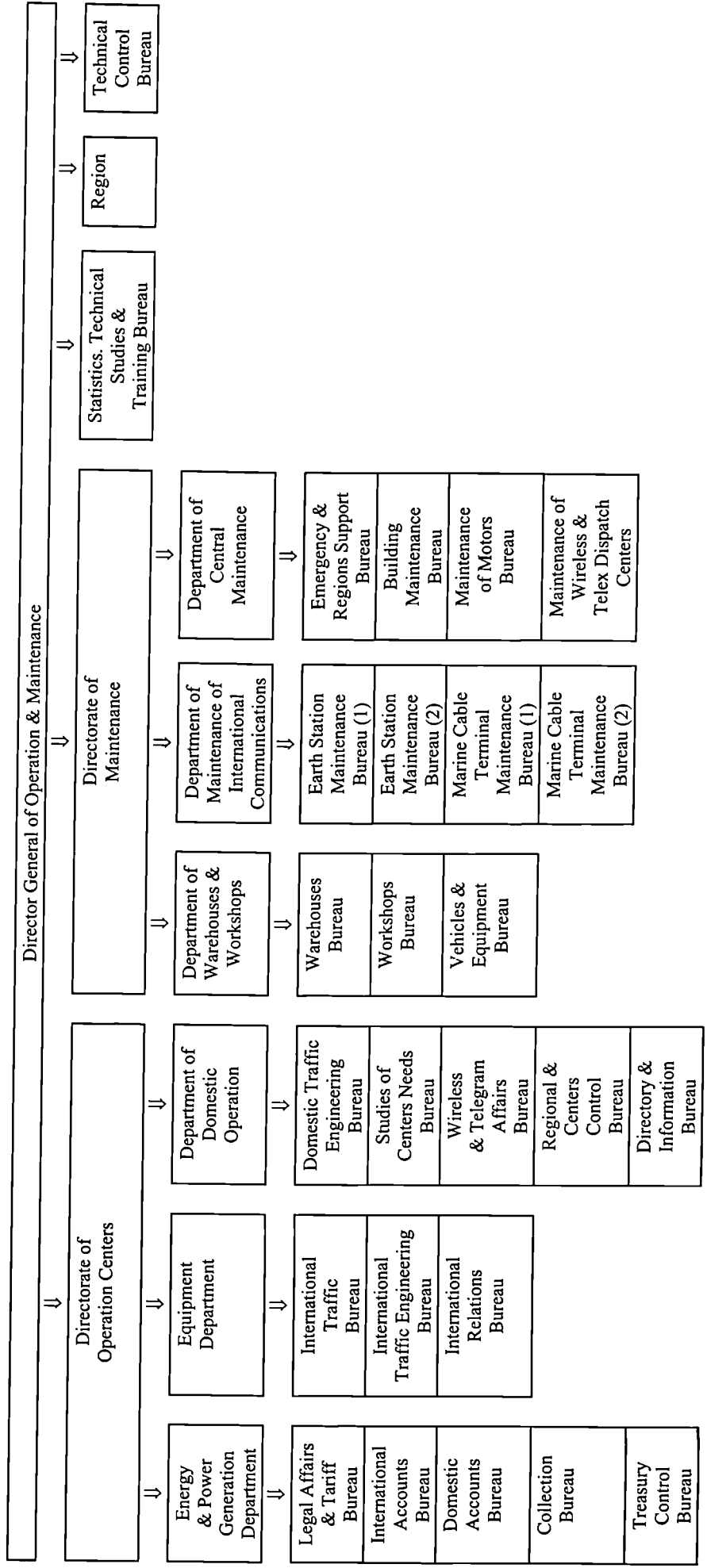


## Ministry of Post and Telecommunications

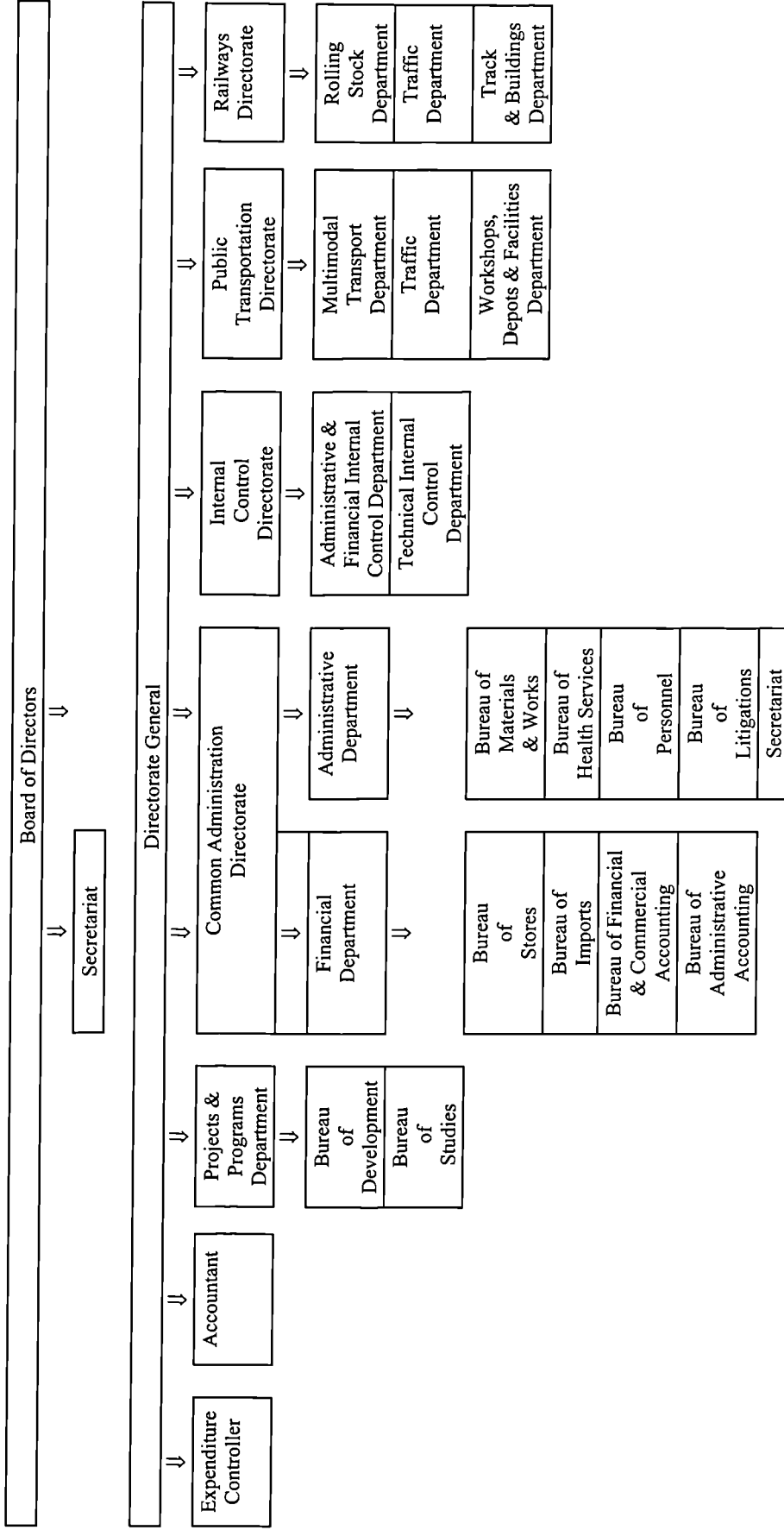




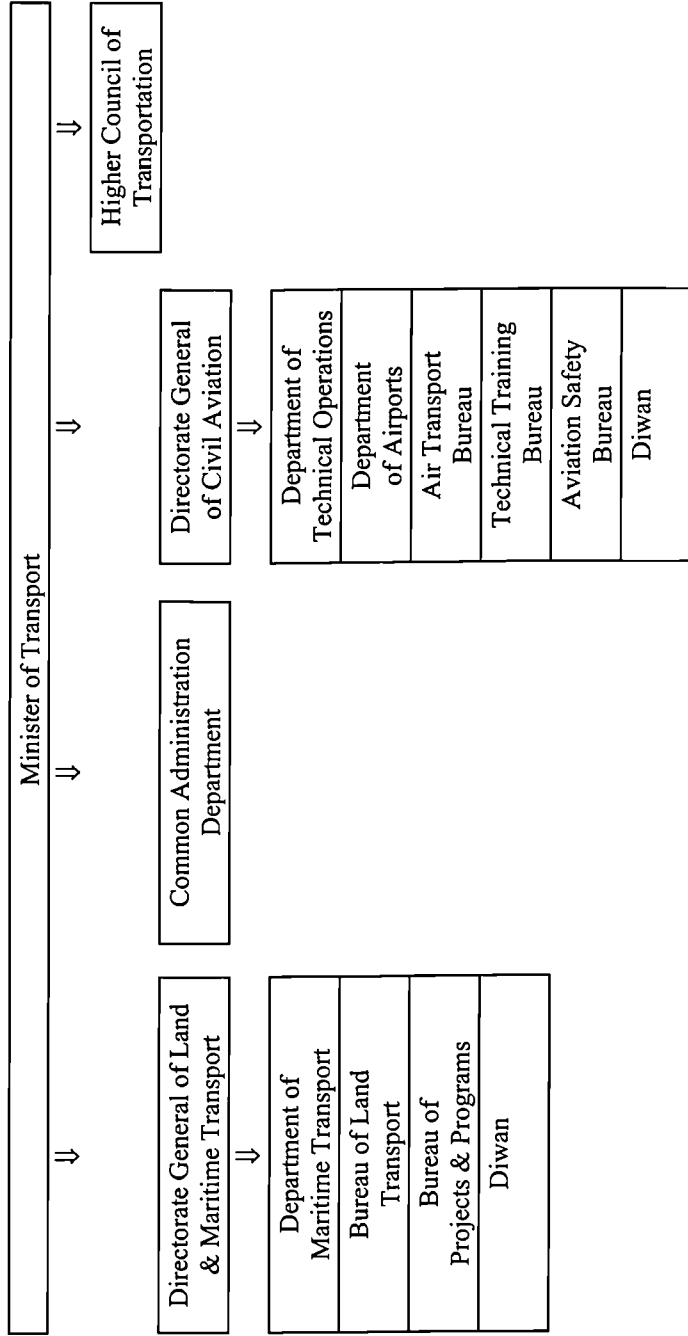


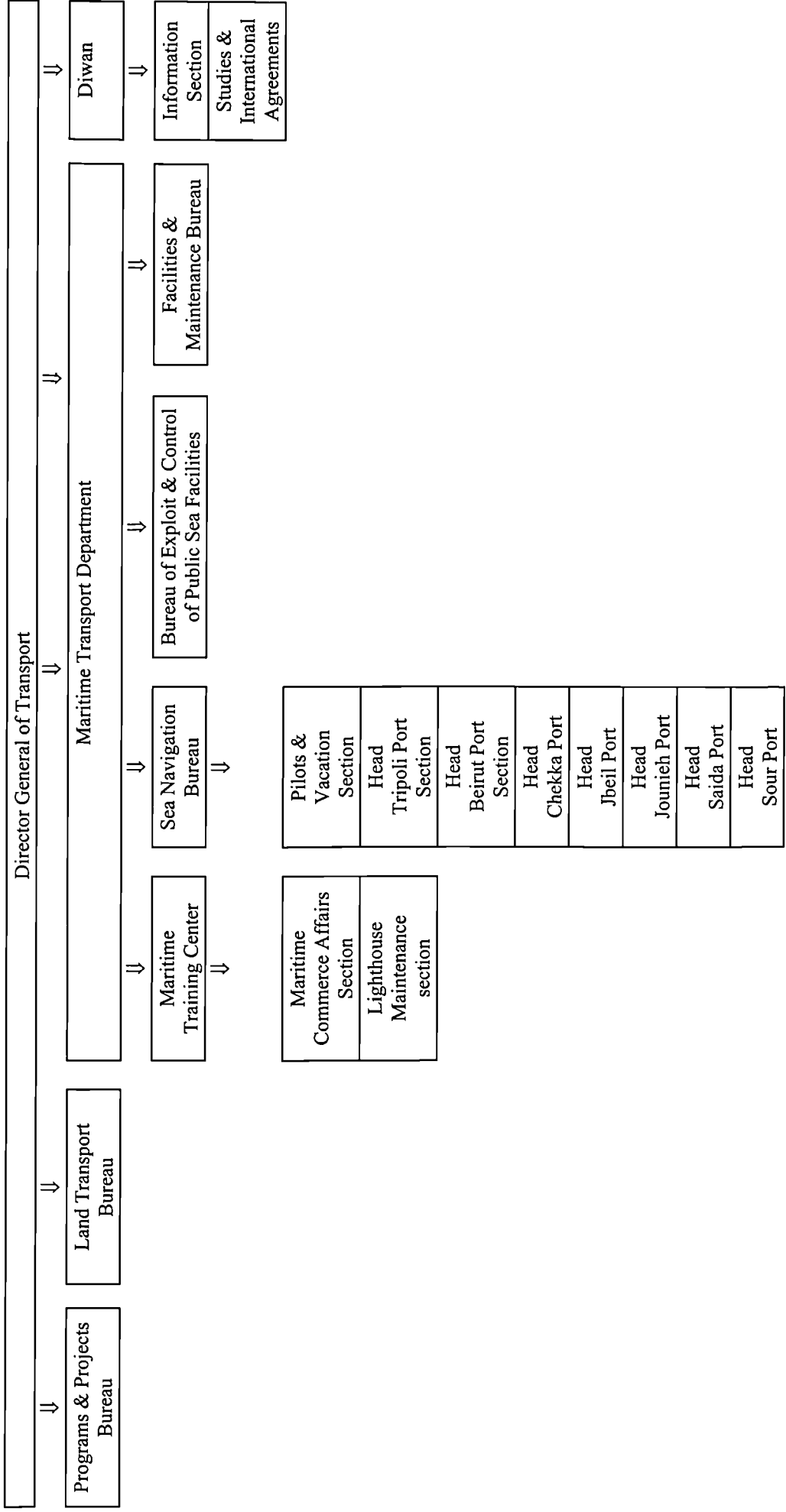


# Railways and Public Transportation Authority

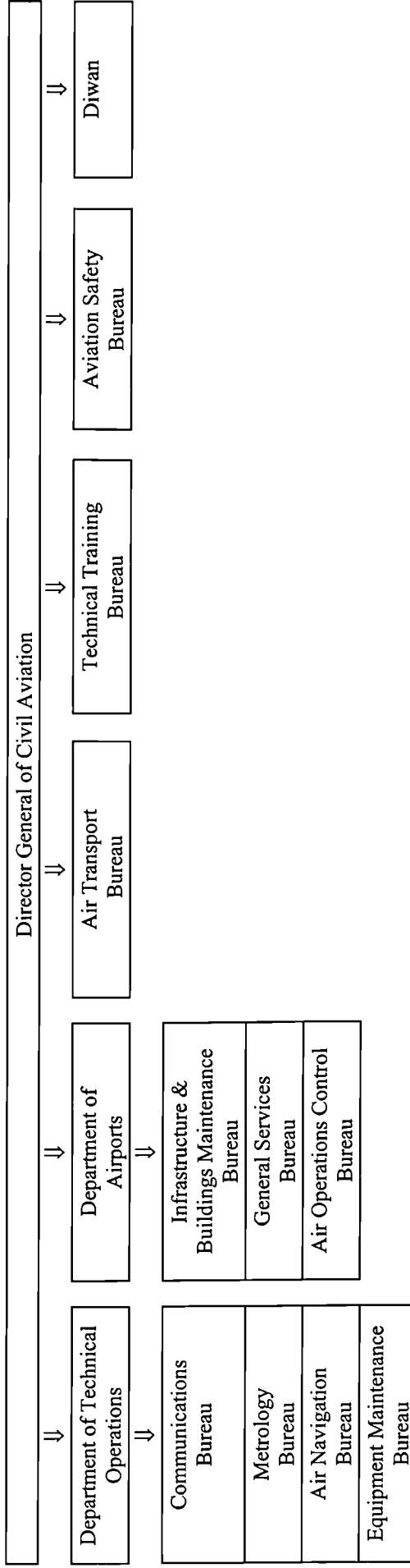


## Ministry of Transportation

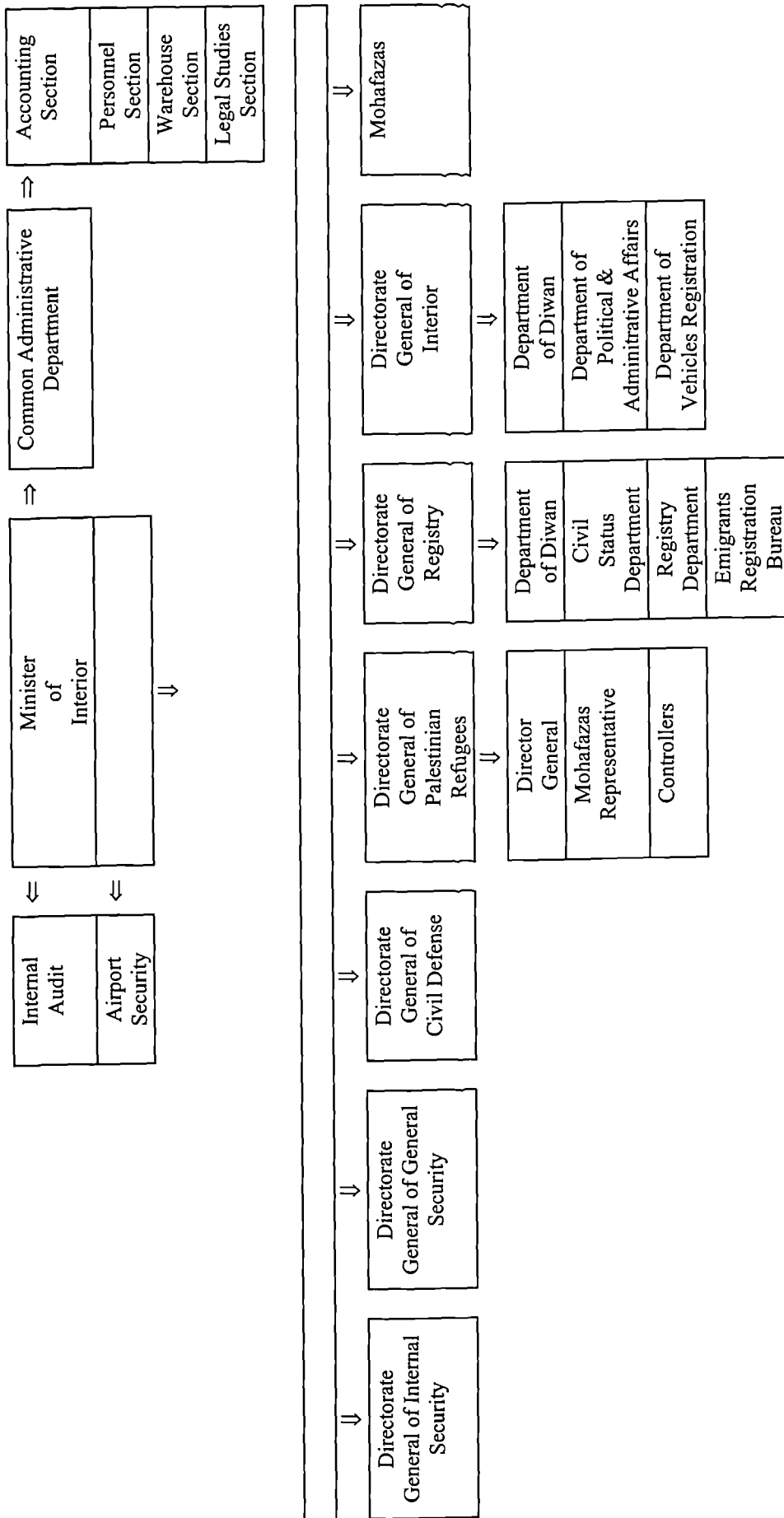








### Ministry of Interior



# **APPENDIX D**

## **METHODOLOGICAL APPENDIX**

It is common to find in the last pages of a PhD thesis a methodological appendix that guides the reader through the steps of the research and sheds light on the specific methodological issues that have not been clarified at length in the dissertation. A brief attempt will be made here to outline the steps of the research generally, and explain the fieldwork process more specifically. It is important to start by calling attention to the scant literature available about administrative reform in developing countries generally, and administrative reform in Lebanon more specifically. In view of this limitation, it was necessary to start with a comprehensive examination of the administrative reform literature available about industrialized countries, and then to re-examine this literature critically and selectively to extrapolate the hypotheses and factors that embody the most potential in the Lebanese context. Although this proved to be a tedious and time-consuming endeavor, it was nevertheless a logical approach to the study, dictated by practical considerations and limitations.

Having identified some fruitful hypotheses and factors, the research attempted to validate them empirically, primarily through the case study approach. The two sectors (telecommunications and transportation) were selected because of their importance in the Lebanese post-war reform context. The fieldwork comprised an initial examination of a variety of internal documents and technical reports, obtained through frequent visits to the ministries and institutions involved in the two sectors. A significant number of reports and unpublished manuscripts were also obtained from the CDR archival center, and special thanks are extended in this regard to Ms. Rajaa Hamawi for her dynamism and cooperation. A number of studies were also obtained from various friends and acquaintances, especially Dr. Tammam Nakkash, in his capacity as Director and Partner in Team International, a consulting company which has been extensively involved in the Lebanese transportation sector, and from Dr. Hadi Baaj, in his capacity as Professor of Transportation Engineering at the AUB and advisor to the Minister of Transport since 1998.

The various reports and studies collected provided an initial roadmap to the two sectors and to the nature of the issues at hand. Indeed, there was no other way to gain familiarity with the two sectors, given the scant literature available about Lebanese administration. Although this may sound rather unbelievable in countries like the UK or the US, this is very much the reality in Lebanon, where there was not a single published study about Lebanese telecommunications or transportation. The sectors were almost like black boxes to be explored through careful detective work. The studies collected thus provided pertinent information, and allowed for in-depth familiarity and understanding of relevant issues, but faceless, technical reports also inevitably left many questions unanswered. The challenge was thus to fill the gaps through a series of interviews with government officials, informants and key participants in the sectors who are especially sensitive to the areas of concern. The interviews, comprising the second part of the fieldwork, were conducted in Lebanon in the summer 2000.

The interviews were intentionally postponed until then for practical and logical reasons. Practically, I had been residing in England for most of the year, benefiting from intensive supervision and library resources. Logically, it was thought that there was no harm in leaving the interviews until then, as this allowed for further refinement of the questions and for a clearer identification of issues and gaps. Hence, based on a comprehensive review of sectoral reports and manuscripts and a clearer identification of the overall orientation of the research, a list of relevant questions was developed for each sector to be subsequently tackled in the interviews. A decision was also made at that point to make use of the semi-structured interview to allow flexibility and a subtle way of addressing sensitive questions. Indeed the nature of the issues to be explored coupled with the sectarian and political complications of the Lebanese environment, dictated prudence, tactfulness and apprehension. In view of these expectations, the semi-structured interview was deemed appropriate to allow for building rapport, steering conversation, as well as probing more deeply into sensitive questions.

The semi-structured interview is indeed generally regarded as more appropriate in field research, given that it resembles a natural conversation that the researcher attempts to direct to fit his/her plan of inquiry. Also, the fact that semi-structured interviews do not dictate the specific wording or order of questions permits building rapport and waiting for more appropriate / opportune times to probe deeply into sensitive issues. The flexibility is also such that this type of interviewing leaves room for following leads by noting and following up on new relevant issues/variables. The challenge, however, with semi-structured interviews is to subtly direct the flow of conversation to cover relevant issues or topics. There is also the risk of noting only those explanations that support one's theoretical arguments. Hence, while semi-structured interviews offer flexibility, new insights, and a depth of meaning and understanding, they also embody a risk of subjectivity, which is inherent in all personal observations and measurements. The challenge was thus to approach the interviewing process with maximum objectivity and open-mindedness.

July-August, 2000 hence comprised a period of intensive interviewing. 25 formal interviews were conducted in total almost equally divided between the two sectors. Interviewees were primarily selected based on their familiarity with the sectors. Hence, the target population comprised professionals currently involved in the sectors and who are consequently in a position to witness significant and relevant events. A systematic effort was made to diversify the sample, in terms of including informants with potential contrasting perspectives/outlooks. This was made possible by seeking professionals who were involved in those two sectors, but in different capacities (e.g. as private operators, business / academic consultants, advisors for ministers, and public officials). The research has thus made use of quota sampling to the extent that it managed to include informants representing different participation categories. Because

each informant tends to view the issues from a different angle, and some subjectivity in interpretation is naturally to be expected, the cross-checking of observations was intended to provide a reasonable and rounded view/explanation and to allow some plausible inferences and conclusions to be drawn. Credibility was thus not taken for granted but carefully evaluated in view of each informant's position, potential motives and other divergent sources of data and accounts.

The first interviews were conducted with informants who were accessible through personal and family ties. The remaining respondents (the majority) were identified and contacted through chain referral or what is technically referred to as snowball sampling. Each new informant would thus direct me to other respondents. I was lucky when the informant contacted the new respondent directly to make an appointment and less fortunate when I was simply provided with his/her phone number. There were also instances when, having identified a good informant, I inquired with my respondents as to how he can be reached/contacted. In either case, I continued with these chain referrals only to realize that the informants in each sector often formed part of a closed interconnected circle or network. In other words, in most cases, the respondents knew each other (either directly or indirectly); interestingly, when they were opponents on issues, they were sometimes keen to interrogate me about the other side's account and interpretation. The difficult part in this process, and in field research more generally, was to grasp those multiple perspectives and interpretations, to maintain openness and secrecy, involvement and detachment, and to always go back to an outside researcher's point of view.

The interviewing process was terminated when it was felt that the interviews were no longer providing new insights or raising new issues, but becoming more or less repetitive. Also, it was felt that those more or less closed networks had practically been exhausted. One of my respondents even exclaimed that there was no one left for me to interview. The majority of the interviews were tape recorded, except in few cases where the respondents expressed concern over the implications of tape recording and the potential restrictions involved. In those cases, notes were taken (in the form of major headings) and the interview transcribed immediately upon arriving home. Although the transcription process proved to be tedious and time-consuming, the analysis part was more challenging and stimulating. For each sector, the analysis mainly revolved around connecting various realms of arguments, looking for patterns and inconsistencies in the data/accounts, and critically evaluating the validity of explanations in light of the evidence. There was also the added challenge of identifying trends within and across sectors, and linking those in turn to the theoretical part in chapter 2.

Although some interviews were more fruitful than others, I thank all respondents for being generally cooperative and helpful. The interviews indeed proved to be essential and

instrumental in unraveling the underlying dynamics of administrative reform in Lebanon and the extent to which reform in this country remains in essence a political process dictated by political considerations. Many respondents expressed frustration over the existing state of affairs and I share their bitterness and frustration. The fieldwork process indeed confirmed to me that Lebanon does not lack professional expertise and/or innovative reform ideas. Rather, Lebanon lacks the political will to make use of this expertise and those ideas. Many of the respondents were working independently on policies and projects that embody tremendous potential for reform in Lebanon (e.g. Dr. Shehadi, Dr. Slam, Dr. Nakkash) and are striving not to lose hope/motivation in the midst of the complexities of the Lebanese environment.

It should also be pointed out that the interviews were conducted at a time when the traditional patterns of immobility and stagnation characteristic of Lebanon were even more accentuated in view of the upcoming parliamentary elections. Lebanon indeed witnessed new parliamentary elections in August 27 and September 3, 2000. A new government has also assumed power in October 26, 2000, under the leadership of Prime Minister Rafic Hariri. As many of the respondents pointed out, the summer 2000 represented a peak period in terms of immobility and stagnation. There are many reasons for this. First is the tendency in Lebanon to put everything on hold when awaiting a change in government. Second is the preoccupation of ministers and deputies with electoral issues, which typically diverts their attention from on-going reform proposals and projects. Third, is the fact that immobility had been gradually building up over the past two years of the Hoss administration.

The years 1998-2000 were indeed characterized as the worst in the history of the Second Lebanese Republic. Although the realities of fiscal imbalances and debt accumulation were not new to the Lebanese post-war reform scene, it became obvious in 1998-1999 that the economic crisis had reached alarming proportions. The Hoss administration chose to put a halt to all reconstruction efforts and to freeze expenditures, which only highlighted the magnitude of the problem and aggravated the stagnation and immobility. The government's policy (or non policy) vis a vis the crippling state of public finances have seriously undermined investor confidence and precluded the re-activation of domestic and foreign investment. And although Lebanon witnessed the liberalization of the South from Israeli occupation during this period, which should in theory improve economic prospects by reducing the levels of risk, the recent Israeli pullout has not yet translated into any significant changes in economic scenarios.

Lebanon is witnessing today a compelling social and economic crisis. The country needs immediate action, and measures that can end financial panic, provide instant employment relief, restore economic confidence and stimulate investment. The burden of this tremendous responsibility falls on the new Hariri administration. There has indeed been an unprecedented

wave of public support for Prime Minister Hariri in the wake of the recent parliamentary elections. Lebanese have put their trust once again in this dynamic business entrepreneur to find an exit to the crisis and mitigate the rising tensions in the country. And although previous Hariri administrations no doubt had their failings and mistakes, there is consensus today that they largely stemmed from good intentions and an eagerness to make a difference within the narrow constraints of the Lebanese political game.

Prime Minister Hariri is undoubtedly aware of the dimensions of the crisis. His traditional prescription for breaking out of this impasse is through economic growth. Indeed, Hariri keenly realizes that the availability of increasing income and opportunities for education, jobs and social mobility provides a cushion against group tensions. Without this growth and the public awareness of it, zero-sum thinking risks to take hold of public decision-making and nullify efforts at group accommodation. Hariri is also very much aware of the daunting complexity of administrative reform in Lebanon. Traditionally, he has chosen to overstep the public administration and proceed with his reconstruction strategy. It remains to be seen whether there will be a change in orientation and a genuine willingness to engage in the difficult task of reform and modernization.