STATE CORRUPTION IN POST-WAR LEBANON:
THE RELATION BETWEEN POST-WAR INCLUSIVE INSTITUTIONS AND STATE CORRUPTION

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Abstract:
Power sharing and inclusion have often been viewed as remedies for deeply divided societies all around the globe. However, power sharing as a conflict management tool also has its drawbacks when it is viewed outside of the predominant liberal peace paradigm. These downsides and flaws may not necessarily do away with the underlying principle of power sharing formula in strategies of conflict management and peace building. Yet, both practitioners and academicians should be aware of its disadvantages, and consider complementary or alternative mechanisms. After all, one of its main outcomes appears to be state corruption, as viewed within this case study of Lebanon.

Keywords: power sharing, inclusive institutions, state corruption, Lebanon

Özet:

Anahtar kelimeler: iktidar paylaşımı, kapsayıcı kurumlar, devlet yolsuzluğu, Lübnan

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INTRODUCTION

Since 1989, the end of the civil war, Lebanon has been facing many internal problems and challenges. In light of this aspect, one of its most striking and devastating problems has been state corruption.¹ Although state corruption has existed long before the civil war in Lebanon, the implementation of the new power sharing system seems to have bolstered state corruption to new levels. This analysis aims to illustrate the relation between post-war institutions in Lebanon and state corruption. This link has been ignored by various academia and policy makers in their search for conflict resolution mechanisms in post-war societies. Power sharing today seems to be in its heyday. Yet, it is also important to view this approach outside of the liberal peace paradigm, to be able to arrive at more feasible alternatives.

In post-war Lebanon, ‘a distribution of benefits’ is taking place within the Lebanese political arena, which leads to state corruption.² Corruption in the form of cronyism and favouritism has taken over the entire political network affecting elements within parliament, the presidency, and the overall bureaucracy of the system.³ Within this frame, this analysis will define state corruption as the ‘use of public office for private benefit.’⁴

It seems that the absence of strong state institutions has intensified this cronyism and favouritism throughout the post-war period. Between 1975 and 1990, the Lebanese civil war had not only devastated property and

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⁴ Leenders, “Public Means,”
infrastructure, but it also severely undermined public institutions.\textsuperscript{5} This illustrates the importance of strong state institutions and elite accommodation in a post-war country.

Extensive literature has been published on how corruption influences the existing state institutions. Yet, to what extent has the implementation of certain institutional mechanisms exacerbated political corruption? Post-war institutions have especially shaped the political future of war-torn countries. Today, there is insufficient research on post-war institutions and their influence on political corruption. While a post-war country should ideally step into a new era without state corruption, the new state system seems to exacerbate new forms of corruption. This analysis will explain how power sharing institutions have worked in favour of cronyism and other forms of corruption in Lebanon.

The main goal of designing political and economic institutions in a post-war country is to build a road towards political stability and peacebuilding. Yet, in the case of Lebanon, this attempt seems to have failed to a certain extent. The institutions were empowered, but the individual warlords then entered the political arena after the civil war by signing the Ta’if Accord, which was brokered by third parties.

Corruption makes good governance impossible, while also diminishing the trust in the existing government and decreasing its legitimacy. The aim of this analysis is not to discuss the results of corruption, but to instead highlight the consequences of corruption in post-war institutions and society as an important issue to further examine. The roads to corruption, and more importantly, the stimulating mechanisms, are just as critical as the consequences. The mechanisms that lead to political corruption will be further examined in this analysis, mainly by investigating the newly


implemented political and economic institutions in a post-war country, namely Lebanon.

While focusing on Lebanon’s economic and political liberalization, the downsides of the neoliberal agenda have been largely ignored. Keeping this in mind, many academicians and policy makers believe that economic liberalization will lead to less corruption. Unfortunately, the strong focus on this possible benefit has made other topics less important (like inclusive institutions), which possibly lead to spread the corruption in the state. Therefore, the main research question of this paper is that to what extent have inclusive institutional mechanisms in post-war Lebanon exacerbated state corruption?

1. INSTITUTION-BUILDING IN POST-WAR SOCIETIES

Post-war countries and their institutions have been examined to a large extent by many academics and policy makers. A country that has been devastated by civil war should ideally overcome its main problems and be able to function again as a strong state within the international community. This background in hand, third parties (such as the U.N.) are often more than eager to assist the war-torn countries in their institution-building processes once the civil war is over in the country. As a result, the world has witnessed a great deal of peacebuilding operations, where the power sharing formula has been widely implemented in the various state systems. Lebanon is one of these ‘fortunate’ countries to benefit from this power arrangement.

For the purposes of this paper, (inclusive) institutions will be defined as ‘political to the core.’ Within this view, political institutions are considered as the core of the development processes after a civil war has taken place.

In order to play a concrete role in successful state building, both policy makers and academics have agreed on several political institutional mechanisms, such as all-inclusive grand coalitions and veto rights. The goal of these political mechanisms is to permit different stakeholders and ethnic groups to contribute in the political arena. Eventually, it has been argued that
this would encourage peaceful political competition. Inclusiveness in political systems is seen as a crucial factor in avoiding the outbreak of a civil war or renewed violence. At this point it would be useful to examine briefly the desirability of the power sharing formula in post-war countries.

1.1. The Power Sharing Formula and its Institutional Mechanisms

The institutional tools of power sharing in post-war societies are grand coalitions, proportional representation, various forms of autonomy and mutual veto rights. With these tools in mind, it is important to mention that the role of the elites is decisive in attempting to stabilize the state system through these institutional arrangements. It is for this reason that Lijphart stresses the importance of “elite cooperation and the formation of a grand coalition among ethnic representatives.” The goal of third parties is creating a ‘government of national unity,’ while the long-term aim is to establish proper state building efforts, good governance practices, and increase state capacity, peacebuilding, political stability and legitimacy.

The main ideology behind power sharing is the liberal democratic peace theory that seems has returned to the strength of its heyday. Doyle argues that this approach will enable institutional development, while in the long run, decreasing the chances of the country relapsing into civil war. It is this belief that lies behind the inclusive institutional mechanism of power sharing.

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Lijphart propagates four institutional tools concerning *consociationalism*: a grand inclusive coalition, mutual veto rights, a political system of proportionality and segmental autonomy.\(^\text{11}\) In this paper, all these institutional mechanisms are elements of ‘inclusive approaches’ to peacebuilding in war-torn countries. A grand coalition incorporates the elites of different ethnic, linguistic, or religious factions. Proponents of the power sharing formula argue that these elites will rule in the interest of the whole society, since they are conscious of the consequences of non-cooperation.\(^\text{12}\) The institutional tool of segmental autonomy gives the different sectarian or ethnic groups of the war-torn society the opportunity to make a decision about matters linked to their own ethnic or sectarian background.\(^\text{13}\) In other words, it basically produces a kind of individuality of the factions in society, while this characteristic becomes institutionalized.\(^\text{14}\) Proportionality diminishes the broad division among the losers and the winners of an election that would have been a clear outcome of a majoritarian democracy. Subsequently, the political representation is a reflection of the population of the deeply divided country, where mutual veto rights give an additional instrument to the different sectarian or ethnic factions to safeguard their own interests and goals. Yet, at the same time, it can also hinder these factions to actually using their veto-rights against a majority vote, given that they can also be vetoed by another sectarian or ethnic group in the future. The emotional aspect within these features is also regarded as vital by academicians and policy makers. Respect and trust are important and fundamental elements that make cooperation between different ethnic and

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\(^{12}\) Lijphart, *Thinking*, 45.

\(^{13}\) Lijphart, *Thinking*, 16.

\(^{14}\) Lijphart, *Thinking*, 46.
sectarian groups and individual leaders a success story.\textsuperscript{15} For this reason, Lijphart believes that consensus plays an important role in a power sharing democracy.\textsuperscript{16}

\textbf{1.2. National Resources and the Distribution of Wealth in a Post-War Country}

The role of elites in post-war countries is crucial when it comes to elite accommodation and the distribution of national resources. Most of the time, the financial resources are a source of conflict.\textsuperscript{17} For this reason, power sharing not only concerns the distribution of political power, but also affects the economic power within these elite circles. During the ethnic or sectarian conflicts, the warlords represented their own sectarian or ethnic groups, while after the war, these warlords are part and parcel of the newly formed ‘Government of National Unity’. Spears is quite pessimistic about the intentions of these newly formed elites, given that they will favour their own groups in the post-war period, as they also did during the civil war.\textsuperscript{18} Even if a country is not rich with natural resources, the executive power will be a source of greed for the ruling elite.\textsuperscript{19} For example, proportionality, one of the institutional tools of power sharing, will be applied because of this reason in the following settings: governmental appointments, the civil service, the


\textsuperscript{16} Lijphart, \textit{Machtsdeling}, 17


\textsuperscript{18} Spears, “Understanding.”

\textsuperscript{19} H. M. Binningsbø, “Power-Sharing and Post-Conflict Peace Periods,” (paper prepared for presentation at the Power Sharing and Democratic Governance in Divided Societies workshop, Department of Sociology and Political Science, Norwegian University of Science and Technology (NTNU) and the Center for the Study of Civil War, International Peace Research Institute, Oslo (PRIO), Oslo 21 August 2006), 8, accessed 16.04.2008, \texttt{http://www.prio.no/files/file48120_binningsbo_aug2006.pdf}. 
judiciary, the army, the financial resources and state-owned companies. As a result, cronyism and favouritism can take place within the political arena of the newly formed government. Within this context, Geddes argues that the political institutions will determine the greed of the ruling elite. Ultimately, power sharing will not only influence the political power, but also the economic power of the different ethnic or sectarian leaders and their attitude towards the economic resources of the state (especially given that the state is the main distributor of national wealth). Each ethnic or sectarian group will try to survive by exploiting this wealth of the post-war state. As a result, it is important not only to consider political institutions, but also the essentiality of the role that economic institutions embody during a post-war period of institution-building.

Therefore, Biswas argues that “good governance is a reflection of both economic and political institutions”. On the long run, these institutions conclude, unavoidably, the potency and permanence of the ruling regime. In other words, if every group receives a share of the ‘economic pie,’ the incentives for conflict would decrease. At least, this is the theoretical assumption of many academics and policy makers while designing a post-war institutional cadre. Consequently, Spears believes that ‘networking’ is inextricably part of the newly formed post-war government when it comes to the allocation of economic resources. The ‘politics of bargaining’ is an important reality of this phenomenon.

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21 Spears, “Understanding.”
23 Biswas, Managing.
24 Spears, “Understanding.”
2. LEBANON: A SHATTERED COUNTRY

The consociational formula, as many academics and policy makers have argued, ‘worked’ for Lebanon until the civil war erupted in 1975. After the civil war, the ‘old boys network’ of warlords entered the political arena of the war-torn country. Until this moment, the Lebanese state had been marginalized politically and economically and “by the end of the war as much as one third of the GDP of Lebanon was linked to militia activity.”

| Population: | 4,017,095 (July 2009 est.) |
| Ethic groups: | Arab 95%, Armenian 4%, other 1% note: many Christian Lebanese do not identify themselves as Arab but rather as descendents of the ancient Canaanites and prefer to be called Phoenicians |
| Religions: | Muslim 59.7% (Shi’a, Sunni, Druze, Isma’ilite, Alawite or Nusayri), Christian 39% (Maronite Catholic, Greek Orthodox, Melkite Catholic, Armenian Orthodox, Syrian Catholic, Armenian Catholic, Syrian Orthodox, Roman Catholic, Chaldean, Assyrian, Copt, Protestant), other 1.3% note: 17 religious sects recognized |
| Languages: | Arabic (official), French, English, Armenian |
| Government type: | Semi-presidential republic |

2.1. Short Historical Background

After the civil war, the principle of proportionality was applied in all sectors of the state system. One of the disadvantages of this institutional tool is that it promoted biased political designations based on sectarian choices and quotas, instead of meritorious promotions based on a candidate’s competence. Ultimately, this tradition actively promoted and entrenched

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favouritism in the Lebanese political arena. The ineffectiveness of the legal system bolstered this phenomenon, given that most political and economic reforms could not take place within the framework of power sharing tools like veto rights. In the past, the government has experienced enough gridlocks that have paralyzed the decision-making process. Long-term appointments in the same occupation both within and outside the government have exacerbated cronyism and favouritism, while sectarian solidarity within each group elevates certain groups over others.²⁶

Lebanon has witnessed a great deal of conflicts in its history, due to domestic differences and regional conflicts. Often, the international media presented its civil war (1975-1989) either as a result of hatred between Christians and Muslims, or a battle between the left and the right wing. Some sources attribute to the war as a result of foreign interference (Palestinian/Syrian) within a regional conflict.²⁷ After the civil war ended in 1989, a peace agreement was signed in Ta’if, Saudi Arabia. After the civil war, consociational rule was the proposed remedy for this war-torn country. Soon enough, an Arab League envoy, Lakhdar Brahimi, designed a new state system of power sharing that would foster state building efforts, be it on the long term.²⁸ Yet, already before the civil war, Lebanon had been a typical country where power sharing had been implemented. After all, Lijphart considered Lebanon as a success story of consociationalism until the civil war erupted in 1975.²⁹

Between 1975 and 1990, not only property and infrastructure were shattered by the civil war, but also the public institutions.³⁰ The army was divided along sectarian lines, while the parliamentary structure began to deteriorate. The existing members of the parliament were mostly dependent

²⁸ Kerr, *Imposing Power*.
³⁰ Adwan, *Corruption in*, 1.
on the sympathy of militias, who were in charge of districts and lives. Furthermore, the judiciary also came under the control of political or military warlords.\(^{31}\) Among the institutions, the public administration in particular was undermined, while “the war turned most of these institutions into small fiefdoms for warlords and their protégés.”\(^{32}\)

### 2.2. The Troika and the Principle of Muhassasah

Looking back at the last twenty years, it is questionable if it was the Ta’if Agreement that was implemented in post-war Lebanon, given that the ad-hoc decision-making process appears more decisive than ever in its manipulation of Lebanese daily politics and its state institutions. The Ta’if Agreement made it possible for the ruling elite to interpret and bargain over crucial matters.\(^{33}\)

A main critique on the ruling elite’s post-war reconstruction efforts rested on the reconstruction institutions, which were predominantly connected to the Lebanese government. Many institutions in Lebanon, including the Parliament and other government branches, operate without the checks and balances. For example, the CDR (Council for Development and Reconstruction) only reports to the Prime Minister, while the Council of South Lebanon is connected to the Speaker of the Parliament. The Fund for the Return of the Displaced and Refugees (connected to the Minister of Refugees) and the Higher Commission for Relief are linked to the Prime Minister.\(^{34}\)

The Ta’if Agreement produced the existing ‘three-man show’ (‘troika’), consisting of the three presidents: the President of the Republic, the

\(^{31}\) Adwan, *Corruption in*.  
\(^{32}\) Adwan, *Corruption in*.  
\(^{33}\) Kerr, *Imposing Power*.  
President of the Council of Ministers and the President of the Parliament.35 Among these three leaders, there is a system of ‘Muhassasah,’ that distributes all the economic resources of the state within sectarian lines.

“The Lebanese president’s exceptional executive and legislative powers made him the main pole of attraction for the country’s dominant economic interests. This tradition, which began under the independence regime, constitutes a major aspect of Lebanon’s political economy.”36

In the first republic, Michel Chiha,37 one of the known political figures of his time, had figured out a theory that illustrates the relationship between economic and political power. According to Chiha, economic power could be achieved by seizing the executive power. The president of the republic and the main associate of the oligarchic system, made several concerted efforts to preserve his economic power. One of his goals was to keep the administration working on economic agreements and contracts in order to fuel the economic sector. “On the other hand, parliament, defined as an ‘assembly of notables’ (‘old boys network’/cronyism), was to be the reserve of the landed Za‘ims (traditional elite) representing the country’s various sects.”38

As previously mentioned, consociationalism was not only applied in the political and economic fields, but also on the social, juridical and national security levels.39 One of the main concerns regarding the militia was that they often acted in their self-interest, while also vetoing almost every

37 Michel Chiha was one of the key players of the constitution’s original text, while he is seen as the founder of the ideology behind the Lebanese state system. Walid Phares, Lebanonse Christian Nationalism. The Rise and Fall of an Ethnic Resistance, (London: Lynne Rienner, Boulder, 1995), 81.
38 Traboulsi, A History, 118.
important decision that would have been made in the struggle against corruption. With such political behaviour in place, the most needed reforms to fight against corruption could not take place under these conditions.

3. POST-WAR LEBANON: STATE CORRUPTION

In Lebanon, the military combatants who had taken part in the civil war were also rewarded with seats in government, while those who rejected the system due to the corruption of Ta’if were excluded.\(^{40}\)

In Lebanon, it eventually seemed impossible to pass reform laws to end state corruption. The veto rights that each sectarian group held prevented the state from passing needed reforms. The past attempts to fight corruption have been blocked, while the decision-making process has witnessed various political gridlocks and inefficiency. The role of the state in the economic reconstruction process in the post-war period has been an era of political corruption. It is important to note that the civil war had not only shattered the political framework, but also damaged the economic infrastructure. Political security was primarily based on economic security of the sectarian groups.\(^{41}\) Resource management efficiency and the delivery of public goods are still main concerns in present day Lebanon. The role and attitude of the Lebanese state remains crucial within this perspective. Yet, a separation of the different powers and the system of checks and balances is still lacking, which is posing a direct threat to the decision-making process. In the words of Spears, good governance alone is not sufficient when it comes to controlling ‘the greed of the Lebanese elite to control the state,’ that often leads to state corruption.\(^{42}\) While engineering the country’s future at the end of the civil war in 1989, there was optimism for a better prospect without state corruption. But how can we currently scrutinize this ‘optimism’? In this

\(^{42}\) Spears “Understanding,” 114.
perspective, nearly twenty years of political engineering in Lebanon is evaluated in this paper.

“Forms of political corruption included the ‘disappearance’ and embezzlement of funds, bribery involving the sale of municipal land plots, bribery regarding the regulation and licensing of private quarrying operations, and the rigging or ignoring of mandatory tendering procedures in municipal procurement, and finally conflicts of interest in many of these spheres.”

Although it is quite difficult to prove political corruption, Reinoud Leenders, former International Crisis Group’s Middle East analyst, tried to illustrate that corruption is taking place within public institutions in Lebanon. He made an assessment of high political corruption in post-war Lebanon. Within this framework, he investigated the municipality, the healthcare system, the Airbus scandal (Middle East Airlines), the oil deals, the Beirut port, the reconstruction sector, road works and the waste management sector. It must be said that these practices are products of the inclusive political system in Lebanon. The inclusive political system “caused networks rather than bureaucratically organized institutions to govern distributional issues.” In other words, the inclusive political system accommodates the ethnic leaders who are acting in contradiction with the country’s social, political and economic needs. “The ways in which such institutions manipulate their funds suggests that some sort of distribution of benefits is taking place.”

43 Leenders, “Public Means,” 49.
44 Leenders, “Public Means,”
46 Traboulsi, A History, 122.
consequently the finance ministry, the (Sunni) Prime Minister is getting hold of the Lebanon’s political economy and its decision-making process. 48 This way, there is a counterbalance with the old militia leaders who still control the resources of the country, while being part of the Lebanese political arena. 49 Leenders argues that “the spread of corruption has everything to do with a seriously flawed approach to the rebuilding of the state and official views on its role in revitalizing the country’s shattered economy.” 50 These networks of corruption in Lebanon can be viewed as a substitute for functioning, strong bureaucratic institutions. 51

Ultimately, the possible factors that caused political corruption seem to be: “strong political interference in the administration, the appointments of former warlords as ministers and deputies, the lack of transparent and modern reforms,” where the public sector could be penetrated quite easily. 52 Yet, importance lies on the ability to investigate the mechanisms that made these factors possible, which is the institutional character of Lebanon that was formed as a result of the 1989 Ta’if Agreement.

“In Transparency International’s 2008 Corruption Perceptions Index (CPI), Lebanon scored three out of 10 (on a scale from 0 “highly corrupt” to 10 “highly clean”) a ranked 102nd among 180 countries considered.” 53

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49 Krayem, “The Lebanese Civil.”
51 Leenders, “Nobody Having,” 188.
CONCLUSION

The Ta’if Agreement gave the Lebanese state a new opportunity to get rid of the ills of its system. Yet, this opportunity was not seized either by the international community or the Lebanese elite. Instead, they chose for a renewed version of the consociational institutions that had caused state corruption that already existed before the civil war. The implementation of the Ta’if Agreement exacerbated the already existing levels of state corruption, while the essential tools of inclusiveness worked in favour of the troika by the phenomenon called ‘muhassasah’ (allotment). Among others, the system of proportionality caused a network of ‘old boys’ who made use of cronyism and favouritism in place, encouraging them to support their own sectarian groups. Additionally, veto rights caused more and more political gridlocks in parliament, given that every sectarian group used their veto rights often in their own favour, and not in the national interest of the country. Additionally, important reforms that could fight state corruption could not be voted for because of the existing veto rights. Last but not least, grand coalitions made it possible that political blocs were formed along sectarian lines, which again bolstered favouritism throughout the political system.

Power sharing and inclusion have often been viewed as remedies for deeply divided societies all around the globe. However, power sharing as a conflict management tool also has its drawbacks when it is viewed outside of the pre-dominant liberal peace paradigm. These downsides and flaws may not necessarily do away with the underlying principle of power sharing formula in strategies of conflict management and peace building; but both practitioners and academicians should be aware of its disadvantages and consider complementary or alternative mechanisms. After all, one of its main outcomes appears to be state corruption, as viewed within this case study of Lebanon.

Throughout the years, there has been relatively little amount of research on ‘the relationship between the type of political system and post-war reconstruction methods,’ while political institutions in a post-war society
also seem to have been ignored to a certain extent in academic circles. However, institutions do matter and post-conflict societies should focus on the institutions of a post-war country to be able to enhance post-conflict peace.

Finally, it is apparent that there is a dearth in research on “the theoretical and empirical integration of the complementary roles of economic and political institutions.” Many conclusions have been drawn from various investigations on the link between political institutions and civil wars, many of which are based on case studies. For the future of peacebuilding and state building efforts, research would best benefit involved parties using ‘the cross-national comparisons’.

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54 Binningsbo, “Power-sharing and”, 1.
55 Binningsbo, “Power-sharing and”, 19.
56 Biswas, Managing Discontent, 1-2.
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