

The Lebanese System Revisited

Presented by:

Fawwaz Traboulsi

To the Conference:

*The Lebanese System: A Critical Reassessment,*

Center for Behavioral Research and The Chiha Foundation,

The American University of Beirut, May 18-19 2001.

By the Lebanese system is here understood the political as well as the socio-economic systems. Revisiting this system implies at least two things: i) characterizing it by establishing correlations between the political and the economic realms against a well-entrenched tendency to divorce the two or give priority to the political; ii) drawing some basic lessons from experience.

1. The post-independence political, economic and social system was a globalised system before globalisation. The term 'globalisation' ('mondialisation') was coined by Georges Naccache in 1950 to describe the state of the Lebanese economy. In his defense of the official Lebanese point of view concerning the break-up of the economic union with Syria, Naccache maintained that his country's free trade and services-based economy had already been 'globalized' after W.W. II, as it played the role of economic intermediary between the Arab hinterland and the European and American markets. Thus the editor of *L'Orient* contrasted that 'globalised' system to the autarcic, productive and protectionist Syrian economy. Though Michel Chiha did not use the term, yet the system he advocated, and indeed helped construct, had indeed some basic characteristics of a globalized system based on classical liberalism and ethnicity:

a) An extraverted *laissez-faire* economy primarily based on international trade, finance and services. Chiha, who defined the Lebanese as "importers before anything else", wrote "The Lebanese economy is built, in the literal sense of the word, on business transactions and relations with the external

world” (*Propos*, p. 289). In such an internal market dominated by imports, the productive sectors were driven to be export-oriented rather than geared to the satisfaction of local needs. And since the dominant services sectors were not producers of large-scale employment, two mechanisms assured the evacuation of the population surplus. First, emigration, that rapidly transformed the Lebanese economy into one that imports practically everything and mainly exports labour. Second, the absorption by the administration of part of the surplus labour (it should be said, against Chiha’s will) due to an arrangement between the financial-commercial bourgeoisie and the clientelist interests of its allies, the ‘political feudalists’ (the term is also Chiha’s). That explains why a free trade economy like the Lebanese economy should be burdened with such an inflated, parasitic administrative machine.

b) A non-interventionist State was also weakened by ceding part of its judicial functions – and consequently its sovereignty- to the religious sects (e.g. in matters of personal statuses) which further undermined its role as a factor in national unification.

c) A political system primarily based on communalism (the politized sects) which practically disenfranchised the **individuals** from political life to the benefit of the communities and ensured that Lebanon’s economic liberalism did not produce a corresponding **political** liberalism. Though Lebanon enjoyed relative freedoms, they were rarely institutionalised to produce a democratic system. Michel Chiha was among those who made sure that the schizophrenia was maintained and accentuated between the individual-economic realm and the communal-political realm.

d) An anti-egalitarian system of social values which justified all kinds of social inequalities- by invoking 'natural' or 'godly' designs - and which pitted the value of freedom against that of equality.

2. Was the post-Independence system the only possible system for Lebanon? My response tends to be negative. During W.W.II, Lebanon had developed an important industry and there existed social and intellectual forces that called for a more balanced economic system. Naim Amiouny, then assistant-general director of the Ministry of National Economy, is quite representative of that tendency (in addition to Kamal Junblatt and Philippe Takla). In a lecture in July 1946, he advocated the development of the productive sectors and the diversification of exports. Amiouny starts by talking about the 'lost opportunities' for the development of Lebanese agriculture. He attributes the rise of the price of agricultural products to the increased numbers of intermediaries between the producers and the consumers and calls for a plan to develop agriculture, the prime condition for which would be an agrarian reform that will provide a more even distribution of landed property. He further criticized the focus on economic intermediacy reminding that trade is the "locomotive of the economy and not the economy *per se*". He also defended the point of view that the country's real resources reside in the productive sectors, which alone create substantial work opportunities, and not in tourism. While not underestimating the role of the services sector, Amiouny warns against the economic and social consequences of the rentierization of the Lebanese economy as it would be conducive to massive marginalization and unemployment. In what seems as a direct reply to

Michel Chiha who considered industry as unfit for the Lebanese as it is conducive to servility, Amiouny predicted that the domination of services will transform the Lebanese into 'a class of servants'.

The orientation the Lebanese economy took under the Independence regime was rather the product of the domination of the famous 'Consortium' of financial and commercial interests on the economic destinies of the country, ideally served by its intimate connections with political power, namely the Bishara al-Khuri regime. Whereas natural vocation ('the Lebanese are merchants since time immemorial') was evoked to justify that system, the real issue was the economic conjuncture of the time (the flow of Arab 'petro-dollars' in search for investment) and while historical continuity was hailed, what was really at stake were dominant class interests. Indeed, these class interests were well served by the economic conjuncture of the time, but for how long?

3. I would like here to question another maxim of the Lebanese system, namely the assumption that political stability (reached through sectarian coexistence) is the basis of economic prosperity and the related idea that 'security' is Lebanon's main capital. The contrary happened in actual reality. Chiha's 'associated religious minorities' - or rather, their elites- were primarily 'associated' in an economic venture: sharing in the control of the French *intérêts communs* and in the benefits accruing from the transit trade and the multi-faceted services Lebanon offered to the nascent oil economies of the Gulf and Saudi Arabia. It was not the coexistence between the

confessions that explains the economic prosperity of the forties, the fifties and the sixties. It was rather the expansion of Lebanon's extroverted economic role that explains the relative political stability it enjoyed. Moreover, it was soon discovered that economic prosperity was not enough in itself as an element of political stability. Of more crucial importance was the way in which that prosperity was socially distributed and in what regional context it took place. Thus, the uneven distribution of wealth regionally and socially in addition to Camille Chamoun's abuse of presidential powers, not to speak of his 'authoritarianism' (Georges Naccache), and his pro-Western policies, in a region swept by a fervent wave of anti-colonialism and Arab nationalism, were factors that contributed to the armed confrontations of 1958.

4. Shihabism needs also to be revisited. We have tended to over-emphasize its negative aspects, namely the role played by the military and the security apparati, overlooking perhaps Fu'ad Shihab's most relevant message concerning the relationship between social tensions and sectarian tensions. Shihab's message is his indirect approach to the problem of sectarianism by attacking its social roots with the help of policies aiming at regional development and concern for social justice. That was the message he forcefully relaid to Maurice Duverger at the end of his days when he expressed his fears that Lebanon might well witness another civil war if its social problems were not resolved. That warning was only met with deaf ears not only by the majority of the economic and political ruling classes but also by many Shihabis who would later adopt the motto 'Security before

bread'. Whatever, the failure of the Shihabi experience and the return of the most conservative representatives of the ruling class to power had much to do with opening the way for the crisis that led to the war.

5. In this post-war period, we are being promised a return to the Golden Age of the fifties and sixties. Allow me this question: if that age was so golden, why was there a war? We are told that the Golden Age had nothing to do with the war. What happened between 1975 and 1990 were 'wars of the others' or, in a milder version, 'wars for the others'. Let us assume that this thesis was true. It still does not explain why- i.e. what internal motives- drove tens of thousands of Lebanese to engage in bloody combat with each other for the sake of those 'others'!

Let us go back to the beginning. In the era of globalization, one of two ways is open. Either we delude ourselves that history has proven us right at a time when all the world is moving toward our kind of politico-economic outlook, or make use of the bitter and bloody lessons of the war to imagine a revision. Paradoxically, at a time when welfare states are revisiting their experiences and introducing measures of economic liberalism, Lebanon should likewise make better use of its past experiences by a revision of its liberal experience toward a greater awareness of things social. The motto 'Security before bread' is the shortest way to authoritarian rule (which looms now as an especial threat more than any other time in Lebanon's history) and to social tensions that are easily **displaced** into sectarian tensions. It could gladly be replaced by 'Security by providing bread for everybody'.

To conclude, there does exist another way of imagining Lebanon:

A country that does not require, each decade or so, to invent a narcissist uniqueness to justify its existence. But is secure in the belief that it is no less 'natural' and no more 'artificial' than the neighbouring Arab states, all equally products of the same colonial partition of the Sykes-Picot agreement. Indeed Lebanon is particular, yet its particularity is best revealed and enhanced in the context of its Arab belonging rather than against such a belonging.

Another Lebanon would be reconciled with its history, putting memories and remembrances in the place of the manic obsession with obsolete origins and murderous identities.

Another Lebanon is possible, one that would give priority, especially after the 1975-1990 wars, to building a country and a state rather than, continuously searching for an extroverted 'role' (e.g. Dubai II) or awaiting an economic miracle to arrive from abroad.

Another Lebanon is one that is capable of imagining a different kind of relations with Syria that go beyond the Lebanonism of rupture or the Arabism of domination. And to construct a complex alternative that combines mutual interests and complementarity in the economic, social and cultural fields- in addition to facing up to Israel's threats and the challenges of globalisation within a wider regional Arab context- within the full respect of each country's independence and sovereignty.

Another Lebanon is one that manages to construct a secular democratic state of free individuals, women and men, that plays its role in



national integration- with full respect for plurality- and faces up to the anarchy of market relations by a policy that knows how to reconcile freedom and equality.

In short, a "modest" country that relies on its human resources and on an intelligent management of its relations with the rest of the world, instead of permanently alternating between delusions of grandeur and manic-depressiveness.

Finally, another Lebanon can well be imagined in which traditionalism does not take the form of violence against renewal and change so as not to drive the partisans of renewal and change to seek violent means in order to achieve their goals.