

The National Social Development Strategy for Lebanon

Third Draft (b)

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1. Introduction

The Social Development Strategy is formulated in fulfillment of a commitment made by the Government of Lebanon within the framework of the Social Action Plan¹ that was submitted to the Paris III Donors' Conference and in line with the principles delineated in the Social Pact² between Lebanese citizens and their government formulated recently by the Ministry of Social Affairs. The Social Action Plan acknowledged the need for an integrated framework for promoting social development in a comprehensive and visionary manner. Moreover and again in light of the Social Action Plan recommendation, an Inter-ministerial Committee for Social issues (IMC) was established in January 2007 entrusted with the realization of a number of tasks evolving around enhancing the performance of the social sector and coordinating government related efforts including the formulation of a national social development strategy. The IMC included in addition to the CDR, the following seven ministries: Social Affairs, Education and Higher Education, Public Health, Labor, Interior and Municipalities, Finance, Economy and Trade and is headed by the Prime Minister. A technical team involving one representative or more from each of the IMC ministries was formed to provide technical back up and support to the IMC. The Ministry of Social Affairs (through the project "Capacity Building for Poverty Reduction" – a joint initiative with UNDP) was assigned to act as technical and administrative secretariat to the IMC. In fulfillment of the tasks assigned to the IMC, the current national social development strategy was prepared with support by the technical team of the IMC and coordinated by the Ministry of Social Affairs through the technical secretariat.

In the preparation process, the strategy took advantage and relied on previous efforts and studies undertaken in the country including published national and sectoral studies and

¹ Government of Lebanon, 2007. *Social Action Plan: Toward Strengthening Social Safety Nets and Access to Basic Social Services*. Beirut.

² MOSA, 2010. The latest draft of the Social Pact. The final version of the social pact is currently being finalized by the Ministry of Social Affairs.

strategies, policy papers, government documents, and academic papers. In addition, a wide range of stakeholders and experts in various fields related to social policy were consulted on their opinions regarding major constraints facing social development and recommended solutions (refer to the methodology section in the annex). Based on extensive research of local studies and experiences of other countries, direct consultations and thorough analysis of the situation of different sectors and conditions of various social groups, and in light of the tenants and precepts of the Social Pact, a structure for the social development strategy was constructed around the following six elements:

1. Achieve Better Health
2. Strengthen Social Protection Mechanisms
3. Protect and Educate Children and Youth
4. *Improve Opportunities for Equitable and Safe Employment*
5. Revitalize Communities and Encourage the Development of Social Capital
6. Encourage Socio-Economic Development

The six elements and their related objectives represent inter-sectoral spheres of action that together form a synergetic and comprehensive approach toward social development and empowerment of the Lebanese Society (refer to section 4).

2. Historical Background

The history of social policy in Lebanon is characterized by four periods starting with the mandate of President Fouad Chehab in the 1950's. Since then, social policy has taken many forms but has never taken center stage in government priorities nor has it been articulated into a well-defined and time-bound social vision and strategy. Furthermore, whenever it has been addressed, the institutions overseeing social policy have been fragmented and narrowly focused on vulnerable groups rather than on a basic 'social edifice.' This project represents the first attempt by the Lebanese Government to develop a comprehensive national social strategy that views social issues, not as a 'residual' parameter, but as an integrated whole that affects the larger part of the Lebanese population.

2.1. High poverty rates ensuing the first notions of a social policy

Prior to the 1950s, social development policies were lacking in Lebanon. At the time, the country was to some extent agrarian with most of its citizens living in rural regions. Following this period however, the Lebanese economy transformed into a more service-oriented economy in response to the need of an intermediary role within the context of drastic regional geopolitical changes: the advent of the oil era, the occupation of Palestine, the separation of Lebanese and Syrian customs authorities, the rise of interventionism in many Arab countries, etc. This transformation which spurred a period of economic prosperity also carried with it high economic and social costs with intensified regional disparities and increased migration from rural areas.³

With the coming of President Fouad Chehab into power in 1958, the first outlines of a Lebanese social policy began to take shape in conjunction with and based on the recommendations of the IRFED mission⁴. The outcomes of IRFED had revealed vast disparities in income distribution and standards of living where the poor formed around 50% of the population and the richest 4 % held a share of 32% of the national income⁵. The poverty mapping that was conducted indicated the existence of poverty pockets in North Lebanon, the Bekaa region and some parts of the South. Urban poverty resulting from rural migration was observed in Beirut and Tripoli.⁶

As a result of these findings, significant effort was put into developing social services. The public education system was strengthened in terms of both quality and quantity and the Lebanese University was established. A number of public hospitals were set up and the Social

³ Information International & ESFD & CDR, 2005. *Lebanon's Strategy for Social Development*. Beirut.

⁴ Mission IRFED-Liban, 1961-1962. *Besoins et possibilités de développement: étude préliminaire*. Beirut. The IRFED mission led by Father Louis-Joseph Lebreton was the first study to focus on social and developmental issues in the country. The mission conducted surveys in major cities and villages assessing their socioeconomic situations. The end result was the formulation in 1961 of a five-year master plan which included recommendations concerning economic growth and social reform and development.

⁵ UNDP & MOSA. Living Conditions in Lebanon prior to 1975. *Mapping of Living Conditions in Lebanon*, [Online]

Available at: UNDP www.undp.org.lb/programme/pro-poor
[Accessed 14 May 2009]

⁶ Mission IRFED-Liban, 1961-1962. *Besoins et possibilités de développement: étude préliminaire*. Beirut.

Security System was established. Basic infrastructure was also addressed through the reinforcement of public transport systems, linking most regions to the electricity and to some extent the water grid, and expanding the road network.⁷

On the institutional level one of the most prominent reforms with regards to the social aspect of development was the establishment of an *Office de Développement Social* (ODS) in 1959 despite the fact that this office was basically designed around a narrow understanding of social welfare. While the directives of the Social Development Office called for a long term plan for social development in the country⁸, it instead focused its efforts on providing services and financial assistance to social programs as well as providing services to the most vulnerable rather than planning for the social welfare of the country as a whole, i.e. it was a more targeted welfare approach to social challenges rather than a global or holistic approach that sets up country-wide plans for social development.

Nevertheless, even with this narrow understanding of social welfare, the ODS faced much opposition upon its establishment from the civil organizations and NGOs, most of which were affiliated to religious groups. Many considered the office as a threat to and interference in their field of work. Therefore, one of the major missions of the office was to promote the notion of cooperation, collaboration and partnership with the civil organizations⁹.

It is to be noted that reforms and developments in the social sector at the time did not come only as a consequence of the Chehab mandate's IRFED mission. In fact, there was also a growing trade union and civil society movement which trickled to student bodies and farmers which all took part in promoting a more socially oriented struggle and reform rather than a sectarian one. At the time, unions played a major role in bringing about social change and reforms of the period including labor law amendments, the creation of the NSSF and the strengthening of general and higher public education.

⁷ Hamdan, K., 2008. حول أزمة "المواطنة الاجتماعية" ونظام الطوائف في لبنان. Background paper presented at a round table discussion on the National Human Development report: Towards a citizen state. Beirut.

⁸ Kanaan, N., 2008. *العسل الاجتماعي في لبنان: انطلاقته وتطوره وأفاقه المستقبلية*. Beirut.

⁹ *Ibid.*

2.2. Economic collapse and state failure –fragmented social services

With the beginning of the Lebanese civil war in 1975, many of the social services provided by the government came to a halt. The High Relief Committee was established in 1976 and was the official entity receiving donations to the Lebanese government from other countries and international organizations. It was responsible for providing emergency relief services to the population. During that period, the ODS and its various departments were transformed into the operational arm of the High Relief Committee in order to support it in the provision of relief services¹⁰.

Moreover, the Council of the South had been established in 1970 to assist in the reconstruction of the villages in the South that were affected by the continuous Israeli attacks¹¹. This was followed by the creation in 1977 of the Council for Development and Reconstruction (CDR) and the Central Fund for the Displaced in 1993. Later,. This state of fragmentation in the planning for and delivery of social services was accompanied by the absence of an integrated social policy which orchestrates these functions across the Lebanese territory thereby obviating any need for region or group-specific organizations.

Adding to this, in this context of governmental breakdown– that was accompanied with slow to negative economic growth, currency devaluation alongside hyperinflation, internal forced migration and high unemployment rates-, civil society organizations, the private sector and militias magnified their active role in providing part of the social services that the government had ceased to provide.

2.3. Focus on reconstruction and neglect of social development

With the end of the civil war and the signing of the Taef agreement, public spending was mostly oriented towards rebuilding physical infrastructure, and strengthening security forces and the judicial sector. In 1993, the Social Development Office was replaced by the establishment of the Ministry of Social Affairs (MoSA) as a governmental agency fully

¹⁰ *Ibid.*

¹¹ ESFD, 2008. *The ESFD Mid-Term Development Plan*, Beirut: ESFD.

dedicated to designing and implementing projects and programs related to social issues¹². A number of social reform plans were set such as adjusting the minimum wage, rehabilitating public schools and hospitals, etc...; however, the period was characterized by relatively minor social interventions. While the government focused on infrastructure reconstruction and economic growth, decision makers continued to assume that economic growth would ultimately resolve social issues through a trickledown effect. This entails that wealth would be redistributed throughout society more equally and disparities between the rich and the poor would progressively decrease, thus improving living conditions for all. As such, the government relegated social aspects of development to a secondary position based on an implicit assumption that it was adjacent to economic growth.

In order to curb hyperinflation, the government initiated a set of stabilization policies, starting in 1993, which gradually led to a decrease in inflation, restored confidence in the economy and encouraged private capital flows. In addition, this period witnessed the emergence of several reconstruction plans with the purpose of repositioning Lebanon as a trade and services hub in the Arab region among which are the National Emergency and Reconstruction program (NEPR) in 1993¹³ and the 1995-2007 CDR development plan ("Horizon 2000" Plan). These stabilization efforts coupled with aggressive public expenditure financed through debt set the path for the emergence and aggravation of deficits and debt problems. The share of social spending out of total reconstruction spending remained relatively limited, and the implementation of the social components of the reconstruction plans was rather slow as compared to that of the other physical infrastructure projects. There was an implicit anticipation on part of the government at the time that economic growth would likely have the same effects as some medium-term social interventions¹⁴. Yet following

¹² Kanaan, N., 2008. *العمل الاجتماعي في لبنان: انطلاقته و تطوره وفاقته المستقبلية*. Beirut.

¹³ Ministry of Finance, 2002. *Lebanon: Paris II Meeting – Beyond Reconstruction and Recovery. Towards Sustainable Growth. A request for international support*. Beirut.

¹⁴ Hamdan, K., 1997. *Le Conflit Libanais: Communautés Religieuses, Classes Sociales, et Identités Nationales*.

1997 (and up to 2006) growth rates decreased to nearly half of what they were in the 1993-1997 period and were accompanied by an exacerbation of the public debt problem¹⁵.

2.4. Focus on debt reduction with social policy as a residual category

A strategy for debt reduction was presented at the first Paris meeting in 2001 followed by the Paris II meeting in 2004. During this time period social policy was rather mostly neglected due to the fact that the focus was mainly on debt reduction¹⁶. One of the main ways to reduce debt is through privatization of profitable sectors. It was recognized however that privatization inevitably has negative consequences for middle and lower income households, hence the need for the creation of social safety nets to mitigate these negative effects.¹⁷ The view which focuses on the protection of the poor from the repercussions of privatization considers social policy to be a residual category of development; it is there to counteract economic policy failures or development disasters rather than work in tandem with economic policy to ensure equitable and socially sustainable development.¹⁸

Debt however, rather than diminish continued to grow reaching nearly 160% of GDP¹⁹ at the end of 2008 entailing that the government has reduced discretion in terms of decision making with the national budget. The unstable economic situation in the country was also reflected in deterioration of the socio-economic conditions for large parts of the population, especially those living outside the central areas in Beirut and Mount Lebanon.

The Paris III conference was convened in January 2007, following the July war of 2006 which further incapacitated the Lebanese government in terms of a provider of social services due to the urgent needs of relief and reconstruction it faced. The international support from the Paris III meetings of around USD 7.6 billion, scheduled over a five-year period, was linked with certain obligations to be met by the Lebanese Government. These obligations were

¹⁵ Presidency of the Council of Ministers-Economic Accounts Mission. *Economic Accounts of Lebanon*. Beirut.

¹⁶ It is to be noted in this context that the government adopted Millennium Development Goals in the year 2000 and acknowledged the need for a sustainable development policy.

¹⁷ The World Bank, 2007. *Reform Implementation Development Policy Loan*.

¹⁸ Mkandawire, T., 2001. *Social Policy in a Development Context: an Issues Paper*, Geneva: UNRISD.

¹⁹ Ministry of Finance, 2009. *Debts and Debt Markets*, QIII 2009, Beirut: Ministry of Finance.

related to the implementation of a set of macro-economic, fiscal, social, and institutional reforms aimed at enhancing the investment climate, controlling public expenditures, developing social safety nets, providing direct assistance to poor and vulnerable groups through creating efficient targeting mechanisms, elaborating a comprehensive social strategy, and increasing the overall efficiency of public interventions. For the first time since the pre-war period there was an implicit acknowledgment, even inside governmental circles, that there was a need for a clear inter-sectoral social strategy for Lebanon and that increased growth rates and wealth would not be sufficient by themselves to automatically trickle down to the poor and vulnerable groups and lift them out of poverty.

3. Theoretical Underpinnings

Broadly speaking, social policy followed a history that mirrored the development of economic paradigms and was influenced by the economic transformations of the last half-century. In the 1980s, there was a tendency bolstered by supply side economics, to regard social policy as an inefficient diversion of resources that would slow down the necessary economic reforms. However, a number of factors have lately contributed to a revival of interest in social policy among international organizations and development agencies. One of these factors was the rediscovery of poverty and the failure of structural adjustment programs to ensure positive social outcomes. In the absence of automatic mechanisms to translate growth into an improvement in social indicators, such mechanisms needed to be actively created. A second factor behind the renewed interest in social policy was the ‘discovery’ of the productive nature of social policy, taking the form of human capital. Social policy was justified in that it contributed to the process of growth, through higher educational levels, political stability, social capital, etc. Several studies identified a positive correlation between redistributive social policies and economic development thereby generating a new consensus on the social precursors of development.²⁰

3.1. Defining social policy

Human welfare is determined to a large extent by existing social structures, such as family, kinship structures and patterns of social relations, and by market organizations, such as the pattern of endowment, the extent of regulation and the distribution of resources. Social policy refers to the public interventions that aim at altering these rules and structures in order to improve human welfare. Despite this quasi-universal perspective on the link between social policy and human welfare, there is no clear consensus on any specific definitions of social policy or on the public interventions that it entails. These public interventions span domains

²⁰ For more details on the ‘rediscovery’ of social policy in developing countries, see Mkandawire (2001).

such as education, health, employment, and social security and extend to redistribution, protection and social justice²¹.

Different countries have different systems of social policy, following different institutional and ideological developments (Box 1). As such, different national systems of social policy contain or emphasize different components or policy mix. This lack of consensus over a definition of social policy (Table 1) stems from the divergence in the response to three major questions:

1. The roles of government versus individuals and communities in the implementation of these social policies: Arguments in favor of a reduced governmental role consider the market as a preferable and adequate source of welfare for citizens. On the other hand, the argument in favor of a significant public role centers on the fact that vulnerabilities and risks require collective responses because many people, especially those with low incomes, cannot afford the services provided by the modern private sector, whether these are health or education services, or insurance premiums of various kinds. Moreover, coinsurance schemes that are restricted to the poor, without the wider pooling of risk which comes from including the better-off, are bound to fail, as the core social insurance principle (contribution in relation to income, and benefit in relation to need) is absent²².
2. The interaction between social and economic policies: Social policy is related in various ways to the economy. Economic policy and outcomes directly affect and constrain social policy, by greatly influencing the distribution of resources in a society and the extent of resources provided to social issues in the public budget. On the other hand, social policy affects the functioning of the economy in various ways, through mitigating conflicts and inequalities that might result from the economy, through lowering the costs faced by the economy, through increasing the skills of the labor forces, etc. Therefore, social policy is both a social and an economic form of

²¹ Ortiz, I., 2007. Social Policy. *UNDESA Policy Notes for National Development Strategies*. Geneva: UNDESA.

²² UNRISD, 2006. *Gender Equality: Striving for Justice in an Unequal World*. Geneva: UNDESA.

intervention and needs to be conceptualized as such. As Chang writes, “the separation of economic policy and social policy implicitly assumes that it is possible to objectively define an economic sphere that should (and does) operate according to some ‘scientific’ economic logic and a social sphere where we may want to ... override the economic logic with ‘ethical’ considerations (such as income distribution, employment creation, protection of human rights, etc.) despite the ‘inefficiencies’ that such action is going to create” (2002). In other words, the thinking regarding social policy should account for this ‘embeddedness’ of the social in wider structures and the organic relations between the social and the economic.

3. Targeting versus universalism: Targeting refers to the allocation of welfare to eligible individuals on the basis of available financial resources. Particular groups could include women, youth, children, the elderly, the disadvantaged, the disabled, the unemployed or minorities. In contrast, a universalist approach to social policy considers “the entire population as the beneficiary of social benefits as a basic right.”²³ The choice between targeting and universalism is not an administrative but a political economy choice that “involves the choice of instruments for redistributing resources in society and for determining levels of social expenditure.” Countries rarely adopt purely universal or purely targeted social policies but tend to rely on a hybrid combination of universalist and targeted tools. However, “where they lie on this continuum can be decisive in spelling out individuals’ life chances and in characterizing the social order²⁴.”

Answers to these types of questions determine the type of social policy that a country adopts and frame the approach that a country uses to address its social challenges. Despite the absence of a unified social policy in Lebanon, the social strategy, which is the purpose of this document, attempts to incorporate the general consensus on social policy issues as reflected in the various policy documents and by the major stakeholders.

²³ Mkandawire, T., 2005. Targeting and Universalism in Poverty Reduction. *Social Policy and Development*, Program Paper No. 23. Geneva: UNRISD.

²⁴ *Ibid.*

The Development of a Comprehensive Social Strategy in Lebanon

Table 1 Perspectives on social policy according to a number of International Organizations and Forums

UNDP	Strengthen the links between economic growth and human development focusing on equity, job opportunities, access to productive assets, social spending, gender equality, population policy, good governance, and an active civil society.
UNRISD	Edification of a state-society nexus that is <ul style="list-style-type: none"> - developmental (facilitates and promotes economic growth and structural transformation), - socially inclusive (pursues social policies that provide equitable entitlements for all citizens to ensure that their capacities and functioning are adequate for a decent inclusion in societal affairs) - democratic (derives its legitimacy through popular participation and electoral process)
World Bank	Policies to ensure sustainable and efficient equity should focus on leveling the playing field, without targeting equality in outcomes, apart from those related to absolute deprivation.
European Commission	Social policies should include fostering the productivity of labor and increasing its demand, support for the participation of civil society in policy making, fostering gender sensitivity and deepening economic reform.
World Summit for Social Development	Goals of social policy should be the eradication of poverty, full employment and the fostering of stable, sage and just societies.

Box 1 Social strategies vision of Malaysia, Oman and UAE

A number of country strategies were reviewed in an attempt to extract best practices that could apply in the Lebanese context. The countries were selected either for their similarity with Lebanon from a cultural point of view (Arab countries) or because they are referred to as success stories in the social policy literature. The most important finding was that, in all of these instances, unlike the Lebanese case, the social strategy is a component of a wider country plan that fully integrates economic and social components.

Malaysia

Malaysia has recently issued its 10th five-year plan. These plans are development strategies that incorporate social and economic elements. The Malaysian approach is based on a new development philosophy which incorporates the concepts of growth and equitable distribution. It is based on the firm belief that economic growth is insufficient to inspire national development or achieve national unity. All ten plans have been a mixture of global and targeted measures.

Source: ESCWA, (2003) *Social Policies in Malaysia*, Social Policy Series No. 4, United Nations, New York; Government of Malaysia, (2010) *The Tenth Malaysia Plan*.

Oman

In its "Vision for Oman's Economy: Oman 2020" the government calls for the adoption of "practical, integrated policies and mechanisms aimed at developing national human resources. This is to be done through upgrading the skills of Omanis, enhancing the standard of living of the Omani people, and reducing income and regional inequalities.

Source: ESCWA, (2009) *Integrated Social Policies: Vision and Strategies in the ESCWA Region*. United Nations, New York.

United Arab Emirates

The UAE Government Strategy "aims to achieve sustainable balanced development and ensure continued quality and high standards of living." The strategy's area of social development focuses on basic education, higher education and scientific research, health care, population and labor force; social welfare; and culture, youth, and community development.

Source: Government of the UAE, *Highlights of the UAE Government Strategy*, in ESCWA, (2009) *Integrated Social Policies: Vision and Strategies in the ESCWA Region*. United Nations, New York.

4. Rationale and Structure of the Comprehensive Social Strategy

The abovementioned discussion provides an overview of the debates on social policy and various examples of national programs of social policy and acts as a background for the development of a comprehensive social strategy for Lebanon. Nevertheless, social policy is developed and implemented within a social, political and economic context that is specific to a particular country. Therefore, such issues as the type of the economy, the political and social contexts, the level of development of state structures, the financial capacity of the state, etc. need to be taken into account before drawing lessons from other experiences. Despite a few similarities between the different theoretical approaches to social policy – as previously mentioned, the definition of social policy provided by the UNRISD was considered most pertinent to the Lebanese experience. Social policy is “the edification of a state-society nexus that is **developmental** (facilitates and promotes economic growth and structural transformation), **democratic** (derives its legitimacy through popular participation and electoral process) and **socially inclusive** (pursues social policies that provide equitable entitlements for all citizens to ensure that their capacities and functioning are adequate for a decent inclusion in societal affairs)”.²⁵ This definition captures the political, economic and social dimensions of social policy that the social development strategy ought to encompass, or at least address. Accordingly, the strategy, as a reflection of major social policy choices, strives to include the following two dimensions:

4.1. Integration with Economic Policy

The strategy aims to be ‘developmental’ and firmly integrated with economic policies. As Mkandawire argues, we need to rethink social policy away from its conception as a residual category of ‘safety nets’ that merely counteract policy failures or developmental disasters.

²⁵ Project on *Social Policy in a Development Context*. [Online]
Available at : UNRISD <http://www.unrisd.org/unrisd/website/projects.nsf/>
[Accessed May 14 2009]

Rather, social policy needs to be conceived as working in tandem with economic policy to ensure equitable and socially sustainable development²⁶.

4.2. Social Inclusion

The second goal of the comprehensive social strategy is 'social inclusion'. The document is directed at fostering social inclusion through promoting equity, ensuring a decent standard of living and providing equitable access to the most important assets in society. Social exclusion in a politically and socially fragmented society such as Lebanon has a number of root causes, some of them being economic, others social or institutional. This strategy attempts to redress the institutional facet of social exclusion by addressing issues such as access to basic social services and the quality of these services.

4.3. General structure of the strategy

Based on the above policy choices, a vision for the strategy was developed in collaboration with the technical committee for social affairs.

Box 2 Vision Statement

The comprehensive national social strategy leads the way to integrated development and an enhanced quality of life through better and more equitable provision of social services, and expansion of socio-economic opportunities.

Moreover, based on the adoption of the social inclusion and developmental components of UNRISD's definition and the review of the social policy debates literature, the strategy adopts two pillars that are transversally used throughout the document: (1) the **Universal Approach** referring to initiatives that encompass society at large and aim toward national

²⁶ Mkandawire, T., 2001. *Social Policy in a Development Context: an Issues Paper*. Geneva: UNRISD.

social development, and (2) the **Targeted Approach** referring to initiatives that are tailored and limited to specific groups in the aim of ‘including’ those groups into the Lebanese society,

The **universal approach** has a developmental aim and centers on:

- ✓ Creating an enabling environment for people-centered development
- ✓ Empowering all people for self-reliance
- ✓ Promoting broad-based and equitable growth

The **targeted approach** aims at social inclusion through improving the access of selected groups to basic social rights

- ✓ Improving access to basic infrastructure and social services
- ✓ Ensuring equitable access to productive assets and employment opportunities
- ✓ Expanding social protection

Finally, although the strategy adopts a mixture of the two approaches, universalism should be thought of as the guiding principle with targeting acting as an instrument for enhancing the effectiveness of universal social programs. Thus, as Mkandawire suggests²⁷, targeting is used ‘within the context of a universal policy design and involves the fine-tuning of what are fundamentally universalist policies.’

In addition to the two transversal pillars, the structure of the strategy is organized around six elements that represent inter-sectoral spheres of action and together form a comprehensive and synergistic approach toward the development and empowerment of the Lebanese society.

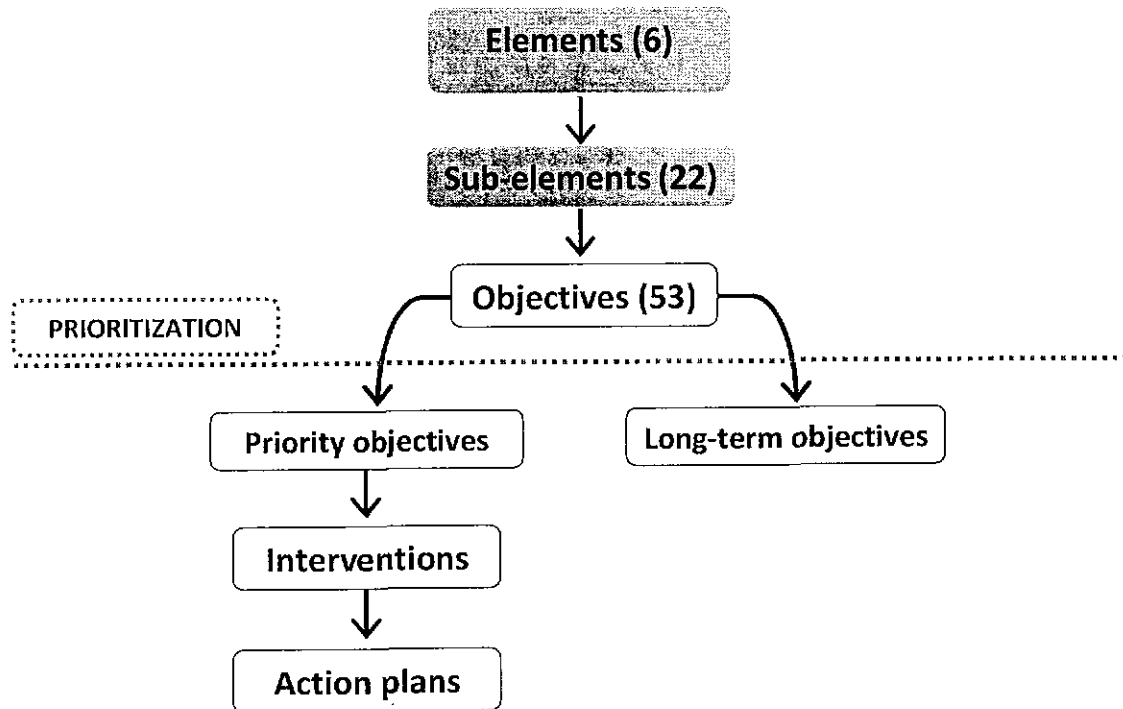
These elements whose initials form the acronym ASPIRE are as follows:

- ✓ Achieve Better Health
- ✓ Strengthen Social Protection Mechanisms
- ✓ Protect and Educate Children and Youth
- ✓ Improve opportunities for equitable and safe employment
- ✓ Revitalize communities and encourage the development of social capital

²⁷ ECLAC, (2000) in Mkandawire, T., 2005. Targeting and Universalism in Poverty Reduction. *Social Policy and Development Program Paper No. 23*. Geneva: UNRISD. pp. 78-79.

- ✓ Encourage Socio-Economic Development

Figure 1 Structure of the strategy



The remainder of the report is organized in six chapters presenting the strategy's approach for each of the six elements. The first four elements focus on the rights and needs of the individual whereas the fifth (revitalize communities and encourage the development of social capital) and sixth (encourage socioeconomic development) take a relational approach which focuses on the interaction between an individual and his/her surroundings in the narrow (home, community) and broad (country) senses. The presence of an element dealing with communities and the quality of life they provide contributes significantly to the comprehensiveness of the strategy by acknowledging the impact of factors such as shared spaces and beliefs on the affirmation of a Lebanese identity shared by all citizens. The economic (sixth) element addresses constraints most of whose solutions remain outside the scope of a social strategy; however, the presence of an ambitious socio-economic agenda is essential for the success of the strategy's objectives. Consequently, a detailed situational analysis outlining the major economic challenges was developed along with suggestions of economic reforms that have a significant impact on the social agenda.

For each of these elements (except for the socio-economic element), a number of objectives were developed and for those objectives that are selected as priorities for the next five years, interventions will be developed as well as individual action plans that outline the steps required in the implementation of each intervention (box 1).

Box 3 Differentiating objectives and interventions

An objective is *'Something toward which effort is directed.'* As such, this strategy identifies a number of objectives toward which reform efforts ought to be directed in each element. An example of an objective is: **Strengthen the policy-making role of the MoPH.**

The same reference defines an intervention as the act of *'interfer[ing] with the outcome or course especially of a condition or process (as to prevent harm or improve functioning).'*³ In other words, interventions imply action or effort directed toward achieving a certain objective. Thus, for every objective that is selected as a priority for the next five years, this strategy identifies a number of interventions (discrete measurable projects) that direct governmental efforts toward the achievement of the relevant objectives. An example of an intervention that supports the objective of *strengthening the policy-making role of the MoPH* is: **Create a research unit that monitors and analyzes health status and assesses risks and threats to public health.**

* The Merriam-Webster Dictionary. Available online at: www.merriam-webster.com. Accessed

5. Achieve Better Health

5.1. Situational Analysis

Health is a basic human right enshrined in various international conventions including the International Covenant on Economic, Social, and Cultural Rights whose articles include:

- the reduction of infant and child mortality;
- the improvement of environmental and industrial hygiene;
- the prevention, treatment, and control of epidemics and endemic occupational and other diseases; and
- the creation of conditions that guarantee all individuals medical attention in the event of sickness.

A broad analysis of the status of healthcare services in Lebanon reveals a country that pays too much for relatively too little. Health expenditures as a percentage of GDP amounted to 8.8 percent in 2007²⁸, a relatively high share for MENA region in which total health expenditures amount to 5% of GDP on average. Lebanon spent 1.8 billion USD on health in 2005, 44%²⁹ of which consisted of out-of-pocket private household payments (Figure 2). This has dire consequences for the budgets of the poorer households that spend 11.3% of their income on health, a very high proportion by international standards³⁰. In addition, “a health financing system that relies so heavily on out-of-pocket payment has to face poverty and sustainability issues. Unfair financing is a threat to equitable accessibility and seriously jeopardizes the achievement of health goals.”³¹ Therefore, the high share of out-of-pocket spending is one of the problems that need to be addressed by the strategy.

²⁸ WHO, 2010. *Global Health Observatory*. Geneva: WHO

²⁹ Ammar, W., 2009. *Health Beyond Politics*. Beirut: World Health Organization Eastern Mediterranean Regional Office.

³⁰ Central Administration for Statistics, 2010. *The Budget of Households in 2004-2005*, Beirut: CAS.

³¹ Ammar, W., (2009), *Op.cit.*

Figure 2 Components of Health Expenditure in Lebanon (2005) ³²

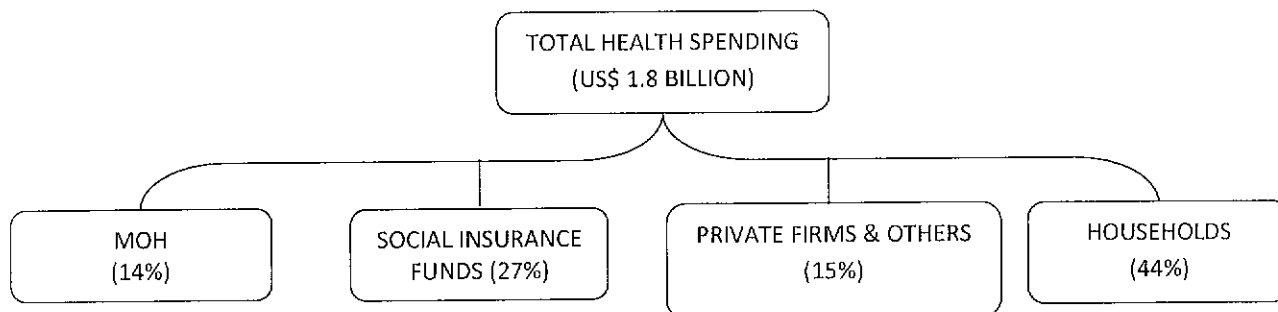
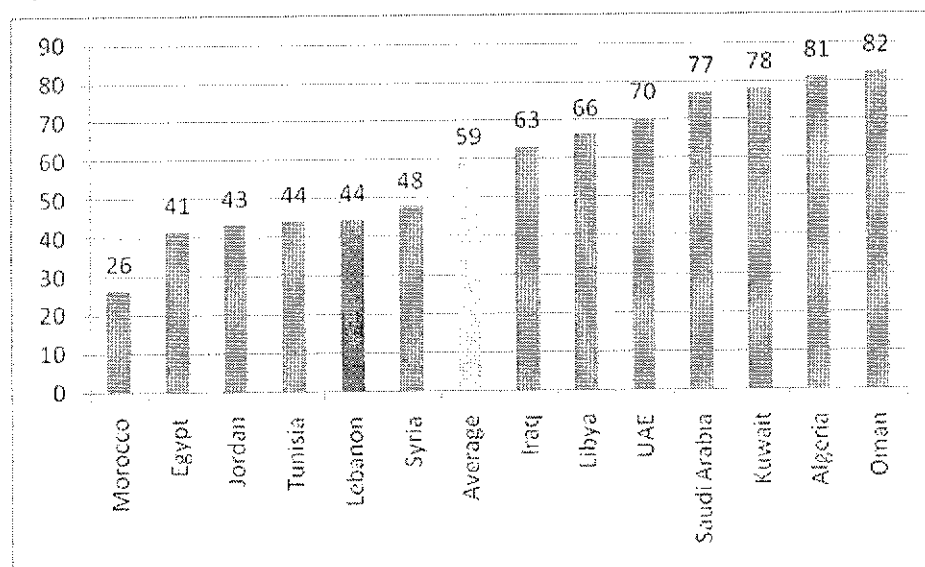


Figure 3 Government Expenditure over Total Health Expenditure (2006)



Source: WHO, (2010) *Global Health Observatory*.

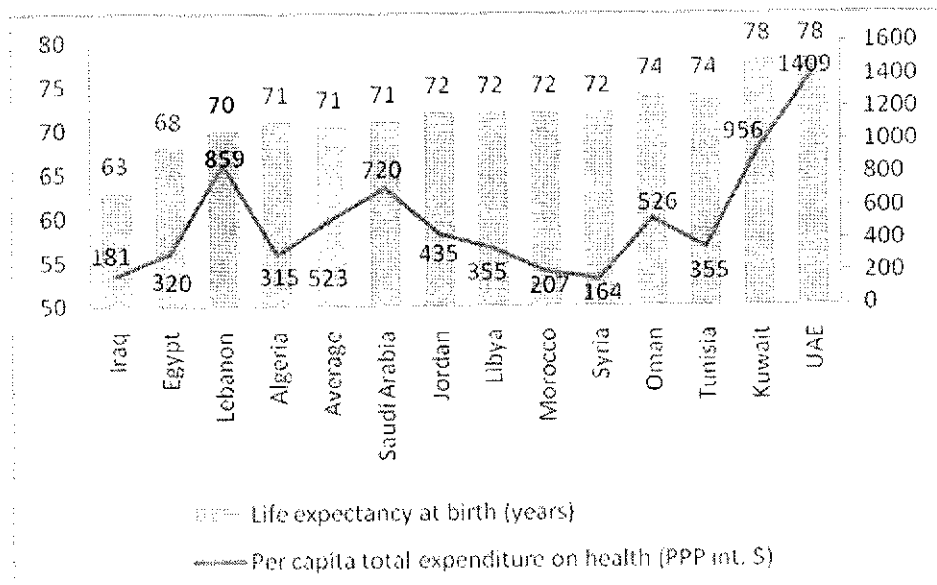
A comparison of the public share of total health expenditure in 13 Arab countries shows that Lebanon has the fifth lowest share (44%) compared to an average of 59%. Only Jordan, Egypt and Morocco have lower shares of public financing while countries such as Algeria and Oman have shares exceeding 80%.

³² *Ibid.* These numbers concur with the latest figures published by the WHO – National Health Accounts Series.

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Moreover, this high spending combined with a mostly private system and public policies that tend to regard healthcare in terms of services instead of rights are not reflected in better health indicators. A comparison of life expectancies in 13 Arab countries (Figure 4) shows that Lebanon, which has the third highest health care expenditure per capita (USD 859 at PPP), has the third lowest life expectancy (70). The only two countries with lower life expectancies are Egypt and Iraq which spend USD 320 and USD 181 per capita respectively.

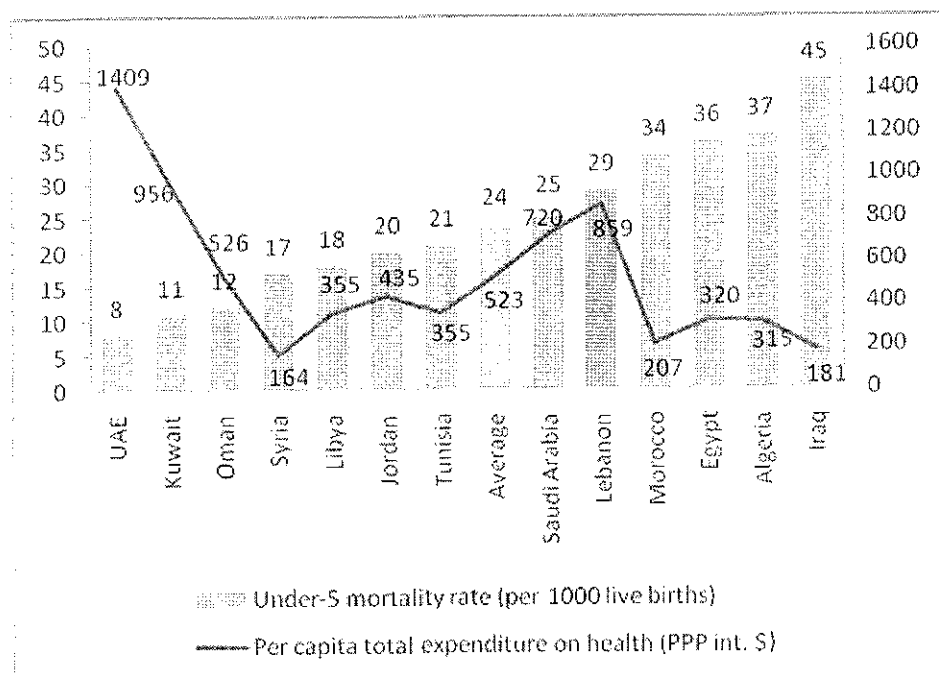
Figure 4 Life Expectancy at Birth vs. per Capita Expenditure on Health in Selected Arab Countries



Source: WHO, (2010) *Global Health Observatory*.

Similarly, Lebanon has the fifth highest child mortality rate (29) in comparison to Oman for instance which has a rate of 12 and spends significantly less than Lebanon (USD 526 per capita) (Figure 7).

Figure 5 Comparison of Child Mortality Rates vs. Per Capita Health Expenditure for Selected Arab Countries



Source: WHO, (2010) *Global Health Observatory*.

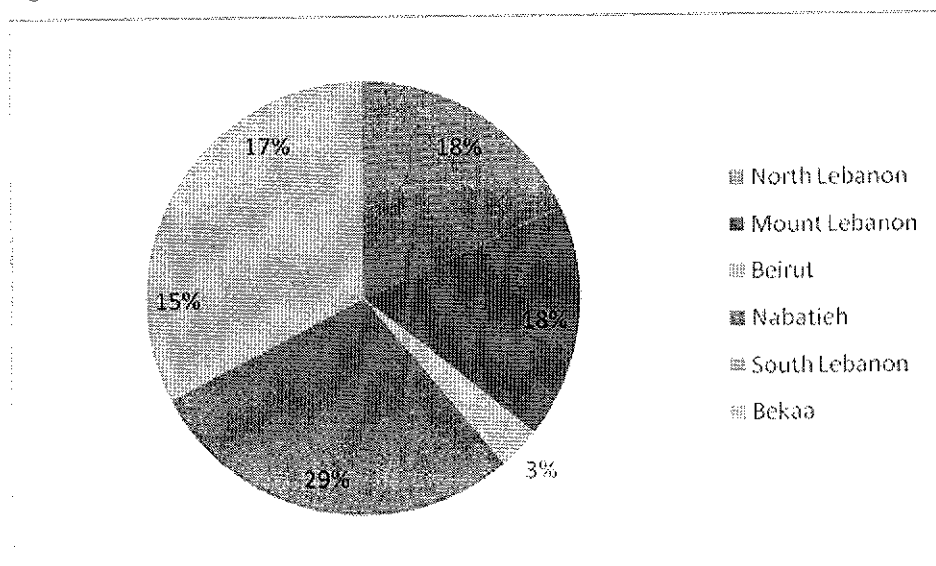
This inefficiency stems from a variety of reasons namely a dysfunctional demand and supply structure and a weak regulatory framework.

Supply Issues

The current understanding of healthcare is narrow and focused on curative services, which are more costly. A large proportion of people have no coverage for outpatient services like diagnostic tests or medications, except the basic services offered by primary health care centers. Moreover, the employed who are covered by the NSSF (around 60% of total wage earners) lose their health coverage at the time they need it most after having contributed to the system throughout their healthy years. These discrepancies in coverage are further exacerbated by problems of access to quality health services especially in rural areas, which more than likely results in large discrepancies in health indicators within the Lebanese

population. For instance, there are 131 MOSA social development centers that offer health care services. However, their distribution across Lebanese mohafazas does not seem to be related to population size or other indicators of need (Figure 6). Moreover, the National Collaborative Perinatal Neonatal Network (NCPNN) found significant regional discrepancies in neonatal mortality with Akkar registering the highest rate (17.6%)³³.

Figure 6 Distribution of MOSA Social Development Centers that provide healthcare services



Moreover, quality of health care remains an issue in Lebanon. Despite the progress represented by the newly developed accreditation system, this system currently extends only to hospitals and accountability for medical malpractice remains relatively weak.

Hospitals in Lebanon are generally small (54 beds in public and 84 in private) which hinders proper quality management and prevents benefiting from economies of scale. Occupancy is relatively low (around 60%).³⁴

The availability of high-tech services, equipment and hospital beds in relation to population size sometimes exceeds ratios in OECD countries. This oversupply (whose source is mainly

³³ Ammar, W., 2009. *Op.cit.*

³⁴ UNDP, 2009. *The National Human Development Report: toward a citizen's state*. Beirut: UNDP

the private sector) translates into a smaller market share per service and therefore to a higher cost per unit in addition creating incentives toward supplier-induced demand.³⁵

Moreover, the Fee for Service system which most often forms the basis for the reimbursement of health providers creates incentives to produce more services than needed and opens space for abuse thus necessitating costly auditing services. These issues have built into a vicious circle of mistrust and waste whose principal victims are the patients.³⁶

The highly oligopolistic nature of the drug market makes regulation politically difficult because of the lobbying pressure exercised by the biggest importers. Problems with drug companies include price rigging in import invoices, manipulation of the supply of drugs, trafficking, and the government's inability to verify the quality of imported and local drugs³⁷. In other words, the registration and pricing of drugs currently suffers from a lack of transparency and accountability caused by the government's lack of specialized competence, information gathering ability, and tools of control such as a central laboratory. It is therefore of utmost importance to restore the government's ability to guarantee the safety of every drug dispensed on the Lebanese territory and to reduce the cost of drugs to citizens, social insurers, and the state.

Demand Issues

The cost of health is also severely increased as a result of artificially high hospitalization rates and awareness issues that skew demand in the direction of more expensive products and services. These problems include:

- a. Low demand for public primary health care services: The MOPH has achieved significant progress in establishing and developing its primary health care network. This network now includes 120 centers which provide medical care including pediatrics, cardiology, reproductive health, and oral health services³⁸. However, despite

³⁵ Ammar, W., 2009, *Op.cit.*

³⁶ The Consultation & Research Institute and The World Bank, 2008. *Toward Financial Equilibrium in the Sickness and Maternity Branch of the National Social Security Fund: Short and Medium Term Suggestions for the Achievement of Financial Sustainability*. Beirut: The World Bank.

³⁷ Local drugs currently fall under the jurisdiction of the Ministry of Industry.

³⁸ Ammar, W., 2009.

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recent increases, the utilization of these centers has remained relatively low. Around 80% of patients in Lebanon continue to rely mainly on private clinics for ambulatory care³⁹.

- b. Dysfunctional NSSF incentives: the patient reimbursement system for those who are covered by NSSF imposes a higher co-insurance rate on outpatient services thus introducing a disincentive to seek outpatient care and the delays in reimbursing patients for their outpatient costs make it very difficult for low-income households to afford ambulatory care services which leads to delay of care and eventual hospitalization with more severe illnesses;
- c. Awareness and responsibility problems: Lebanese patients tend to go to specialists instead of family physicians as a first recourse, which inflates the cost of health. Only 20% of Lebanese households had a family physician to follow up their health concerns⁴⁰. There is also a lack of awareness toward generic drugs with the Lebanese often suspecting these drugs of being ineffective and no incentive for their adoption imposed by the public or private health funds.

Institutional and Administrative Issues

Public policies “have failed to either determine the exact scope of services that should be contracted with private providers or adequately to control the quantity, quality, and costs of these services.”⁴¹

Health insurance funds are fragmented, coverage is not uniform, and eligibility criteria are inconsistent⁴². Procedures, tariffs, contracts, and monitoring are not standardized which makes tracking of medical care quality and accountability very difficult to enforce.

The latest health strategy submitted under the aegis of the MOPH, the World Bank, and the WHO⁴³ proposes the following axes:

³⁹ Kronfol, N. M., 2006. *Beyond Reconstruction: a National Strategy for Health System Development in Lebanon*. Beirut: MOH, WB and WHO

⁴⁰ *Ibid.*

⁴¹ UNDP, 2009. *The National Human Development Report: Toward a Citizen's State*. Beirut: UNDP

⁴² Ammar, W., 2009.

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- a. Initiating a recovery program for the communities affected by the Israeli attacks in 2006;
- b. Strengthening primary health care services with an emphasis on new quality standards and improved information systems for monitoring;
- c. Implementing a public hospital expansion program; and
- d. Undertaking health insurance reforms to increase the efficiency and transparency of public sector spending with the aim of working toward the phased integration of the public health insurance schemes.

While there is general consensus around these components and much progress has been made in recent years toward their implementation, the Ministry of Health also needs the institutional capacity and the legal authority to exercise an effective regulatory role that redresses the major demand and supply dysfunctions discussed previously. Even when steps were taken toward strengthening the regulatory role of the MOH, these steps often faced political and institutional obstacles. For instance, a GIS database (*carte sanitaire*) of the distribution of health facilities and equipment was created. However, the law proposal to link licensing of new facilities to open locations on the map remains 'on freeze' in the council of ministers.⁴⁴

Moreover, the MOPH has a leadership role to play in the achievement of health-related Millennium Development Goals and in fulfilling the essential public health functions including monitoring and analyzing the health status (EPHF 1), surveillance and controls of the risks and threats to public health (EPHF 2), and health promotion (EPHF 3). Such programs aim to strengthen positive health-related behaviors (preventive health care, screening for diseases, reporting infections, etc.) and discourage risky health behaviors (smoking, drug and alcohol abuse, the use of medications without prescriptions, etc.). In this regard, the MOPH can play a critical policy-setting role that entails the formulation of a clear program with measurable objectives and the design of effective tools that include information

⁴³ Kronfol, N. M., 2006.

⁴⁴ Ammar, W., 2009.

campaigns, training courses, and other awareness raising tools. More importantly, efforts to increase demand for public health services need to be accompanied with efforts to make such services accessible and affordable.

Finally, it is worth noting that strengthening the policy-making and regulatory roles of the MOPH can only be achieved with adequate investment in the ministry's institutional capacity. In 2010, the budget of the Ministry of Public Health represented 4% of the total 2010 budget net of debt expenses⁴⁵, a share that has been constantly declining since the year 2000 when it constituted a mere 5.8% of the total budget net of debt expenses⁴⁶.

5.2. Structure of the Element

Based on an analysis of the major impediments standing in the way of better health care quality and coverage, an element was formulated spanning the major axes of intervention in the health care field and using both the targeted and global approaches adopted throughout the strategy.

Achieve Better Health

Assert the right to health of all individuals, families, and communities by actively working toward integrating healthcare service provision, establishing a universal healthcare insurance system, and increasing the coverage and quality of physical and mental healthcare services.

- ❧ Adopt a holistic vision of health through instituting a comprehensive health strategy that integrates preventive and curative services, and emphasize quality and cost control by strengthening the regulatory role of the MOH and promoting a culture of awareness and responsibility.
- ❧ Target groups with a heightened level of need, including low-income households, individuals with difficult medical conditions, and residents of peripheral areas with tailored healthcare services emphasizing access and quality.

⁴⁵ Government of Lebanon, 2010. *Budget Proposal*. Beirut: GOL.

⁴⁶ Government of Lebanon, 2007. *Social Action Plan: Toward Strengthening Social Safety Nets and Access to Basic Social Services*. Beirut: GOL.

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The road toward a better health status for the Lebanese population goes through the achievement of a number of objectives. These objectives were chosen based on their potential to address the major demand, supply, and institutional distortions outlined in the situational analysis. They are organized under four main sub-elements which address the quality and coverage of inpatient and outpatient services, the characteristics of the Lebanese drug market, healthcare financing mechanisms, and the institutions in charge of health care governance.

ACHIEVE BETTER HEALTH⁴⁷

Quality & Coverage

REGULATE THE QUALITY OF IN-PATIENT HEALTH CARE SERVICES

Create transparent mechanisms to establish and enforce a uniform and high standard of quality in in-patient services, including the enforcement of accreditation results and the establishment of clinical practice guidelines to monitor the performance of health providers.

WORK TOWARD ENSURING COVERAGE TO ALL

Expand coverage to vulnerable individuals including children, private-sector retirees, the disabled, victims of domestic abuse, and resident non-Lebanese citizens and control the exclusion of patients and diseases by private insurance companies.

ENHANCE THE COVERAGE AND QUALITY OF AMBULATORY HEALTH CARE SERVICES

Expand the services provided by primary healthcare centers, contract for coverage of excluded ambulatory services, and develop an accreditation program for ambulatory health care centers

Drugs

REGULATE THE REGISTRATION & PRICING OF DRUGS

Establish an independent authority in charge of the safety and registration of drugs and develop an adequate reference pricing system in order to regulate the quality of drugs on the Lebanese market and their pricing in a way that serves the best interest of the patient and promotes cost effectiveness

PROMOTE THE USE OF GENERIC DRUGS

Increase awareness and provide incentives toward the production and use of generic drugs

ENFORCE ETHICAL GUIDELINES IN THE DRUG MARKET

Establish and enforce rules that restrict the marketing of drugs and control prescription patterns to prevent abuse

Healthcare Financing

WORK TOWARD THE UNIFICATION OF HEALTH INSURANCE SCHEMES

Accelerate the process of standardizing the patient care and financial information systems of the various health insurance funds, including eligibility policies, contribution rates, benefits, codes, forms, and payment methods.

PROMOTE COST EFFECTIVENESS IN THE HEALTH SECTOR

Create mechanisms that increase awareness of and decrease the cost of health care including the review of NSSF reimbursement mechanisms to encourage demand for preventive versus curative services and the promotion of centralized purchasing of drugs and supplies

Institutional Support

REINFORCE THE POLICY MAKING ROLE OF THE MOH

Enable the MOPH to fulfill the Essential Public Health Functions (EPHF) beginning with the establishment of a strategy research unit and the strengthening of awareness programs against risky health behaviors.

STRENGTHEN THE REGULATORY ROLE OF THE MOH

Enable the MOPH to regulate the behavior of the various healthcare providers including hospitals, physicians, drug companies, and pharmacists and strengthen collaboration within the public health network

6. Strengthen Social Protection Mechanisms

6.1. Situational Analysis

Lebanon has a hybrid system of social protection, torn between a liberal economic system that did not establish adequate modern forms of social protection and ad-hoc interventions aiming at providing some form of extra-market protection. This Hybrid institutional set up that is not rooted in any particular developmental logic has resulted in an inefficient and ineffective system that leaves a significant part of the population largely unprotected were it not for a few narrow and uncoordinated publicly provided social services. Moreover, the social pact calls, in its preamble, for “strengthening social protection on the basis of justice and equal opportunities.

The repercussions of this failure are tremendous on the individual, community, and national levels. The inability of the national government to provide -either financially or institutionally- for social protection through life risks such as old age, disability, or unemployment, is a breach of the social contract between a country and its citizens, as embodied by the Social Pact. This kind of a situation leads to increased reliance on services provided by sectarian organizations thereby weakening even further the ties between citizens and the state.

Social Protection Mechanisms

Social protection mechanisms refer to institutional set ups that are designed to protect the livelihoods of individuals and families who find themselves in conditions of dependency including retirement, disability, unemployment, and poverty. In Lebanon, the services provided by formal social protection devices are limited to health insurance (covered under the health element), family allocations and end-of-service indemnities. Excluded from the social protection mechanisms are unemployment insurance, and insurance for disability and work accidents. Moreover, the compensations provided by these institutions are limited in their scope and size. This is especially the case for private sector employees who receive, after

40 years of service, a pension equal to just over three years of income while losing their health insurance.

Moreover, formal social protection mechanisms cover public functionaries (including the army and security forces) and some formal wage earners, through different institutions that coexist without complementing each other. This fragmentation into several uncoordinated and ill-structured systems is a source of inefficiency and inequity. A sizeable vulnerable group consisting of informal workers including workers in agriculture, construction, domestic services, seasonal and occasional labor, the self-employed, in addition to the unemployed and retirees, is left without livelihood protection. Informal wage earners are estimated at around 25% of the total labor force⁴⁸ and the self-employed constitute around 28% of the labor force⁴⁹. In other words, more than half of the Lebanese labor force and their dependents are left without pension or family allowances.

As to the guidelines that ought to be followed in setting such a social protection program, there is general consensus in the social protection literature on a few points that seem to adequately address the major flaws that were previously identified:

- ✓ “Giving priority to the extension of coverage to excluded groups;
- ✓ Combining in a coordinated fashion diverse forms of protection (public, social insurance, and private, contributory and non-contributory);
- ✓ Adapting the contributory programme to incorporate informal workers, and providing fiscal and other incentives for their affiliation (and avoiding disincentives for affiliation);

⁴⁸ CRI calculations based on data from the Central Administration for Statistics’ 2004 “Living Conditions of Households.”

⁴⁹ Central Administration for Statistics, 2006. *Living Conditions of Households 2004*, Beirut: CAS.

Emphasizing the non-contributory scheme with fiscal subsidies, and efficiently targeting them at the poor and low-income population⁵⁰;

Retirement and Pension Plan Systems

Although the right to a pension system for retirees has been confirmed in legislation, constitutions, and international agreements under the purview of the International Labor Organization, Lebanon still lacks a pension system law for private sector employees. Lebanon is almost unique in its multiplicity of retirement systems. In the public sector, there are two systems of retirement, one for the armed forces and one for the civil servants, and they are both funded on a pay-as-you-go basis. As for workers in the private sector, they participate in an end of service retirement system, which is financed on a 'principal funding' system. According to the available statistics,⁵¹ the two official retirement systems directed by the Ministry of Finance cover approximately 6% of the labor force and are worth 2.7% annually of the GDP. Neither one of them has an independent reserve. This contrasts with the private sector end of service system, which has a cash reserve of around 15% of the GDP. This system, which is administered by the National Social Security Fund, covers roughly 20% of the total labor force. Its average annual expenditures account for less than 1% of the GDP.

These three retirement plans cover less than 40% of the total labor force, even though the number of salaried workers in the country represents more than 60%⁵² of the total workforce. These numbers imply that a large number of salaried workers and their families who are currently without any retirement coverage would significantly benefit from the establishment of a pension scheme.

Moreover, the institutional setup of current retirement plans is badly managed, leading to high level of waste, inefficiencies and to high costs of operation. For instance, the end-of-service indemnities follow a complex and non-transparent design, imposing large and

⁵⁰ Mesa-Lago, C., 2008. *Social Insurance (Pensions and Health), Labor Markets and Coverage in Latin America*, Geneva: UNRISD.

⁵¹ The World Bank. *Regaining Fiscal Sustainability in Lebanon*. Beirut: The World Bank.

⁵² Central Administration for Statistics. 2004. *Living Conditions of Households. The National Survey of Household Living Conditions*. Beirut: CAS.

uncertain costs on employers, reducing the demand for labor, reducing the mobility of the labor force and inducing evasion. Another example is the civil service and military pension schemes whose expenditures are among the highest (as a % of the last wage) in the region, making these systems financially unsustainable⁵³.

It is therefore obvious that Lebanon urgently needs a pension system that provides adequate coverage to as large a share of its population as possible regarding the existing financial and institutional barriers. While the design of such a pension system needs to be responsive to these kinds of barriers and needs, it is nonetheless useful to consider that the objectives of all pension systems center around the following:

1. to provide security against destitution in old age
2. to smooth the distribution of consumption spending over a life span, shifting part from the more productive years to the least
3. to include an insurance aspect – to provide life's requirements for those with exceptional longevity⁵⁴

Unemployment and disability coverage

In order to function well, pension systems need to be supplemented by other forms of social protection that cover risk factors like premature death, disability, or unemployment, in addition to medical coverage which becomes especially necessary after retirement (refer to the Health element).

The primary objective of unemployment insurance programs is to provide timely and adequate income support to unemployed workers. Such benefits are usually paid for limited periods and are designed to make up for part of the loss of earnings caused by unemployment. A 2004 study of the prevalence of unemployment compensation programs found that only 41% of countries in the MENA region currently have such programs and quite surprisingly,

⁵³UNDP, 2009. *The National Human Development Report: Towards a Citizen's State*. Beirut: UNDP.

⁵⁴ Barr, N., 2002. *The Pension Puzzle: Prerequisites and Policy Choices in Pension Design*. International Monetary Fund: Washington.

high-income countries are less likely to have unemployment insurance schemes than middle-income countries.⁵⁵

Although the NSSF law of 1967 calls for work-related accident benefits, this part of the law was never implemented and to this day the only available benefit is the coverage –provided for by the Labor Law– of immediate treatment of such accidents by the employer. There is therefore a definite need for a contributory scheme that provides for partial compensation of earnings during treatment for work-related accidents and for early retirement (integrated with the pension scheme) in case of permanent and significant disability.

Poverty alleviation

Although Lebanon classifies as a middle income country, about one million Lebanese continue to live in conditions of poverty (28.5% of the population) and around 300,000 individuals live in extreme poverty and are unable to meet their most basic food and non-food needs (8% of the population)⁵⁶. The North and Mount Lebanon governorates currently account for around 65% of the total poor in Lebanon (Figure 7) and the social distribution of poverty remains the same with a higher prevalence among agricultural workers and unskilled seasonal or temporary workers in services, industry, and construction, as well as among the elderly, the disabled, and female-headed households.⁵⁷

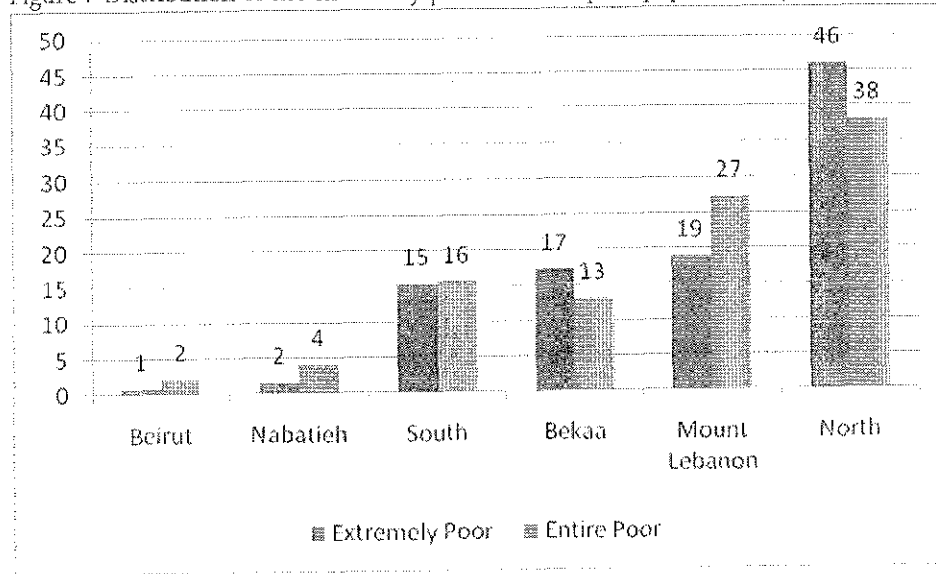
⁵⁵ Vroman, W., 2004. *Technical Report 14: International Evidence on Unemployment Compensation Prevalence and Costs*. International Social Security Association.

⁵⁶ UNDP, 2008. *Poverty, Growth, and Income Distribution in Lebanon*. Beirut: UNDP.

⁵⁷ UNDP & MoSA, 2007. *The Evolution of the Mapping of Living Conditions in Lebanon - Comparative Mapping between 1995 and 2004*. Beirut: MOSA/UNDP

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Figure 7 Distribution of the extremely poor and total poor population by Governorate (percent)



Source: UNDP, (2008) *Poverty, Growth and Income Distribution in Lebanon*, Beirut.

As part of its commitments under the Paris III donor conference to reduce extreme poverty, the Lebanese government has developed a targeting mechanism which will then be used to deliver direct cash assistance as well as other services or exemptions to qualifying extremely poor households. This approach aims at reducing inclusion errors and ensuring that scarce resources benefit those who need it most. However, targeted cash assistance can only be effective in reducing poverty when accompanied by universal social policies that encompass the population at large. “The success of the late industrializers of Northern Europe in conquering poverty was not by explicitly addressing it but by addressing a whole range of issues that positively impacted on poverty or impeded the poor from bettering their situation – economic development in a broad sense, investment in human capital and equity were crucial to rapid eradication of poverty.⁵⁸” The approach of this social strategy, which incorporates both targeted and universal social interventions, will hopefully allow the country to avoid the drawbacks associated with each of the two approaches if adopted alone.

⁵⁸ Mkandawire, T., 2005. *Op.cit.*

Assistance to Persons with Disability (PWD)

Despite the issuance of a PWD cards that provides its holders with various types of assistance coordinated by the Ministry of Social Affairs, including an exemption from the required copayment for hospital services and other types of assistance, many problems continue to restrict the access of PWDs to the basic services they need. These problems relate to either coverage or management.

Among coverage issues is the narrow definition of disability which includes only 4 instead of the seven types identified by the WHO. Moreover, many services fall outside the scope of coverage including physiotherapy and prosthetic equipment required in many disability-related surgeries.

Management problems relate to the weak coordination among the various entities involved in the administration of PWD services. For instance, when PWDs become NSSF subscribers, they no longer qualify for many services they used to obtain through MOPH coverage, which discourages PWDs from formal employment. Moreover, many institutions do not recognize the PWD card and require prior approval for every service. Finally, many health centers are ill-equipped to deal with PWDs thereby pointing to a need for awareness-raising and training on disability issues.

The role of the Ministry of Social Affairs

The Ministry of Social Affairs is the governmental entity in charge of coordinating the provision of social protection and assistance in Lebanon. Despite a very ambitious mandate that includes planning for social policies, direct assistance, and social development, the ministry's budget represents a very small share of the government's total budget excluding debt service (1.1%) of which a large portion is dedicated to the provision of services and social care⁵⁹.

MOSA's 160 social development centers (SDC) are the primary link between the government and the vulnerable population. For instance, in 2007, they delivered social services to almost 67,000 beneficiaries and health services to 300,000 beneficiaries all over the country⁶⁰. Not only do these centers provide such a wide range of social services on behalf of the ministry,

⁵⁹ Ministry of Finance, 2010. Public Budget proposal for year 2010. Beirut: MOF.

⁶⁰ Ministry of Social Affairs, 2008. *Annual Report*. Beirut: MOSA.

they also act as social observatories which are best able to provide information regarding the needs and opportunities of their communities. However, the role that these centers can play is undermined by several factors including: the discrepancies in performance among them; the lack of discretion accorded by the ministry to social center directors thereby weakening their potential impact on their communities; and the failure to take advantage of these centers as sources of information to guide local development.

In addition to direct service delivery through its SDCs, MOSA has been providing services and social care through civil society organizations, partnering with a total number of 236 NGOs in 2009. In addition, MOSA contracted more than 240 welfare institutions providing care to around 41,000 beneficiaries at a yearly cost of L.L. 140 million or 60-70% of MOSA's annual budget. Partnerships between government and civil sector organizations could have great potential with the proper governmental oversight. However, in this case, the ministry has not set a clear policy or established clear procedures for contracting and monitoring the performance of NGOs⁶¹. Moreover, a balance needs to be struck between the degree of delegation of social services and the role that needs to be played by MOSA directly. Without direct experience in social service provision, the ministry would gradually lose the ability to evaluate the performance of NGOs.

Finally, the Ministry of Social Affairs has not given priority to its advocacy and policy-making role. MOSA could generate public discussion regarding the repercussions of proposed government decisions and could potentially become the leader in advocating for legal, institutional, and economic reforms with significant positive social outcomes.

6.2. Structure of the Element

Based on an analysis of the various constraints that weaken social protection in Lebanon, following is the vision proposed for instituting solid and equitable social protection mechanisms that aim to arm people against life risks such as old age, disability, unemployment and poverty.

⁶¹ وزارة الشؤون الاجتماعية – البنك الدولي، أوضاع التعاقد بين وزارة الشؤون الاجتماعية والقطاع الأهلي في لبنان، التقرير الأولي. 2001، بيروت.

Strengthen Social Protection Mechanisms

Provide individuals and families with lifelong financial and social security by using social solidarity as a guiding principle for the establishment of a set of insurance mechanisms that provide people with a decent well-deserved retirement and protect them under adverse circumstances.

- ❏ Design and implement an equitable pension system and establish financial security mechanisms including unemployment, accident, and disability insurance
- ❏ Target poor and extremely poor households with an assistance program that provides them with a package of assistance that protects them from destitution.

The protection of individuals against social risks goes through the achievement of a number of objectives classified under three sub-elements which address the various envisioned insurance schemes, assistance programs to vulnerable groups, and institutional reform of the entities in charge of these systems.

STRENGTHEN SOCIAL PROTECTION⁶²

Protection Schemes

DEVELOP A PENSION SCHEME

Establish an old age insurance program that guarantees pensioners an adequate and well-deserved retirement income

DEVELOP AN UNEMPLOYMENT FUND

Create a contributory unemployment insurance program which protects family income during periods of involuntary unemployment

DEVELOP A DISABILITY INSURANCE FUND

Provide workers with the security of a protected income should they become disabled during their productive years

ELIMINATE DISCRIMINATION IN PROTECTION SCHEMES

Extend the coverage of protection schemes to all workers regardless of gender, nationality, physical status, or

Assistance Programs

PROVIDE LIVELIHOOD ASSISTANCE TO POOR HOUSEHOLDS

Create a mechanism that combines targeting formulas and community-based approaches to identify families with various types and levels of need and establish coordination mechanisms between SDCs, municipalities, and community NGOs to provide the needed assistance

IMPROVE THE QUALITY AND COVERAGE OF PWD SERVICES

Promote awareness and establish coordination mechanisms that ensure the effective delivery of PWD services and institute early intervention programs.

⁶² The structure of this element consists of three sub-elements each of which is broken down into a number of objectives followed by a description of what each objective implies.

Institutional Support

EMPOWER THE MINISTRY OF SOCIAL AFFAIRS TO EFFECTIVELY LEAD THE SOCIAL SECTOR

Empower the MOSA to serve three essential functions including the regulation of NGOs, the provision of assistance and networking services to target groups, and the promotion of governmental reforms that have a considerable social impact

STRENGTHEN THE GOVERNANCE AND THE INSTITUTIONAL CAPACITY OF THE NSSF

Bolster the financial and technical capacity of the NSSF to ensure its sustainability and guarantee the provision of high quality friendly services to its members

7. Protect and Educate Children and Youth

7.1. Situational Analysis

The Convention on the Rights of the Child (CRC) presents in its articles the various inherent rights to which all children⁶³ are entitled. Lebanon has ratified the CRC in 1990 and has committed to fully implement its articles. Among other rights, the convention stresses on the rights of children to live within a healthy and nurturing family environment⁶⁴, to obtain quality education on the basis of equal opportunity⁶⁵, and to be protected from economic exploitation and any work that may interfere with the child's education or harm his/her health⁶⁶.

Within the context of these rights, the situational analysis of this element can be subdivided into two major sections. The first one analyses the current educational system in Lebanon including the pre-primary, primary, intermediate, and secondary cycles in addition to Vocational and university education. The second section addresses social problems that affect children such as child labor, conflict with the law, and institutionalization.

7.1.1. The Lebanese Educational System

The education sector suffers from various problems that result in a situation characterized by inadequate public spending and low returns in terms of quality. Although public spending on education has noticed a significant increase in amount from 497 billion L.L. in 2000 to 1293 billion L.L. in 2010, these amounts represent a stable share of the budget excluding debt service, respectively 10.9% and 10.7%⁶⁷. Moreover, private educational establishments have for the most part been a better quality alternative, despite the fact that large discrepancies exist among private schools themselves. The fact that the Lebanese culture places high

⁶³Article 1 of the convention defines a child to be every human being below the age of 18.

⁶⁴ Articles 9 and 20 of the CRC

⁶⁵ Article 28 of the CRC

⁶⁶ Article 32 of the CRC

⁶⁷ Ministry of Finance. Budget Law proposals of 2000 and 2010. Beirut: Ministry of Finance.

emphasis on a good education has led many families to dedicating a significant share of their budget to private schooling for their children. This share represented around 7.7% of the household budget in 2004⁶⁸. Moreover, the government currently subsidizes private education fees for 75% of its civil servants⁶⁹.

Public vs. private education

The educational system in Lebanon is “theoretically” described as a dual system in which education is provided by the private (and “free-private” for the primary) as well as the public sectors. The presence of these two sectors is a necessary but insufficient condition for describing the system as dual. Criteria such as complementarity between the sectors and the establishment of a real partnership covering all the cycles of the educational system are important prerequisites of ‘duality.’ In reality, however, institutional bridges between the private and public sectors are rare, so are examples of cooperation and coordination between the two. Consequently, the characterization of “adjacent sectors” would more exactly describe the situation than that of a “dual system”, since the two sectors (private and public) function quasi-independently from one another, making them adjacent, rather than coordinating and complementary, i.e. “dual”.

Overall, the public sector absorbs about 35.6%⁷⁰ of students enrolled in the Lebanese educational system. However, important discrepancies exist between the different cycles where the share of the public sector (in terms of the number of students enrolled) differs from one cycle to the other. It varies from 22.1% (kindergarten)⁷¹ to 32.4% in the primary cycle, then to 42.4% in the intermediate, and reaches 53% in the secondary cycle. The tendency of increasing government commitment with higher levels of education is opposite to the tendencies observed in developed countries. Indeed, in the latter, the government is relatively more present in the initial cycles (kindergarten, primary and intermediate) through

⁶⁸ Central Administration for Statistics, 2010. *Household Budget 2004-2005*, Beirut: CAS.

⁶⁹ Helsinki Consulting Group, 2005. *Education Development Project: Needs Assessment Report*.

⁷⁰ CRDP, Statistical tables " 2007 – 2006 السنة الدراسية والصف المرحلة والتعليم بحسب القطاعات التلاميذ على قطاعات التعليم بحسب المرحلة والصف للسنة الدراسية 2006 – 2007 "

⁷¹ This weak share is due to the non-generalization of this cycle to all public schools in addition to the fact that this cycle represents three years in the private sector (ages 3-5) vs. only two in the public sector (ages 4-5).

public schools. The “pyramid” seems to be inverted in the Lebanese case, where the government’s role (through public schools) increases significantly as one moves up the educational ladder.⁷²

Equality of educational opportunities and outcomes

Although primary education is close to being universal, with net enrollment rates of 98.7%⁷³ in 2007, a sharp increase in dropout rates is witnessed at the transition into the intermediate cycle in which net enrollment rates reach 68.5%. This is the juncture where social and educational support services ought to be focused if Lebanon is to make some headway on the road to achieving compulsory free education for all.

Moreover, despite a serious effort to redress regional disparities that has been relatively successful in equalizing access to education, significant differences persist in the quality of educational services as reflected by several output indicators including enrollment, success, repetition and dropout rates all of which are significantly worse in rural areas.

The “Free Compulsory Education in Lebanon”⁷⁴ report confirms the heterogeneous character of the Lebanese educational system. In fact, out of a cohort of 1,000 students that enter the system in the first year of the primary cycle, an average of 75 students obtains the baccalaureate without repetition. However, this rate hides significant discrepancies among regions (161 in Beirut, 48 in North Lebanon, and 24 in the Bekaa), levels of income (224 for students of middle-class families vs. 27 for students of disadvantaged families). The contrast is most striking between public schools for which only 9 out of every 1,000 students graduate without repetition and private schools which have a rate of 255 per 1,000 students.

Moreover, according to the latest MDG report, “the reform and recovery plan of the government missed out inclusive measures, even though it included some measures to integrate people with disabilities (PwD).” Meanwhile, school buildings remain inaccessible

⁷² Consultation and Research Institute (CRI). *Development Program Horizon 2006- 2009*. Beirut: Council for Development and Reconstruction.

⁷³ MOSA, CAS, UNDP, ILO, 2008. *Livelihood Conditions of Households-2007*. Beirut: MOSA.

⁷⁴ Consultation and Research Institute (CRI), 2000. *Free Compulsory Education in Lebanon*. Beirut: Ministry of Education.

because the relevant decree has not been issued yet, thereby limiting the access of PwD to education and employment opportunities (50.4% of people with disability are illiterate)⁷⁵.

Quality of education

The detailed analysis of the abovementioned cohort data shows that the performance of the educational system is strongly correlated with two types of variables. The first type includes the indicators which directly impact student performance (educational background of parents, social class, family income, etc.), and the second type includes the endogenous variables of the system.

These endogenous variables include input variables such as the qualifications of the teaching staff, process variables such as the need for a regularly updated and unified curriculum and output variables related to the transition of youth into the labor market. In fact, many proxy-indicators that measure inputs such as the number of schools and their distribution, size of schools, the ratio of students per class and students per teacher, the average age of teachers and their educational background, the ratio of students per PC and other equipment related indicators, as well as the space allocation to various functions, converge toward the same results: actual work must be undertaken in order to optimize and rationalize the resources utilized for providing public education services on the levels of human resources, buildings and equipment, and education tools.

Vocational and Technical Education (VTE)

In 2007, Lebanon counted a total of 439 VTE establishments (refer to table 1) and around 100,000 VTE students⁷⁶. Public establishments constitute 20% of the schools but account for 38% of the students compared to an 80% share of private schools which account for 62% of the students.

⁷⁵ UNDP. 2009. *Millennium Development Goals 2008*. Beirut: UNDP.

⁷⁶ Educational Research and Development Center (CRDP), *Statistical Abstracts of 2006-2007*, Beirut: CRDP.

Table 2 Distribution of VTE schools and students

	Public	Private	Total
Schools	85	354	439
Students	37,446	62,285	99,731

Source: Educational Research and Development Center (CRDP), *Statistical Abstracts of 2006-2007*, Beirut.

Statistical indicators show that vocational and technical education, both formal (BT,TS...) and informal (graduates of less than 9 months of VTE), is as important as higher education in terms of labor supply. In fact, in 2004, around 12,000 VTE graduates (35%) entered the labor market compared to 22,000 university graduates (65%), which shows the importance of this sector and its strong impact on the labor market⁷⁷.

Vocational and technical education faces a number of obstacles on both the supply and demand levels⁷⁸:

i. Obstacles on the supply level include:

- The predominance of “simple” specializations, with a focus on the tertiary sector which rarely results in added-value jobs.
- The predominance of theory over practice accompanied by a weak integration of technological developments.
- The lack of specialized teachers, continuous training, and the concordance of their specializations with the classes taught; in addition to a mismanagement of human resources invested in this sector and a significant surplus of teachers.
- The low quality of equipment and its unequal distribution among schools.

⁷⁷ *Ibid.*

⁷⁸ Consultation and Research Institute (CRI), *Development Program Horizon 2006- 2009*, Beirut: Council for Development and Reconstruction.

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- The weak level of coordination with enterprises despite efforts by the association of industrialists and the general management of vocational and technical education. This is a very crucial point that affects the chances of VTE graduates in transitioning to the labor market.
- ii. Obstacles on the demand level include:
- The structural economic framework characterized by a growth model that does not enhance job creation particularly in sectors relevant to the output of the technical and vocational systems (private and public).
 - The acute predominance of micro and small enterprises (less than 10 employees) in both the formal and informal sectors and the negative implications of this predominance on the content and structure of labor demand from the private sector.

Moreover, the latest field investigation⁷⁹ shows that students enrolled in technical and vocational schools are not convinced of their programs' value, whether regarding the professional channels to the labor market or the education acquired. Students often enroll due to a lack of alternatives – failure in the general education system – and not willingly. Also, the choice of specializations is not studied, but emerges as a consequence to other variables (availability, closeness, costs and tuition fees, etc.).

The Lebanese University

In addition to the Lebanese University, Lebanon currently houses 36 other higher education establishments which significantly diverge in terms of size, cost and quality of education. 56% of university students attend these private universities which are the source of 67% of Lebanon's graduates⁸⁰. In other words, the Lebanese University (LU), which is attended by 44% of university students and graduates 33% of the total number of university graduates, is

⁷⁹ Ministry of Education and Higher Education (MEHE), 2005. *Evaluation of the Labor Market Need: Student Follow-Up Study*. Beirut: Directorate of Vocational and Technical Education & The World Bank.

⁸⁰ CRDP, 2008. *Statistical Newsletter*. Beirut: CRDP.

one of the major players in addressing the needs of the labor market through the output of the educational system. The university currently faces major obstacles including⁸¹:

- The lack of a strategic vision in terms of unity, centrality and the identity of the LU.
- The lack of independence in view of the rampant politico-communitarian interference.
- The chaotic distribution of public higher education buildings.
- The enormous disparities in the qualifications and training of the teaching body.
- The obsolete programs and teaching methods in numerous departments of LU.
- The outdated management methods and an almost complete lack of flow of data to effectively understand the “successes and failures” of this sector of education.
- The low focus given to academic research with the major share of LU’s expenditures going toward salaries, social allowances and rent.

In this context, the university bylaws have to be reviewed toward granting the university more autonomy from political intervention, the university branches consolidated, and the types of majors reviewed in view of the demands of the labor market.

In 2007, the Ministry of Education and Higher Education issued a National Education Strategy that focuses on quality and equal opportunity. Moreover, a framework of action was developed by a committee of MEHE officials, education experts, and political party representatives, resulting in the identification of ten priorities and action plans to be implemented over a period of five years were produced in 2009⁸².

⁸¹ Consultation and Research Institute (CRI). *Development Program Horizon 2006- 2009*. Beirut: Council for Development and Reconstruction.

⁸² Ministry of Education and Higher Education. *Public Education Modernization Programs: 2005-2009*. Beirut: MEHE.

In order to avoid duplication of effort and take advantage of the synergies between the current project and the work already in place at the ministry, the strategy will whenever possible incorporate the action plans of the ministry for interventions that fall under education-related objectives that are selected as a priority and complement them with social interventions that have the result of ensuring and maximizing the success of the initiatives undertaken by the ministry.

7.1.2. Child Protection

Children deprived of family care

One of the most basic rights of any child is the ability to benefit of the care of their parents until they reach adulthood. Residential care, or institutionalization, is defined to encompass orphaned children deprived of parental care or those at risk of abuse or neglect. In Lebanon, more than 90%⁸³ of children placed in residential care institutions are not orphans but come from poor families that cannot support them, especially when it comes to providing them with education. There are currently around 23,000⁸⁴ institutionalized children below the age of 18, a figure that represents 1.92%⁸⁵ of all children in the same age group in Lebanon. Beyond the established fact that families are the natural setting for raising physically and mentally healthy children and the basic human rights for every child to be with their families, it has been revealed that it is also more economical for the government to support children inside their families. A comparative study conducted on the relative monthly cost of a child in an institution against that of a child at home revealed that it is more economical to raise a child at home⁸⁶. Meanwhile, the Ministry of Social Affairs (MoSA) spends around 60% (in 2005) of its yearly budget on covering the cost of providing care to children in welfare institutions. Therefore, every attempt should be made to provide families with the means to care for their children at home, and institutionalization should be left as an absolute last resort. Moreover, a system of accreditation, monitoring and quality assurance should be put

⁸³ UNICEF & MoSA, 2007. *Children Deprived of Family Care in Lebanon*. Beirut.

⁸⁴ *Ibid*.

⁸⁵ *Ibid*

⁸⁶ *Ibid*

in place in order to guaranty an acceptable level of quality services as well as ensure the safety and the well-being of those children.

Child Labor

Lebanon has ratified the ILO convention 138 that fixes the minimum age for child labor at 15. In addition, Lebanese law amendments were introduced prohibiting the employment of children under 16 or 17 years of age in hazardous conditions (Article 23 of Lebanese Labor Law) and limiting their workday to six hours with at least one hour of rest when working more than four hours per day. The law also prohibits night work and requires thirteen hours of rest between any two work intervals. Although no recent numbers are available (statistics from the year 2000 show that 1.8% of children between the age of 10 and 14 work and 11.3% between 15 and 18 years⁸⁷), it is commonly understood that poverty is the main reason for dropping out of school and starting work. This situation is especially poignant for children working on streets. A draft national strategy for the prevention, protection, rehabilitation, and integration of street children was recently launched by the Ministry of Social Affairs' Higher Council for Childhood. The recommendations of this strategy include the review and amendment of the relevant laws and procedures; capacity building of the institutions concerned with the protection of these children (including the ministries of interior, justice, social affairs, labor, health, education, etc.); awareness raising regarding this issue; and the rehabilitation and integration of these children educationally, socially, and economically⁸⁸.

It is commonly observed that institutional issues tend to outweigh legal obstacles. Lebanon's limited capacity to eradicate child labor and ensure the safety of working children is not only related to deficiencies in the civil and penal codes but also to the weak enforcement of laws that are currently in force. For instance, despite the fact that employers are required by law to register workers aged 15 to 18 at the NSSF, 90% of child workers are not covered by any type of insurance. Moreover, although the Labor Law charges the Ministry of Labor with the

⁸⁷ MoSA- the Higher Council for Childhood, 2004. *The State of Children in Lebanon, 2000. Situation of Children in Lebanon*, Beirut: MOSA.

⁸⁸ The Ministry of Social Affairs - the Higher Council for Childhood. 2010. *Draft National Strategy for the Prevention, Protection, Rehabilitation, and Integration of Street Children*. Beirut.

responsibility of monitoring the implementation of its provisions, the enforcement of provisions related to the work conditions of children, including work hours, hygiene and health conditions, and potential mistreatment- remains weak.

Juveniles in Conflict with the Law

Law No. 422 enacted by the Lebanese Parliament in June of 2002, which specifically addressed the issue of protection of juveniles in conflict with the law or at risk, was an important achievement because it granted juveniles the right to present complaints to specialized authorities. However, doubts remains regarding the institutional capacity to implement the reform measures including for instance youth rehabilitation centers and specialized training for police and judges.

Moreover, there is a need for concerted efforts targeting youth who are vulnerable to risky behaviors such as drug and alcohol abuse, dropping out of school, and potentially engaging in criminal activities. Several such projects are currently underway on the initiative of civil service organizations and NGOs.

7.1.3. Youth Empowerment

In addition to the provision of a safe home and good education, the young are in need of spaces and opportunities that allow a two-way interaction between them and the society they live in. In addition to helping them to become acquainted with the norms and expectations of their society, these spaces ought to provide opportunities for the young to voice their aspirations and expectations of the society in which they are to become active members. Despite the high number of youth clubs and associations in Lebanon, most of them focus on sports. Moreover, even clubs whose members are mostly young are directed by adults and that tends to be reflected in the choice and design of their activities. The young are seen as target groups instead of participants. Moreover, despite the claim that youth clubs are scattered throughout the Lebanese territory, they tend to be concentrated in Beirut and

Mount Lebanon⁸⁹. These vertical hierarchies, along with the political and sectarian aspect of many of these associations, prevents the formation of a network of youth associations that prevents overlap in interests and activities and binds the Lebanese youth into a cohesive, dynamic, and influential group.

7.2. Structure of the element

Based on a concise analysis of the major challenges that need to be addressed in order to put the children and youth of Lebanon on the track to becoming socially healthy, well-adjusted citizens equipped with an educational baggage that increases their chances of success in their future lives, an element was formulated spanning the major axes of intervention in and using both the targeted and universal approaches adopted throughout the strategy.

Protect and Educate Children and Youth

Protect and nurture the young and ensure they receive quality education at all levels providing them with the means and opportunity to become proactive, committed and concerned citizens, to lead a decent life, access job opportunities and take part in building their society. Foster a culture of lifelong learning and promote flexibility in labor supply matching the changes in the demand structure of the labor market.

- ❧ Expand and enforce free compulsory education, improve the quality of basic, technical, and higher public education by addressing inputs, process, and outputs, review national curricula toward affirming a unified Lebanese identity, establish career guidance programs that are responsive to evolving market needs, and provide the youth of Lebanon with real opportunities of participation in shaping the society they live in.
- ❧ Provide various types of support to families to ensure that they are able to nurture their children through adulthood, address the problem of child labor, and establish education and job training programs for juvenile delinquents and minors at risk of delinquency.

⁸⁹ Lebanese Ministry of Youth & Sports, United Nations Youth Working Group. *Youth Empowerment & Participation Project*. UNESCO, UNDP, UNICEF, ILO. Beirut.

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In order to achieve the vision outlined in the element description above, a number of objectives were selected under four major sub-elements one of which (protection) tackles the problems that relate to child safety and three that focus on education, namely schools, vocational and technical education, and university education. In every one of the education sub-elements, the three determinants of educational access and quality were tackled, namely human resources, educational facilities, and teaching tools in addition to other objectives that are particular to each sector. Following is a box outlining the various sub-elements and the objectives that belong to each.

PROTECT AND EDUCATE CHILDREN

ANC

Basic Formal Education

IMPROVE EFFICIENCY & COMPETENCE OF HUMAN RESOURCES IN GENERAL EDUCATION

Work toward the creation of competent and professional teaching and administrative staff and empower them to provide high-quality, inclusive educational services

ENHANCE THE UTILIZATION AND QUALITY OF EDUCATIONAL FACILITIES IN GENERAL EDUCATION

Upgrade the physical requirements of school facilities in a way that allows the implementation of the new curricula and guarantee all students regardless of physical status or place of residence equal and efficient access to school facilities

MONITOR AND IMPROVE THE QUALITY OF TEACHING PROCESSES

Modernize curricula for the purpose of creating modernly educated socially responsible citizens and promote the transparent and accurate measurement of school achievement

WORK TOWARDS ACHIEVING FREE COMPULSORY BASIC EDUCATION FOR AGES 6-15

Create intra-governmental coordination mechanisms that secure the educational and social conditions necessary for the extension of free education to all through the intermediate level

INCREASE ACCESS TO PUBLIC KINDERGARTENS STARTING AT THE AGE OF 3

Provide families with the opportunity to enroll their children in good quality public kindergartens

Vocational & Technical Education

IMPROVE EFFICIENCY & COMPETENCE OF HUMAN RESOURCES IN VTE

Work toward the creation of competent and professional teaching and administrative staff capable of ensuring the provision of high-quality, inclusive educational services

ENHANCE THE UTILIZATION AND QUALITY OF VTE FACILITIES

Upgrade the physical requirements of VTE facilities in a way that allows the implementation of modern hands-on teaching techniques

ENHANCE VTE TEACHING TOOLS

Modernize curricula for the purpose of creating modernly educated socially responsible citizens and promote the transparent and accurate measurement of achievement

IMPROVE THE MOBILITY BETWEEN VTE, GENERAL EDUCATION AND THE LABOR MARKET

Institutionalize coordination between VTE establishments and the labor market and establish achievement equivalence charts and prerequisites that facilitate mobility between technical and general education

University Education

CONDUCT INSTITUTIONAL REFORM IN THE LEBANESE UNIVERSITY

Review the structure of the Lebanese University in a way that establishes a rational trade-off between equitable access and national unity and enshrine the university's independence and autonomy.

IMPROVE EFFICIENCY & COMPETENCE OF HUMAN RESOURCES IN LU

Review the tenure and promotion system in a way that promotes academic research and empower the administration and teaching staff to infuse direction and dynamism allowing the university to play its part as the lead university in the country

ENHANCE THE UTILIZATION AND QUALITY OF HIGHER EDUCATION FACILITIES

Review the equipment needs of the university toward increasing opportunities for hands-on learning and academic research

ENHANCE LU TEACHING TOOLS

Modernize and unify curricula for the purpose of creating modernly educated socially responsible citizens and promote the transparent and accurate measurement of achievement

ENHANCE INTERCONNECTION BETWEEN LABOR MARKET AND UNIVERSITY EDUCATION

Institutionalize coordination between the university and the labor market and review the specialties offered and their yearly capacity in view of the changing labor demands

Protection

ADDRESS ISSUES RELATED TO INSTITUTIONALIZED CHILDREN

Provide assistance to allow families to support their children within their homes and establish measures that leave institutionalization as the absolute last resort

ERADICATE THE WORST FORMS OF CHILD LABOR AND KEEP CHILDREN OFF THE STREETS

Establish a comprehensive social, health, and educational program to protect working children, and enforce the Higher Council for Childhood's strategy to address the problem of children on the street

PROTECT AND GUIDE CHILDREN AT CONFLICT WITH THE LAW OR AT RISK

Enforce the differential treatment of children in the penal system and institute school support programs and community activities that protect children at risk

EMPOWER THE YOUTH OF LEBANON

Work toward binding the Lebanese youth into a cohesive, dynamic, and influential group by supporting nonsectarian youth associations, creating a network of youth and sports clubs, and providing mechanisms that promote youth participation in civil society.

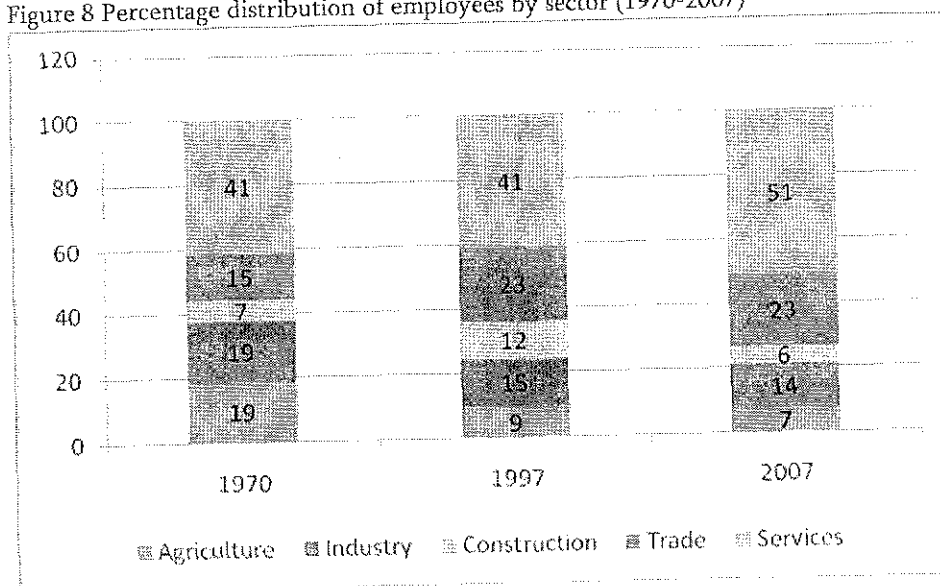
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8. Improve opportunities for equitable and safe employment

8.1. Situational analysis

According to the latest official data (2007), Lebanon has a labor participation rate of 43.4% with significant differences remaining between males (61.2%) and females (19%)⁹¹. The distribution of employment followed the structural shifts in the Lebanese economy with a strong increase in the share of employees in the services and trade sectors at the expense of agriculture and industry (Figure 8)

Figure 8 Percentage distribution of employees by sector (1970-2007)



Source: CAS, (1972) *L'enquête par sondage sur la population active au Liban en 1970*; CAS, *Living conditions of Households in 1997 and 2007*.

The official unemployment rate underwent significant fluctuations since the 1970s (Figure 9) reflecting the ups and downs of the Lebanese economy and the dynamics of external migration. Unemployment is especially high among the young reaching 13.7%⁹² and tends to be characterized by lengthy durations. In addition to unemployment, one must take into account situations of temporary or underemployment. Recent official data estimates that

⁹¹ CAS & UNDP/MOSA, 2008. *Living Conditions of Households in 2007*, Beirut: CAS & UNDP/MOSA.

⁹² Université Saint Joseph, 2008. *L'Emigration des Jeunes Libanais et leurs Projets d'Avenir*. Beirut: USJ.

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6.9% of workers reported having temporary employment positions⁹³, which are typically characterized by insecurity and precariousness and do not offer any benefits. Moreover, because of the lack of labor information database (an LMI system), there is no detailed information on whether the Lebanese 'employed' are working in decent conditions that allow them to secure a dignified standard of living for themselves and their dependents. The latest labor force survey was undertaken by the Central Administration for Statistics in 1997 in addition to studies focusing on young workers by the Univeristé Saint Joseph.

Figure 9 Historical trend of unemployment rates (percent)



Source: UNDP, 1997. *Features of Sustainable Human Development in Lebanon*; CAS, *Living Conditions of Households in 1997, 2004, and 2007*; Kasparian, C., (2003) *L'Entrée des Jeunes Libanais dans la Vie Active et L'Emigration*, Beirut.

Decent work is defined as “productive work performed in conditions of freedom, equity, security, and human dignity to which women and men have equal access on equal terms.”⁹⁴ Although Lebanon has ratified forty-nine ILO conventions⁹⁵ governing the different facets of decent work, it remains unclear whether current Lebanese labor laws are in line with the terms of the ratified conventions or whether labor conditions in Lebanon satisfy the requirements of decent work.

⁹³ CAS & UNDP/MOSA, 2008. *Living Conditions of Households in 2007*, Beirut: CAS & UNDP/MOSA.

⁹⁴ International Labor Organization, 1999. *Decent Work: Report of the Director-General, International Labor Conference, 87th Session*. Geneva: ILO.

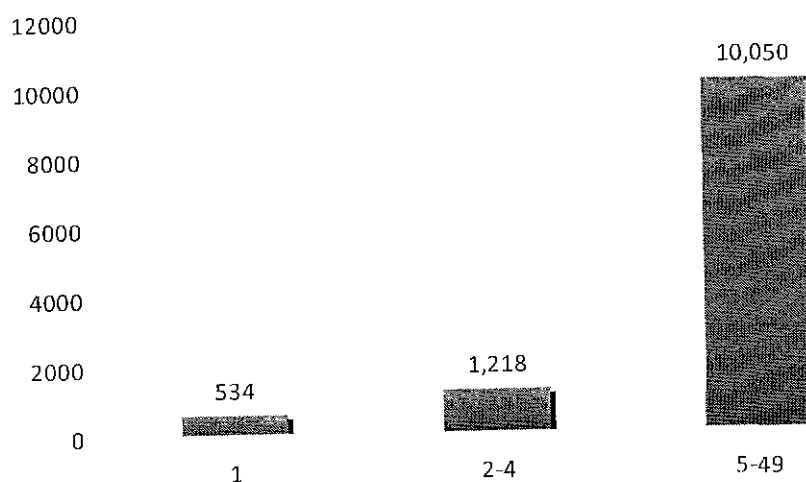
⁹⁵ International Labor Organisation, 2009. *List of Ratifications of International Labor Conventions (APPLIS)*, [online] Available at : <http://webfusion.ilo.org> [Accessed 27 October 2009].

The Structure of supply and demand

The supply side of labor is mainly influenced by the outputs of the higher and technical educational systems. Higher education produces a large number of graduates from the faculties of literature, law and the social sciences. A smaller number of graduates come from the more specialized schools of engineering, medicine and economics.

From the demand side, the vast majority of establishments are small enterprises consisting of less than five employees. These businesses usually perform simple repetitive functions, are rarely able to engage in vertical or horizontal integration, and their ability to expand their employee base is rather limited⁹⁶. These issues are illustrated by little value-added they are able to produce as compared to larger establishments (figure).

Figure 10 Value added per worker by size of enterprise (USD) - 2004



Source: CRI, (2004) *Op.cit.*

⁹⁶ UNDP, 2009. *The National Human Development Report: Towards a Citizen's State*. Beirut: UNDP.

Informality⁹⁷

As in most developing countries, the informal sector in Lebanon is large possibly due to the fact that 93 % of all enterprises employ 0-5 workers⁹⁸. The dilemma as it was accurately framed by UNDESA is “whether to promote the informal sector as a provider of employment and incomes or to seek to extend regulation and social protection to include this sector, and thereby possibly reduce its capacity to provide jobs and incomes for an ever-expanding labor force.”⁹⁹ However, at a minimum, workers should be provided with the protection of labor and common law by requiring all businesses to formally register with the authorities and launching a campaign to ensure that there are written labor and employment contracts for all employees whether they work in enterprises (formal or informal) or for individual employers. It goes without saying that regulations should be neither too costly nor too complex in order to avoid causing enterprises to cease production or go underground.¹⁰⁰

Female employment

Achieving gender equality in the labor market requires addressing a number of issues including occupational segregation, gender wage gaps, women’s disproportionate representation in informal employment and unpaid work and higher unemployment rates.

In Lebanon, large discrepancies in labor participation are noted between males (67%) and females (21%) and although this general gap has not changed in the last few years, one notable fact is that the gap narrows significantly among university degree holders¹⁰¹. Thus, the labor participation gap narrows from 46 points for the general population to 17 points

⁹⁷ The 2002 International Labour Conference endorsed a broader definition of “informal employment” as “employment without secure contracts, worker benefits or social protection.” This new concept encompasses the following categories: self-employment in *informal enterprises* (that is, small and/or unregistered enterprises), employers - own-account workers, unpaid contributing family members, wage employment in *informal jobs* (that is, without secure contracts, worker benefits or legal protection), employees of informal enterprises, and informal wage workers for formal firms or households (casual day laborers, domestic workers, contract workers, temporary and part-time workers without protection). UNRISD. 2006. *Gender Equality: Striving for Justice in an Unequal World*. Geneva.

⁹⁸ Consultation and Research Institute. 2004. *Op.cit.*

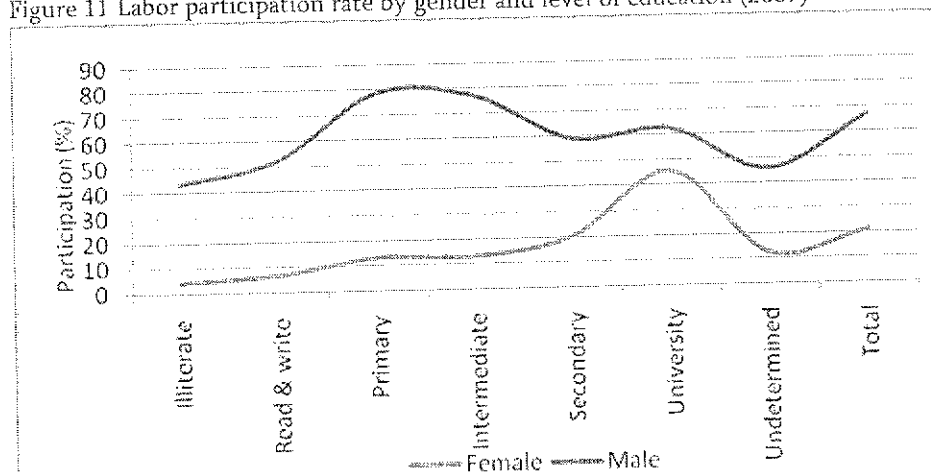
⁹⁹ United Nations Economic and Social Affairs, 2007. *The Employment Imperative: Report on the World Social Situation 2007*.

¹⁰⁰ *Ibid.*

¹⁰¹ CAS & UNDP/MOSA, 2008. *Living Conditions of Households 2007*. Beirut: CAS & UNDP/MOSA.

among university degree holders with participation rates reaching 45.4% for females and 62.5% for males (figure 3). This indicates a potentially effective lever for increasing female labor participation, i.e. increasing the share of females who acquire a college education. Other important levers include the reconciliation of work and family responsibilities, the social restrictions that prevent women from accessing many occupations, and the significant gaps in pay and promotion opportunities between men and women.

Figure 11 Labor participation rate by gender and level of education (2007)



Source: Central Administration for Statistics, (2008) Living Conditions of Households 2007, Beirut.

Wages

Weakness in the structure of wages, especially in the private sector, can be explained by the deterioration in the current conditions of enterprises (informal ones in specific). The average wage is low when compared to the cost of living. In 2008, a wage adjustment consisting of a flat 200,000 LBP increase in addition to a 2,000 LBP per day increase in transportation costs were implemented. Based on the NSSF average declared wage of around 1,200,000 LBP, this wage adjustment represents a 17% average increase in contrast to a 64%¹⁰² increase in the general consumer price index between 1996 and 2008. Even after the recent increase, which probably did not extend to informal workers, the household income based on work at the

¹⁰² CPI of Consultation and Research Institute.

minimum wage remains below the upper poverty line, which is estimated at around USD 4.00 per capita per day¹⁰³.

In addition to the problem of wage levels, the structure of wages and therefore the income distribution is characterized by growing disparities, a phenomenon that has been on the rise globally “as standard collective contracts are being increasingly replaced by individual contracts based on negotiation between employers and employees.”¹⁰⁴ Thus, wages are increasingly determined by an individual worker’s ability to negotiate, “resulting in greater differentiation of wages among workers and worsening income distribution.”¹⁰⁵ Moreover, the recent wage increase was structured as a flat amount which gave workers in general only a 18% increase versus a 67% wage increase to those who earn the minimum wage, thereby allowing only a minority of workers and their families to keep up with the general increase in the cost of living, which amounted to 64%¹⁰⁶.

Inadequate enforcement of safety and hygiene laws

Despite having signed multiple ILO conventions having to do with the protection of workers from occupational hazards especially in high-risk occupations such as mining, construction, quarries, print shops, and others, the enactment of appropriate standards and their enforcement remains lax due to the small number of health and work inspectors and the low budget allocated to capacity building in this respect.

Marginalized workers

Beyond the issue of informality which affects a large portion of the Lebanese workforce, certain categories of workers live under especially harsh work conditions or are denied access to work opportunities.

¹⁰³ UNDP, 2009. Millennium Development Goals 2008 which can be verified as follows: $500,000 \times 1.26$ average number of workers/household $/ 4.2 = 150,000$ LBP i.e. an average of 5,000 LBP or 3.32 USD per capita per day.

¹⁰⁴ United Nations Economic and Social Affairs, 2007. *The Employment Imperative: Report on the World Social Situation 2007*.

¹⁰⁵ *Ibid.*

¹⁰⁶ Based on the NSSF average declared wage of 1,100,000 LL, a 200,000 LL wage increase constitutes 18% of the wage. The same flat increase (200,000 LL) represents 66.7% of the minimum wage (300,000 LL).

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Domestic workers: A significant number of domestic workers both foreign and local live under conditions that violate the basic rights guaranteed by the Universal Declaration of Human Rights. Among these rights are the right “to freedom of movement” within any country and “the right to leave any country” (Article 13); the right to protection from “cruel, inhuman or degrading treatment or punishment (Article 5); and “the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay” (Article 25). Even when a contract exists between them and their employers, it is difficult for them to demand their rights and there is no effective legal recourse should they file complaint.

Foreign workers: International experience reveals a “tendency for migrants to be relegated to peripheral, low-skilled and low-paying work regardless of their achieved human capital subjects them and their families to social exclusion¹⁰⁷.” In Lebanon, employment inequalities are exacerbated by the situation of Palestinian refugees who continue to be excluded from many professions especially the potentially lucrative liberal professions that would afford them and their families with real opportunities of social advancement. Moreover, Palestinians continue to be deprived of many rights under the guise of the principle of reciprocity¹⁰⁸. This principle is intended to pressure countries to grant Lebanese citizens equal rights on their territories and should in no way apply to a nation that would like nothing better than to reciprocate but cannot do so. Under the current circumstances, the government makes it especially difficult for Palestinians to work legally in Lebanon with an ever smaller share of work permits being granted them. For instance, in 2005, only 278 out of 109,379 work permits given to non-Lebanese citizens were granted to Palestinians¹⁰⁹ who are left with no other choice but to work illegally or emigrate.

¹⁰⁷ United Nations Department of Economic and Social Affairs, 2007. *The Employment Imperative: Report on the World Social Situation 2007*. New York:United Nations. p. 84.

¹⁰⁸ ILO, 2007. *Mapping of Studies on the Employability of Palestinians in Lebanon*. Beirut: ILO.

¹⁰⁹ Hanafi, S., and Age A. Ti, 2008. The Employability of Palestinian Professionals in Lebanon: Constraints and Transgression. *Knowledge, Work and Society*. 5(1):15 pp. Paris: L'Harmattan.

Persons with disabilities

In 2006, the number of persons with disability of working age is estimated at 33,923 of which 27,086 are capable of working, while only 7,052 are actually working.¹¹⁰ Reasons for this weakness range from a failure to apply the relevant labor legislation (the 3% quota of Law 220) to a lack of awareness that leads many employers to assume that persons with disability are unable to work. These inequalities are exacerbated by the fact that people with disabilities suffer from limited access to education and vocational training in addition to a lack of specialized support and little or no infrastructure for physical access to the workplace¹¹¹.

Unions

The Universal Declaration of Human Rights guarantees individuals the “right to form and to join trade unions for the protection of [their] interests” (Article 23). Although there are in principle no restrictions on this right, the Lebanese government has not played a positive role in ensuring the empowerment and independence of labor unions. Quite to the contrary, the minimal social advances that were accomplished in the post-war era have been the result of compromises among the various political parties which targeted their efforts on fragmenting and incapacitating unions. On their part, labor unions have weakened their position by failing to increase their institutional capacity and build democratic, responsive, and transparent structures, which allow them to play their role of defending the rights of workers. Because there are three parties to the social dialogue, namely an organized labor, a socially responsible employer, and an active government, the country as a whole has an interest in empowering unions and ensuring their independence from political interference.

8.2. Structure of the element

Based on an analysis of the major impediments standing in the way of achieving equal employment opportunities and decent work conditions for all those residing on the Lebanese territory, following is a description of the structure of the element outlining the major axes of intervention based on the targeted and universal approaches adopted throughout the strategy.

¹¹⁰ International Labor Organization, 2006. *An ILO Post Conflict Decent Work Programme for Lebanon*. Beirut: ILO Regional Office for Arab States.

¹¹¹ UNDP, 2009. *Millennium Development Goals 2008*. Beirut: UNDP.

Improve opportunities for equitable and safe employment

Provide opportunities for gainful, dignified, productive, and safe employment commensurate with technical abilities regardless of nationality, gender, or physical characteristics.

- ❏ Ensure the application of decent work conditions, strengthen the relationship between the purchasing power of wages and the changing standard of living, and encourage and enforce the formalization of enterprises and workers.
- ❏ Create an inclusive job environment that reduces discrepancies in pay, benefits, and opportunity for workers having the same qualifications, provides incentives for the entry of women into the job market, capitalizes on the skills of persons with disabilities, and addresses worst forms of discrimination against foreign workers.

The achievement of this vision goes through the implementation of a number of objectives organized under three sub-elements the first of which takes a universal approach to the issues related to the work conditions of all those who are part of the Lebanese labor market, the second of which targets the groups that suffer from inequalities in access to the labor market or inequalities in work conditions, and the last of which focuses on the institutional reforms that are necessary to guarantee an effective governance of employment-related challenges.

IMPROVE OPPORTUNITIES FOR EQUITABLE & SAFE EMPLOYMENT¹¹² Work Conditions

STRENGTHEN THE RELATIONSHIP BETWEEN WAGES AND THE STANDARD COST OF LIVING

Institute regular reviews of the minimum and average wage to ensure that the adopted level is sufficient to provide a decent standard of living to workers and their families and avoid introducing distortions into the wage structure whenever a new increase is adopted

ENCOURAGE AND ENFORCE FORMALIZATION OF ENTERPRISES AND WORKERS

Institute intra-governmental coordination mechanisms and provide establishments with low cost and simple procedures to encourage them to register their businesses and gradually enforce the protection of all employees through requiring a labor contract even for temporary and seasonal work

ENSURE A SAFE WORK ENVIRONMENT

Review laws and empower labor inspectors to enforce the strict application of work safety and hygiene standards and penalize employers that refuse to comply

ENSURE CONTINUOUS ON-THE-JOB IMPROVEMENT OF LABOR FORCE SKILLS

Provide workers with opportunities for on-the-job training, standardize training requirements and certificates, and establish links between training and advancement

WORK TOWARDS STRENGTHENING JOB SECURITY

Institute effective and powerful legal recourse mechanisms for workers filing complaints against their employers and protect jobs during economic downturns

Inequalities

REDUCE INEQUALITIES IN WORK OPPORTUNITY

Work toward providing equal employment opportunities based solely on ability and qualifications regardless of gender, physical characteristics, or national origin and establish mechanisms that facilitate female participation in the labor market

REDUCE INEQUALITIES IN THE WORK CONDITIONS OF LEBANESE, ARAB AND FOREIGN WORKERS

Expand the protection of the labor law to all workers on the Lebanese territory regardless of gender, nationality, physical characteristics, type or place of work and enforce the application of the tenants of decent work and human rights to all workers

¹¹² The structure of this element consists of three sub-elements each of which is broken down into a number of objectives followed by a description of what each objective implies.

Institutional

EMPOWER AND ENSURE THE INDEPENDENCE OF LABOR UNIONS

Amend the law toward the strict protection of the independence of labor unions from political interference and encourage reform of unions in the direction of more transparency, democracy, representativeness, and effectiveness

STRENGTHEN LABOR MARKET INSTITUTIONS

Review the labor law toward increased alignment with ratified labor conventions, establish a Labor Management Information System and ensure its availability and accessibility to public use, and empower the *National Labor Office to play its full role as the steward of labor market information*

9. Revitalize communities and encourage the development of social capital

9.1. Situational Analysis

Unlike the previous elements which focus on the rights and needs of the individual, this element's main concern is the community that individuals live and interact in and their environment. In this context, this section aims at involving local communities in social development and shaping social interactions within and among them. In other words, this element is about revitalizing communities and developing social capital through the preservation and promotion of environment and heritage and the reinforcement of identity.

Lebanese identity

Social identity refers to the individual's self-concept originating in "his/her membership in a social group along with the importance and the emotional import attached to the group membership¹¹³". With recurrent crisis and cycles of violence in Lebanon, separate sectarian identities were reinforced and solidified perceived as necessary for survival and protection.

National identity of the Lebanese people remains an extended controversial issue and the root cause of most conflicts and social challenges identified throughout the strategy. The comprehensive question pertaining to national identity remains the same and can be put as follows: Can we assume that despite the fears of some and hesitations of others that a common national identity can be found? The birth of a nation entails the transition from divisions among groups to the acceptance of a national identity as an umbrella superseding any other group identity. This transition is promoted by a larger public space where citizens enjoy equal rights, duties and same public freedoms.

In a context like Lebanon, it is not the multitude of communities that is the issue. The difference between Lebanon and other societies with similar context resides in the fact that

¹¹³ Kreidi, L., H., and Monroe, K. R., 2002. Psychological Boundaries and Ethnic Conflict: How identity constrained choice and worked to turn ordinary people into perpetrators of ethnic violence during the Lebanese civil war. *International Journal of Politics, Culture, and Society*, Vol. 16, No.1. Fall 2002, p.5-36, Springer.

these societies, unlike Lebanon, have adopted systems which do not reflect their social diversity within their political system. Many modern states, born with disunited affiliations and culture, have arisen through the unity of national institutions and cohesiveness of public policies¹¹⁴. In Lebanon, sects remained as essential units of the political systems absorbing their members under the pretext of sectarian affiliation hence a compulsory identification with it. Moreover, sectarian affiliation is the basis for all official appointments and promotions thereby hindering the formation of a competent civil service whose loyalties belong to the country as a whole rather than to the sects. "It seems fair to say that in contemporary Lebanon, conflicting identities tend to promote mistrust, intolerance and intergroup antipathies and not the consociational democracy of the immediate post-World War II period lauded by many"¹¹⁵.

The 1943 National Pact (al Mithafq al-Watani) can be summarized by the two negations to "Syrian (or Arab) unity" and "western tutelage". This understanding could be perceived as a distribution of political power among religious groups hence confining citizens within their sects and impeding a wider sense of national identity outside the scope of communities. The fragmentation of the Lebanese society and the inheritance of official posts within the alliance of sectarian and business elites are partially due to the ambiguity surrounding the Lebanese national "identity".

The fragile social cohesion in Lebanon is considerably affected by the years of ravaging war and is translated in the limitations self-imposed by many Lebanese in their movements and their habitat relocation. It is also revealed by the important weight of sectarian belonging in the definition of relationships with others and political positions. The impasse of the adoption of a common history book in school curriculum is another indicator of the Lebanese identity indefinite facets. The lack of population census since 1932, which was taken as the primary

¹¹⁴ Beydoun, A., 2009. "Political citizenship and the sectarian state" in *Toward a citizen's state*. Beirut: UNDP.

¹¹⁵ Kreidi, L., H., and Monroe, K. R., 2002. "Psychological Boundaries and Ethnic Conflict: How identity constrained choice and worked to turn ordinary people into perpetrators of ethnic violence during the Lebanese civil war". *International Journal of Politics, Culture, and Society*, Vol. 16, No.1. Fall 2002, p.5-36, Springer.

benchmark and justification for the 1943 national pact, sheds light on the flat and unchanging perception of identity of Lebanese which are gripped to sects and communities

Protection from violence

The Lebanese penal code calls for the protection of children from all forms of sexual abuse and exacerbates the sanctions on sexual crimes when committed against minors. Moreover, Law 422 classifies as endangered all children who are exposed 'to sexual abuse or physical violence that exceeds the limits that are culturally accepted as non harmful discipline.' This language leaves a large margin for the discretion of judges as to what kind of discipline is 'culturally accepted'. The Ministry of Social Affairs, through specialized personnel in its Centers, plays a role in identifying and monitoring cases of physical and sexual abuse and by contracting with NGOs for the provision of substitute day care services. NGOs have been somewhat active in this field, providing prevention services, rehabilitation programs, care and shelter, and legal assistance; in addition to advocating for legal and institutional reforms. However, as in other forms of domestic abuse, child abuse is subject to significant underreporting to avoid scandal and because children lack the ability and legal standing to make themselves heard. Moreover, the absence of any sexual education in the primary stages prevents children from gaining awareness for self-protection against behaviors or situations that endanger their safety¹¹⁶.

Women constitute another silent target of physical and sexual abuse and these cases are hardly ever reported. This lack of reporting is due to the fact that there are no social, legal, or institutional mechanisms that protect women who decide to report their abusers. Society tends to sanction abuse by classifying it as a 'family problem.' Moreover, the absence of a civil personal status law leaves women at the mercy of religious courts that tend to favor men in their rulings. Hence, women risk losing custody of their children and the fact that most Lebanese women do not have their own financial means but tend to rely on their husbands for financial security makes them unable to leave the conjugal home. Finally, despite the

¹¹⁶ Ministry of Social Affairs – The Higher Council for Childhood, 2004. *Situation of Children in Lebanon*. Beirut.

presence of two NGOs that are active on issues of domestic violence and are exhorting significant efforts to raise awareness and lobby for legal amendments, their impact remains limited without the presence of specialized shelters equipped to receive battered women and offer them medical, psychological, and legal support. A draft law that strengthens legal protection of women against domestic abuse is currently before the Lebanese Parliament, and if passed this law would constitute a significant step on the way to providing women with the basic right of being safe from bodily harm.

Women are not only vulnerable to abuse in their homes but in their workplaces as well. The worst examples are foreign domestic workers who are subjected to physical mistreatment and sexual abuse leading to many deaths annually. These women have no family members to protect them, no financial means, and hardly any legal protection in view of the weak contracts that leave them vulnerable to all sorts of abuse and the blatant racism that translates into a semi-unanimous apathy toward their situation.

Judicial independence

The position of the sect is strongly solidified and the public space is divided among religious communities which are the sine qua non channels for reaching official posts. Thus any initiative or pact seeking a “citizen’s right” strict approach is automatically blocked by the political/sectarian elite. Therefore, an independent judicial branch becomes the most potentially effective instrument to reform the law in the direction of achieving civil rights within the context of this sectarian impasse.

The judicial branch in Lebanon is sometimes perceived as a spokesman for the government which somehow hampers its capacity of becoming a platform where important and delicate social issues are addressed. Addressing such issues pertaining to the Lebanese systems aims to enlarge the scope of legal thinking and empower the society to constantly adapt laws

according to the occurring developments. It could also be a sort of a laboratory providing important resources to any reform process¹¹⁷.

The traditional view of the role of the judiciary branch, which is adopted to a larger extent by the political authority and heads of judiciary institutions in Lebanon, perceives the judge to be a servant of the laws and their authority. However a modern view of the role of the judiciary branch grants the judge a much larger margin of discretion in correcting and explaining laws while taking into account the interests and benefits of society. This concept stems from the needs of modern life and rapid social development which require the loyalty of the judge to shift from a rigid to a dynamic concept of law and legal codes.

In this regard, some recently issued judicial orders have demonstrated the pioneer role of the judges and their impartiality towards marginalized categories such as the judicial order in favor of a general system for the protection of children in case of danger issued by the highest judicial authority (2009/07/07) and the judicial order on the protection of refugees in face of arbitrary behavior of security forces (2009/12/11). Also, today, around 77,400 men and women are negatively affected by the current nationality law¹¹⁸. The interaction between civil society and the judicial branch led in 2009 to a small leeway allowing for more judicial discretion in this regard where a judge ruled that a woman could pass her Lebanese citizenship on to her children, a first for women wed to foreigners in Lebanon. However the decision was quickly appealed by the Government of Lebanon. The impact of the decision could impede the judiciary branch from independently interpreting laws regardless of a political consensus and constrain its discretion. Hence the need to protect and strengthen the independence of the judiciary branch from political influence and the creation of channels of communication between civil society and the judiciary.

¹¹⁷ Saghieh, N., 2010. "The Best orders of 2009: The judge pioneer in his society", *Al-Akhbar*, Beirut, 13 January 2010.

¹¹⁸ UNDP & the National Committee for the Follow up on Women's Issue, 2010. *Predicament of Lebanese Women Married to Non-Lebanese*.

Shared public spaces

In all communal life there is a dynamic balance between public and private activities. Within this balance, every country (or region or culture) places a different emphasis on public space. In comparison to Europe for instance, the MENA region is characterized by a limited number of public spaces apart from markets and shopping streets. Although the public-private balance is unique to every country (or region or culture), it will shift under the influence of changing political and economic systems among other elements¹¹⁹.

On the city level, shared public spaces are almost inexistent. Four squares used to constitute the shared public space of Beirut with the Martyr square occupying the most vital space. However today, only the Nejme square remains whereas the other major squares, Martyr, Riad El-Solh, Al Debbas squares, have been opened to their surroundings and no longer qualify as "squares". Moreover, Nejme square is rather restricted to the upper middle class and the "corniche" is the only public space that continues to equally attract people from all economic strata in Beirut. On the neighborhood level, there is a lack of small public spaces which act as breathing spaces providing porosity to the urban fabric. Sidewalks, which are to provide the continuity of movement within the city, are often interrupted and not of uniform elevation. It must be noted that development projects funded by the Ministry of Interior have included public gardens and pavements in almost all governorates like in Zhghorta, Rachaya and Baalbeck as well as municipal sports grounds like in Baabda, Hasbaya and Bint Jbeil. Planted sidewalks which guarantee the continuity and inter-linkage of green spaces within the city are infrequent. In terms of green spaces which play an important social function in addition to the environmental one are limited at the city level with almost only Horsh Beirut (to which entrance is restricted), Sanayeh, and Sioufi gardens¹²⁰.

¹¹⁹ Carr, S., 1992. *Public spaces*, New York: Cambridge University Press.

¹²⁰ Interview with Raheef Fayyad - Professor at the Lebanese University and Former President of the Arab organisation of Architects)

Environmental Resources ¹²¹

In the last decade, Lebanon has witnessed certain improvements in the management and protection of the environment, ranging from the establishment of a Ministry of the Environment in 1993, the granting of protected status to ten forests and several river basins and mountains, the improvement of solid waste collection and disposal, and the establishment of standards for industrial stack emissions and wastewater discharge. Despite these improvements however, the situation remains bleak with serious environmental threats jeopardizing the quality of life of Lebanese residents and endangering the already scarce natural resources. The remainder of this section discusses various forms of water, air, and land pollution and concludes by highlighting the major institutional constraints that hinder effective protection of the environment.

Water quality and marine pollution

Lebanon is undergoing serious depletion of its water resources due to inefficient water management and rapid deforestation exacerbated by quarries and fire hazards. According to UNESCO, Lebanon might witness drought around the year 2050 and the effects of this depletion are already felt in many Lebanese households which have to purchase service and drinking water throughout the year.

The disposal of solid and liquid waste in rivers is causing pollution in superficial water. Groundwater quality is alarming due to the infiltration of pollutants, (wastewater, industrial waste, solid waste) the uncontrolled drilling of wells (71,800 artesian wells¹²²), and the absence of waste treatment. Moreover, the regular observation of the chemical composition of water is lacking due to the absence of an efficient measuring network. Polluted superficial

¹²¹ According to the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage, Paris, 16 November 1972, Article 2, natural heritage is " natural features consisting of physical and biological formations or groups of such formations, which are of outstanding universal value from the aesthetic or scientific point of view ; Geological and physiographical formations and precisely delineated areas which constitute the habitat of threatened species of animals and plants of outstanding universal value from the point of view of science or conservation; natural sites or precisely delineated areas of outstanding universal value from the point of view of science, conservation or natural beauty

¹²² CAS & UNDP/MOSA . 2006. *The National Survey of Household Living Conditions 2004*. Beirut: CAS & UNDP/MOSA.

water and groundwater are spilled into the sea without prior treatment exacerbating marine pollution.

Moreover the infiltration of sewage into ground water as a result of the degradation of drinking water pipes has led to the spread of infections such as Hepatitis A and Typhoid especially in North Lebanon, South Lebanon and Nabatiyeh.

Table 3 Percentage of people with water-related health problems per Governorate (1995-2000)

Disease	Beirut	Mount Lebanon	North Lebanon	South Lebanon & Nabatiyeh	Beqaa	Total
Dysentery	2%	10%	5%	68%	15%	100%
Hepatitis A	13%	15%	32%	32%	8%	100%
Typhoid	6%	11%	39%	30%	13%	100%

Source: CAS/EU, (2006) National statistical compendium on environment statistics in Lebanon, Beirut.

In an attempt to address further depletion of water resources and the contamination of ground and surface water, the Ministry of Energy and Water carried out a ten-year plan that includes water preservation through the construction of 30 dams and collinear lakes (a USD-2-billion-project) and the treatment of waste water for irrigation purposes. Moreover, the National Physical Master Plan¹²³ proposes the water treatment of 80% of used water.

Air pollution

One of the major causes of air pollution in Lebanon is the density of traffic, where the number of vehicles has increased by 38% over a period of ten years (1994-2004). Currently, 52% of households in Lebanon own at least one vehicle¹²⁴. Moreover, the high number of construction sites and machinery in Beirut as well as the cement plants installed in Chekka have dramatically increased anthropogenic emissions. The situation is further exacerbated by

¹²³ Council for Development and Reconstruction (CDR), 2006. *National Physical Master Plan*. Beirut: CDR.

¹²⁴ MOSA/CAS/UNDP. 2006. *The National Survey of Household Living Conditions 2004*. Beirut: CAS & UNDP/MOSA

the lack of monitoring of air quality with such data being only available for Beirut and Chekka.

Air pollution has significant negative impacts on public health and results in severe acute and chronic conditions including bronchitis, respiratory disorders, lung carcinomas, etc. Based on average concentration levels of PM10¹²⁵ monitored in Greater Beirut and estimated for Greater Tripoli, calculations show that more than 350 people die annually from causes related to urban air pollution.

Land pollution

Lebanon is characterized by its large diversity of ecosystems due to its variety of environmental conditions. A small country such as Lebanon is lucky to have such a large diversity of fauna and flora which is however threatened by pollution and sudden ruptures of the environment. Moreover, landscapes are important for the tourism industry and represent an economic as well as a social asset.

Lebanon faces multiple types of land pollution caused by factors including high population density (reaching 420 people per square kilometer), uncontrolled construction, quarries, the degradation of forests, and the neglect of agricultural land. By 1991, Lebanon had lost 75% of the forest cover it had in 1968. In addition, there are more than 700 quarries in Lebanon with Mount Lebanon housing the highest density of quarries, at an average of 1.87 quarries per 1000 hectares¹²⁶. The diverse landscapes of these areas and its tourism potential have been largely destroyed by unplanned and uncontrolled construction and quarries. Industries such as the Chekka Cement factory, the fertilizers factory in Selaata and the sugar refinery in the Bekaa produce most of the toxic waste. Moreover, the 160 hospitals in Lebanon generate around 11 tonnes of daily dangerous waste or 4000 tonnes a year.

Furthermore, the coastal zone is polluted by high population density, untreated municipal wastewater, seafront solid waste dumps, concentration of industrial activity, the presence of 4

¹²⁵ PM10 is an air pollutant with a significant impact on health.

¹²⁶ The districts of Alley, Kesrouan and Maten are characterized by densities of 3.03, 2.38 and 2.20 quarries per 1000 hectares respectively.

commercial harbours and 15 fishing harbours, 12 oil pipelines, and three central power plants. The extraction of sands, the uncontrolled construction of seaside resorts and other public domain violations has led to the aggravation of erosion of the coastal zone and the reduction of tourism value. Industrial zones are scattered along the shore with very little control of their operations and waste management techniques. Currently, only 19% of the 500-meter-band along the Lebanese coast consists of natural landscapes¹²⁷.

Institutional issues Environmental protection has witnessed significant advances in the last twenty years. Decree 343 of 1942¹²⁸ initially defined eight sites as protected natural sites and between 1992 and 1999, the Lebanese Parliament extended environmental protection to seven additional sites which were defined as natural reserves¹²⁹. Moreover, an Environmental Protection Law (No. 444) was endorsed in 2002. However, enforcement of its provisions lags far behind its initial intent.

This is especially the case in light of the fact that institutional and cultural foundations of environmental protection in Lebanon are weak. The Ministry of the Environment is seriously understaffed and underfunded and shares jurisdiction over natural sites with other ministries including the Ministry of Agriculture. Moreover, the Lebanese in general have little awareness of environmental issues and have not acted as responsible custodians of their land and its fauna and flora. Despite the presence of Law 580 of 2004 which regulates hunting activities, Lebanon counts 20,000 licensed hunters and 400,000 unregistered hunters. This accounts for 10% of the Lebanese population, to be compared to 2% in France and 3% in Ireland.

Cultural heritage

Cultural heritage consists of tangible heritage in the kind of buildings, historic places, monuments and cultural landscapes in addition to intangible heritage such as traditions,

¹²⁷ Council for Development and Reconstruction, (2006) *National Physical Master Plan*, Beirut: CDR.

¹²⁸ *Ibid.*

¹²⁹ Two sites, Qadisha valley and the cedars of Besharre are listed as part of UNESCO's world heritage.

artistic expression and language¹³⁰. The safeguard of Lebanon's heritage is important because it covers long spans of human history from the Iron Age to the modern era going through the rise and fall of virtually all of the world eastern and western empires. Moreover this heritage has an important role to play in the nation's awareness of its identity¹³¹, culture being a cement of social cohesion.

Archeological sites

Due to urbanization, postwar reconstruction and the lack of means and mechanisms for patrimony preservation, cultural heritage in Lebanon suffers from neglect and is progressively losing ground to buildings and construction¹³². Entrance fees to major archeological sites are transferred to municipalities but do not benefit the preservation of the sites nor the quality of life of the surrounding communities. It is to be noted that there is a shortage of funds from the Independent Municipal Fund to the preservation of cultural heritage. Most sites are poorly preserved and in need of an effective development and communication strategy. On another level, the degradation of the cultural heritage of Lebanon is due to poor maintenance and management of historical buildings and monuments. Pollution, sewage flows and traffic are the main environmental problems affecting buildings and sites.

It is clear that no cultural heritage sites can be protected without the cooperation and participation of people living around those sites. The public must be informed about the meaning of these sites and their relation to it, in order for them to be able to preserve and protect the cultural heritage of their country. In this regard, although awareness of cultural heritage aims at understanding the origins and development of modern societies, the actual mode of reconstruction in Beirut in addition to real estate speculation have seriously affected the architectural and cultural heritage of the capital. The impact of the predominant "real estate" rationale in which short term individual profit prevails over long term public interest has also led to historical buildings being torn down across the country.

¹³⁰ www.whc.unesco.org

¹³¹ *Ibid.*

¹³² The World Bank, 2003. *Cultural Heritage and Urban Development*, Project appraisal document on a proposed loan in the amount of US\$31.5 million to the Lebanese republic.

While initial inspection has revealed no significant destruction of cultural heritage sites due to the July 2006 war, UNESCO carried out the assessment of potential damage caused to cultural sites and that the ancient edifices have not been structurally weakened by the impact of explosions¹³³. Although major components of Lebanon's cultural heritage had been spared by the conflict, the mission found several areas that require attention to safeguard and revitalize that heritage¹³⁴ such as the site of Byblos which was affected by the oil spill from the fuel tanks for the Jiyeh power plant and small damages and fissures in the site of Baalbeck¹³⁵.

Arts and traditional crafts

On another level, intangible cultural heritage in Lebanon such as artistic production and performing arts, literature and fine arts enjoy limited governmental support due to constricted budget. The Ministry of Culture support cinema production by funding up to ten films. The ministry supports theaters through the allocation of an undersized annual budget and aims at acquiring a number of paintings, sculptures and books of Lebanese painters and sculptors and writers. However a lot remains to be done in order to properly support the cultural heritage in Lebanon. Moreover, Lebanon has a vivacious cultural life comprising events, festivals and exhibitions. However the survival of certain traditions, skills and authentic activities is seriously threatened.

One of the major issues pertaining to the cultural sector is the low contribution of cultural heritage to local and national socio-economic development. The cultural tourism industry is underdeveloped. On the whole, the cultural establishments both public and private lack the institutional capacity and funding which is seen as the major constraint to the development and the implementation of a comprehensive strategy for the cultural heritage preservation and management of the Government. The government of Lebanon's budget in 2010 allocates only L.L. 27 billion to the Ministry of culture or 0.2% of the total budget excluding debt

¹³³ "UNESCO sends experts to carry out technical assessment of the effects of the war on Lebanon's cultural heritage".

¹³⁴ *Ibid.*

¹³⁵ *Ibid.*

service. With this size of budget it is doubtful that the Ministry will be able to take a leadership role in preserving and promoting culture in Lebanon.

Housing

The impact of the surrounding environment on the quality of life starts with the interaction of the individual with his/her habitat. An overview of the urban expansion and housing issues in Lebanon contributes to the understanding and comprehensiveness of the impact of various factors such as population density and housing conditions on the quality of life of the individual and communities.

Urbanization

Urban expansion is a major challenge for Lebanon and affects the quality of life, water resource availability, costs of infrastructure and the future of landscape areas. An estimate of 87% of the total population in Lebanon lives in urban areas (a rate higher than most other Arab states) in addition to an uneven distribution of population among the different regions with half of the population living in Beirut and Mount Lebanon and only 13.6% in the Bekaa region which is the largest governorate in size.

The ravaging war between 1975 and 1990 resulted in massive population displacement which exacerbated the urban expansion and housing demand and resulted in de facto sectarian segregation in all but few Lebanese cities. In this context, the absence of a national urban development strategy and the years of war resulted in conflicting land uses and the deterioration of physical and environmental conditions, urban sprawl without adequate infrastructure or public spaces, loss of agriculture land, disappearance of coastal land and destruction of natural and archeological sites.

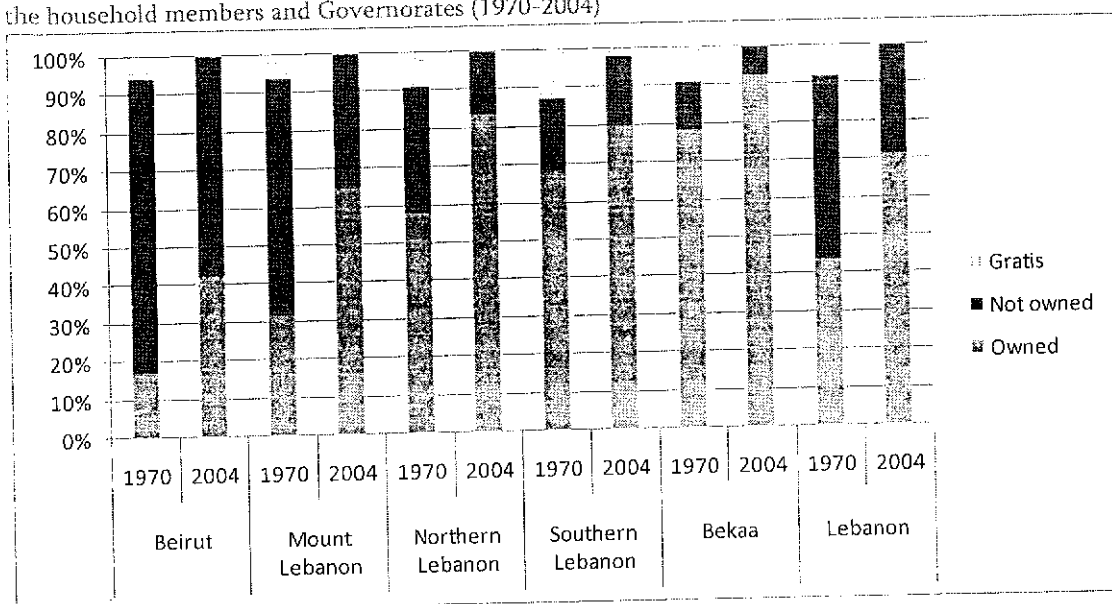
In an attempt to undertake necessary changes, the Government carried out in 2002 an initiative to design a National Physical Master Plan which was submitted in 2006 and was endorsed by the council of ministers in 2009. The Plan shed light on the urbanization challenges facing the country estimating a total of 884 square kilometers of urbanized areas for an urbanized population of 4 million in year 2030 which would have significant impact on

the natural and environment and agricultural lands¹³⁶. Moreover 40% of the surface of the coastline is urbanized with only 500 meters wide¹³⁷.

Housing for low and middle income families

The last three decades have witnessed a significant increase in home ownership with the home ownership rate increasing from 44% to 71% of total dwellings. However, major discrepancies exist among the various governorates with Beirut having the lowest ownership rate (43%) while the Bekaa for instance has an ownership rate of 92% (Figure 12).

Figure 12 Distribution of primary residences according to ownership of primary residence by one of the household members and Governorates (1970-2004)



Source: CAS (2006) *Living conditions of households*; CAS (1972) *L'Enquête par sondage sur la population active au Liban*, November 1970.

Moreover the distribution of primary residences has not taking place according to a deliberate and rational urban plans but has been rather been disorganized and often exceeding the capacity of the existing infrastructure. Housing has long been a critical issue in Lebanon which was only addressed by ad hoc and separated initiatives lacking impact and efficiency. One of the major challenges facing the housing sector in Lebanon is the lack of a national housing policy and long term planning in terms of building residential units, housing

¹³⁶ UNHABITAT, 2008. *Country Programme Document Lebanon 2008-2009*. Beirut: UNHABITAT.

¹³⁷ CDR, 2006. *National Physical Master Plan of the Lebanese Territory*, Final Report, Beirut: CDR.

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institutions, and infrastructure. Since the late nineties, successive ministerial communiqués – even the Social Action Plan presented at the Paris III international conference – are void of any reference to a housing policy targeting the low-income categories of the population. The housing issue is an urgent issue to be addressed especially following the boom in the real estate since 2007 which resulted in an increase of at least 150% in dwelling prices¹³⁸.

The Public Cooperation for Housing (PCH) was established in 1996, replacing the Independent Housing Fund and put under the tutelage of the Ministry of Social Affairs, after the closing of the Ministry of Housing in 2000. However the role of the PCH is limited to the supervision of housing loans given by the commercial banks in terms of compliance to the conditions as specified by the rules and regulations of the PCH. According to the conditions set by the PCH, beneficiaries should have a full-time job and a fixed monthly income (not exceeding USD 2,000). However, the PCH has been unable to satisfy the increasing need for new homes. For instance, around 38,000 new marriages were registered in 2008¹³⁹. Based on the assumption that marriage creates new households and thus the need for new homes, 38,000 new residential units were needed that year out of which only 6000¹⁴⁰ were purchased through PCH loans. In other words, the PCH was able to satisfy 16% of the need in 2008.

Moreover, exacerbated increase of house prices gravely hampered the chances of low and middle income households of owning a dwelling. Construction codes are another main issue in the housing sector, where the absence of strict laws prohibiting developers from distorting the quality and quantity of construction material have led to disastrous collapses (Byakout and Nemej). Also, construction during 1975-1990 war period, which did not abide by rules and regulations, entailed widespread illegal housing conditions and informal settlements. It is to be noted that construction laws are void from any incentives for construction in respect of specifications and standards such as tax exemptions.

On another note, the Lebanese housing sector was characterized by an old rent control law prohibiting rent increases and expulsion. The rigidities of the law and the strong devaluation

¹³⁸ Order of Engineers, 'أزمة الاقتصاد العالمي... النمو العقاري في لبنان: أي علاقة؟', June 18, 2010.

¹³⁹ CAS, *Statistical Abstracts for the year 2008*, Beirut. Available at: www.cas.gov.lb

¹⁴⁰ *Ibid.*

of the Lebanese pound led to a legal reform in 1992 stipulating the possibility of a fixed term renting contract for a period of three years with a 10% increase every year. People with old rents were still protected against rent increase. This de facto rent control is unfair to property owners who continue to be paid relatively low rates given the inflation. On the other hand, the elimination of rent control would drive out low and middle income households from major cities such as Beirut.

Palestinian refugees' issue

Housing is one of the most serious problems affecting Palestinian refugees in Lebanon. The land area occupied by the 12 official refugee camps has remained mostly unchanged since 1948 despite substantial population growth. The issued property law (Decree 296) in May 2001, prohibits Palestinians from the ownership of property and deprives them of the right to transfer their already purchased apartments and deeds to their children. The poor housing conditions of Palestinian refugees living in camps and gatherings has been exacerbated by a series of government policies which deny the right of Palestinian refugees to improve their housing. Since the 1990s, the government has imposed strict restrictions on the entry of building materials to the camps thereby preventing building, renovation, repairs and regular maintenance works. This has led to the deterioration of houses and infrastructure. This policy was revoked between 2004 and 2005 but was reinstated later in 2005. Public services such as sanitation, water supply, solid waste disposal and electricity in Palestinian refugee camps are provided through UNRWA. However many problems, such as high population density, shortage of safe water supply, lack of infrastructure services and the mismanagement of solid waste played an important role in the deterioration of the public general environment and the spread of diseases.

Urban Slums

A "Slum" at its simplest definition is a "heavily populated urban area characterized by substandard housing and squalor". In developing countries, the term "slum" simply refers to

low quality or informal housing which has become intimately connected with perceptions of poverty, lack of access to basic services and insecurity¹⁴¹. In other words, slums can be identified as areas of the city where most of the residents live in precarious economic conditions with high levels of vulnerability and where services and living conditions are lower than other parts of the city¹⁴². Typical characteristics of slums include poor hygiene conditions; poor physical conditions including poor infrastructure, dirty roads and unavailable services; poorly built dwellings that often house multiple families; and the ambiguous legal status of dwellings¹⁴³.

According to the "Rapid social assessment", urban slums in Lebanon are mainly poverty bands existing in or around main cities such as Beirut and Tripoli and the old city of Saida.

According to the CAS census on buildings and households, there were around 20, 000 improvised buildings in 1996-1997 which are typically illegal and lack structural stability and permanency. Half of these improvised buildings are located in Mount Lebanon, around 5000 in the North and 3, 500 in the Bekaa. Also according to the 1997 census on living conditions, 34.1% of the Lebanese population lives in crowded dwellings which constitute 24% of the total number of dwellings. Overcrowded dwellings refer to dwellings where more than three people live in a room or more than eight live in less than 4 rooms¹⁴⁴.

A study of Beirut slums revealed 24 different slums that house around three hundred thousand slum dwellers (more than 20% of the city's population). Slum inhabitants include rural migrants who started coming in the city in the 1950's; Lebanese population displaced by military conflicts between 1975-1990; refugee groups notably Armenians and Palestinians and foreign labor including Arab, Asian and African nationalities. Living in slums leaves the residents with an increasing feeling of abandon from the government and thus decreases their sense of responsibility or obligation towards the state.

¹⁴¹ Sharing the global development agenda

¹⁴² Fawaz, M. & Peillen I., 2003. "Urban Slums Reports: The case of Beirut, Lebanon" in *Understanding Slums: Case Studies for the Global Report on Human Settlements 2003*.

¹⁴³ *Ibid*.

¹⁴⁴ Consultation and Research Institute, 2005. *Millennium Development Goals: MDG Costing – Lebanon*, Beirut: UNDP.

9.2. Structure of the element

Following an analysis of the conditions that characterize the physical environment within which people in Lebanon live and interact, an element was developed with the aim of providing people with their right to safe, clean, and decent living conditions and create opportunities to build cohesive communities and strengthen the bonds that define the Lebanese identity.

Revitalize communities and encourage the development of social capital

Enhance living environments especially in villages and urban slums, foster cultural and natural heritage and promote social capital to create the setting for more interactive, cohesive, and socially engaged communities.

- ❧ Strengthen social cohesion through the promotion and preservation of cultural and natural heritage and the creation of shared public spaces.
- ❧ Improve living conditions in crowded urban agglomerations and underserved rural areas, and promote home and land ownership by low-income families through the provision of regionally balanced credit facilities and private sector incentives

The achievement of this element, revitalizing communities and developing social capital, goes through the implementation of a number of objectives that were classified under three basic sub-elements, namely heritage, social cohesion, and housing.

REVITALIZE COMMUNITIES & ENCOURAGE DEVELOPMENT OF SOCIAL CAPITAL¹⁴⁵

Heritage

PRESERVE NATURAL RESOURCES AND PROTECT THE ENVIRONMENT

Increase awareness of the importance of natural sites thereby strengthening the sense of a common belonging to one territory and promote and enforce the conservation of natural resources by strengthening legal mechanisms and their enforcement

PRESERVE AND PROMOTE CULTURAL HERITAGE AS AN ESSENTIAL RESOURCE IN NATIONAL DEVELOPMENT

Protect archeological sites as the foundations of Lebanon's modern history and promote Lebanese cultural heritage including artistic productions and performing arts, literature, fine arts, and culinary traditions as a platform for a common Lebanese identity and a fundamental component of Lebanon's image in the world

Social Cohesion

REINFORCE A LEBANESE IDENTITY SHARED BY ALL CITIZENS

Ensure that all citizens feel equally empowered and protected by the state regarding both their duties and their civil rights thereby reinforcing citizenship vs. confessionalism

CREATE AND PROMOTE SHARED PUBLIC SPACES

Promote the creation of social capital through the preservation and establishment of interaction opportunities in spaces such as public parks, municipal sports arenas, public libraries

PROTECT WOMEN AND CHILDREN FROM VIOLENCE

Establish legal and institutional mechanisms to protect women from abuse in home and work settings, beginning with a civil personal status law, and institute and enforce harsh penalties to protect children from violence and abuse within their families and in schools.

STRENGTHEN JUDICIAL INDEPENDENCE

Strengthen the independence of courts from political intervention and increase the interaction between civil society and the judicial branch as the foundation for the protection of people's rights on the Lebanese

¹⁴⁵ The structure of this element consists of three sub-elements each of which is broken down into a number of objectives followed by a description of what each objective implies.

Housing

PROMOTE HOME OWNERSHIP BY MIDDLE AND LOWER-INCOME HOUSEHOLDS

Institute a national housing policy that aims at increasing opportunities for middle and low-income households to own homes thereby securing an essential asset and increasing the saving rate essential to economic growth and prosperity

ADDRESS OWNERSHIP RIGHTS OF PALESTINIANS

Afford Palestinian refugees with home ownership rights and decent living conditions inside camps including the ability to maintain and rehabilitate their homes and communities and make available the necessary public services in return for the same public fees assessed on the rest of the Lebanese territory

ASSESS THE URGENT NEEDS OF URBAN SLUMS AND ADDRESS THEM BY ORDER OF PRIORITY

Reestablish a relationship of trust between slum residents and their government through the rehabilitation of their communities and the provision of adequate public and social services

10. Encourage Socio-economic development

10.1. Situational Analysis

Social development is closely connected to political stability and economic growth. After the end of the civil war, Lebanon has witnessed many internal and external political shocks including the contradictory ways of applying the Taef agreement, the recurrent Israeli attacks (1993, 1996, 2006) against south Lebanon, the assassination of former Prime Minister Hariri in 2005 as well as the other assassinations that followed, creating an implicit environment of civil strife in the country. In addition to this, the confessional and sectarian political system in Lebanon has also slowed down the social and economic development of the country. For example, the need for confessional representation in public sector jobs has entailed that many vacancies exist in public administrations, and that hiring has been based on sectarian belonging rather than merit and competence.¹⁴⁶ Hence, the “public sector’s performance has been hindered”¹⁴⁷ and slow to act. Furthermore, the sectarian division of the government has promoted and encouraged the proliferation of clientelist networks with political leaders and public sector employees benefiting their sectarian community rather than the country as a whole. Due to this political instability - along with the main macroeconomic policies that prevailed after 1993 – Lebanon failed to achieve the targeted growth rates in the last 2 decades, despite huge discrepancies between different periods.

Growth Rates

The overall average annual growth rate registered during the post-civil war period has effectively been around half the rate that was expected by the different Reconstruction Programs during the first half of the nineties. While the target rate of these programs was around 8%¹⁴⁸ (at constant prices) annually, the actual rate for the period of 1993-2008 has been limited to only around 4% to 4.5%¹⁴⁹.

¹⁴⁶ UNDP, 2009. *The National Human Development Report: Towards a Citizen’s State*. Beirut: UNDP.

¹⁴⁷ *Ibid.*

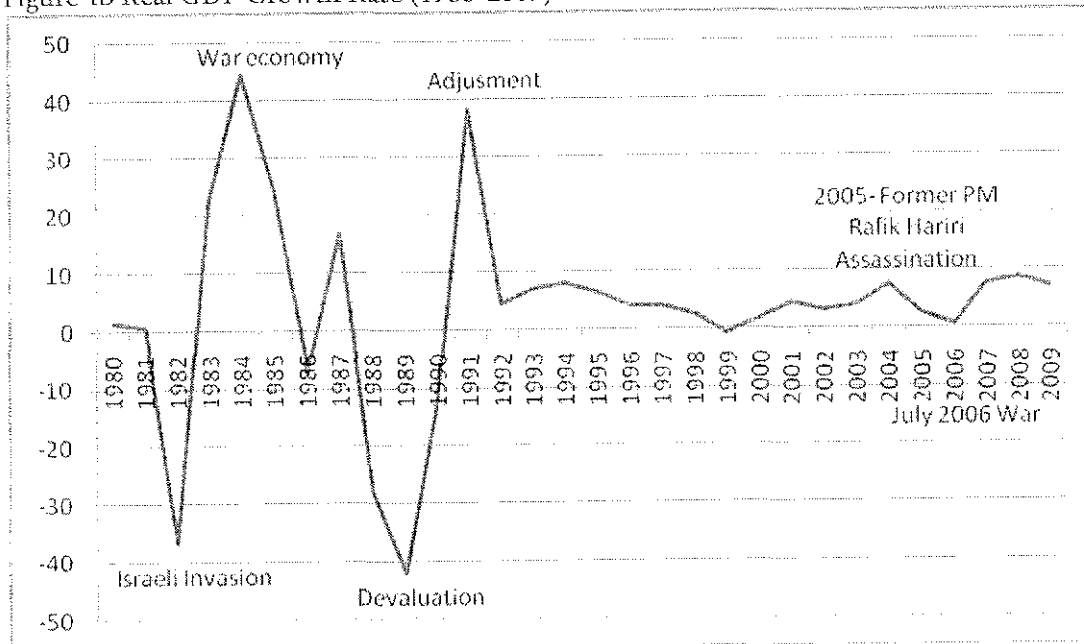
¹⁴⁸ Council for Reconstruction and Development (CDR).

¹⁴⁹ For the period 1993-1996: *IMF World Economic Outlook*, October 2009; and for the period 1997-2008 and forecast 2009: Presidency of the Council of Ministers, *Economic Accounts*.

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This overall trend was accompanied with significant variations from one period to the other: around 6% between 1993 and 1996, 2.5% on average between 1997 and 2003, followed – after a pick in 2004 of 7.5% - by two years of almost no growth in 2005 and 2006 (0.8%), after which the growth rates picked up again with more than 8% on average between 2007 and 2009. It should be noted that the post-war average annual growth rate lies far below not only the target rate of the Reconstruction Programs, but also below the average 6% growth rate that prevailed during the pre-civil war period, especially the sixties and the first half of the seventies. Furthermore one may also argue that the gap between the pre and post-war average growth rates is, to a great extent, attributed to the huge losses in capital and in revenues as a consequence of the war, in addition to the structural economic changes that occurred in the Arab and Gulf countries, and which were coupled with a long term decreasing trend in external demand on Lebanese economy.

Figure 13 Real GDP Growth Rate (1980-2009)



Source: IMF, *World Economic Outlook*, October 2009.

Determinants of Economic Growth

The determinants of economic growth during the post- civil war era – as reflected in the evolution of the national accounts - have to a great extent been affected by the following main trends and factors:

- i) A relatively high increase in consumption (and consequently imports), including both private consumption (during the quasi whole period), and public consumption especially during the nineties;
- ii) An increase of both public and private investments during the nineties in addition to a sharp increase in private ones after 2006. Most of these investments, it must be noted, were absorbed for the reconstruction and the rehabilitation of infrastructures, as well as and more pertinently by the boom of the private construction and real estate sector;
- iii) A more moderate increase in external demand on both Lebanese industrial exports and touristic services, bearing in mind that the developmental role of exports remained rather modest despite the increase of their share as a percentage of GDP. While touristic activities also remained tangible and important, they were subject to cyclical ups and downs, due to the political and security instability in the country.

Sectoral dimension of economic growth

Economic growth is closely related to the long term evolution of inter and intra-sectorial parameters. It is a matter of fact that the various theories of economic growth have usually relied on the differential evolution of sectoral productivity to show the historical transition from an economy where agriculture plays a determining role to an economy where such a role is led by industry, then by services. Historically this has been the case of the developed countries and to some extent the case of most emerging economies. In Lebanon “the industrial era” has effectively been missed, even though it potentially had the chance, between the mid-sixties and the mid-seventies, to materialize. It however failed to take off due to the beginning of the civil war. With the persisting low level of agricultural productivity, the blocked industrial “jump” and the hypertrophic and chaotic development of modest value-added tertiary activities – that have been encouraged by the blunt urbanization and the intensive internal migrations - the Lebanese economy ended up with many bottlenecks and structural distortions: moderate economic growth rates, sectoral and regional imbalances, jobless growth, predominance of non-tradable (non exportable) goods and services, weak labor productivity and relatively high cost of production. These phenomena

have actually resulted in a dual (or “two-speed”) mode of economic growth: one concerning a quasi unlimited number of micro and small enterprises (around 90% of total number of enterprises) – mostly informal – and the other a relatively small number of bigger enterprises having an oligopolistic structure and ruling the “game” of the markets.

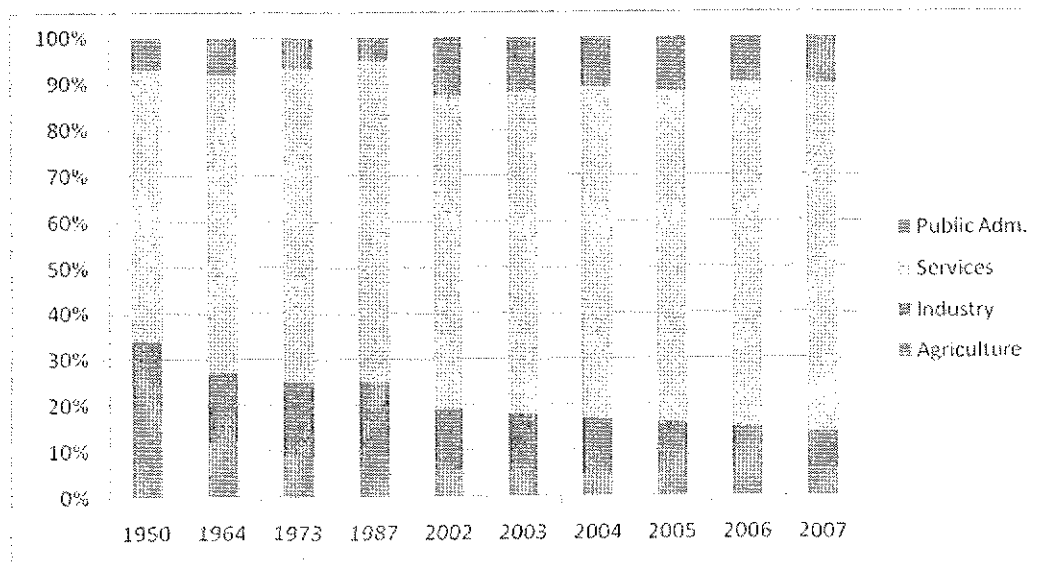
The “Productive sectors”

“The flow of capitals over the past 20 years wasn’t invested in the productive economy, but in the luxurious real estate sector and the banking and touristic sectors.”¹⁵⁰. The notion of productive sectors is strongly debated amongst economists, and no agreement has thus far been reached. As the simplest definition, a productive sector (as opposed to an unproductive sector) is a sector which transforms inputs into outputs regardless of whether said output is consumed or not. It is a sector which creates a surplus value (profit, wage, interest, rent...). The more these different value-added components are produced through inter and intra-sectoral exchanges, the more the concerned sector or activity is productive. A less or non productive sector of activity is the one that “[...] circulates value rather than create it”¹⁵¹, characterizing ultimately what is often referred to as a rents economy. Historically, the structure of the Lebanese economic output has registered a long term decreasing trend in the relative share of industry and agriculture, with an upward trend in services (see figure below). This fact is not necessarily negative in itself, except when it comes to the specific internal content of each of these sectors and their economic performance, in terms of cost-effectiveness, total factor productivity, price/quality ratio, transparency, ethical conduct and openness to competition and international trade.

¹⁵⁰ Ilcinka, A., 2010. “Georges Corm: Lebanon is not Monaco or Dubai. There are four million mouths to feed”. *iloubnan.info*.

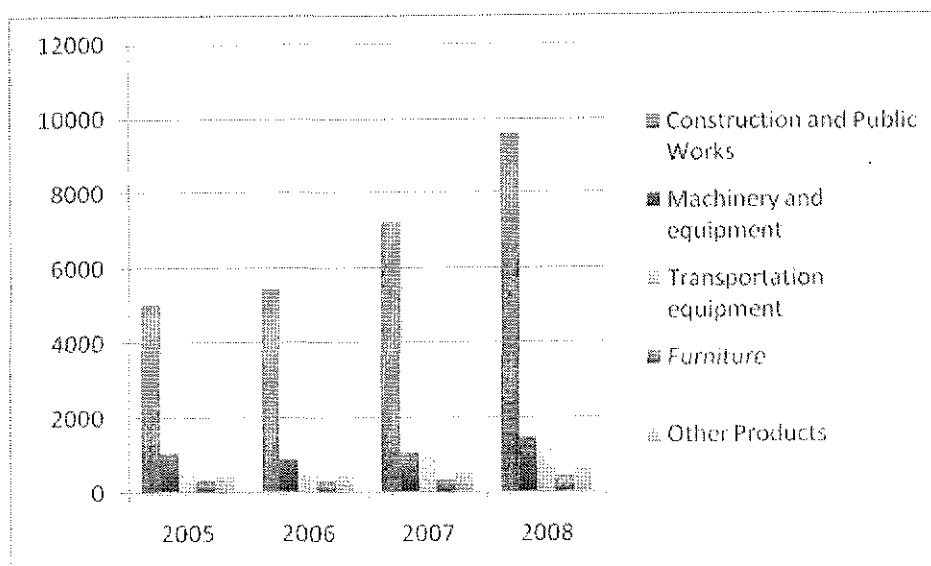
¹⁵¹ Mohun, S., 2004. “Productive and Unproductive Labour and Profit Share in the US Economy 1964-2001”.

Figure 14 Structure of output by economic activity (in % GDP) 1950 – 2007



Source: Nasnas, R., (2007) "Emerging Lebanon: Towards an economic and social vision", *Annahar*, Beirut.

Figure 15 Gross fixed capital formation by type 2007-2008



Source: Presidency of the Council of Ministers, *Lebanon's Economic Accounts* 2006-2007 and 2008.

Competition in the Lebanese Economy

Although some aspects of a competition policy are found in the Lebanese legislation, the competitive environment nevertheless suffers from a lack of laws and regulations. Two factors limit competition; first, despite the recent efforts deployed to produce a comprehensive competition law, this latter is still not officially approved; second, current laws, particularly those which permit exclusive agency, ensure that a few privileged importers may exclusively provide international brands in the country. In an attempt to measure the degree of competition/concentration in the Lebanese economy, a recent survey proved that, “more than half of Lebanon's markets are considered oligopolistic to monopolistic and about a third of them have a dominant firm with a market share above 40 percent”¹⁵². The reasons for such high concentration rates (hence little domestic competition) are varied, but always relate in one way or another to the presence of barriers to entry and exit that discourage agents from investing in a *number of markets*. Artificial barriers are the major reason behind the weak competition in the Lebanese economy. Only a small number of enterprises are operating on several large markets that are capable of handling more competition in terms of number of competitors.¹⁵³ In this context, it is estimated that rents¹⁵⁴ accruing from monopolistic positions represent more than 16% of GDP in Lebanon.¹⁵⁵ Greater competition however would have a positive impact on growth. Increased domestic competition combined with higher capital mobility will enhance long-term annual GDP growth potential by 0.56 percent.¹⁵⁶

¹⁵² CRI, 2003. “Competition in the Lebanese Economy: A Background Report for a Competition law in Lebanon”, Beirut: CRI.

¹⁵³ Gaspard, T., 2004. *A political economy of Lebanon: The Limits of laissez-faire*, Leiden: Brill.

¹⁵⁴ Rents refer to profits accrued above and beyond what would be generated in open market conditions.

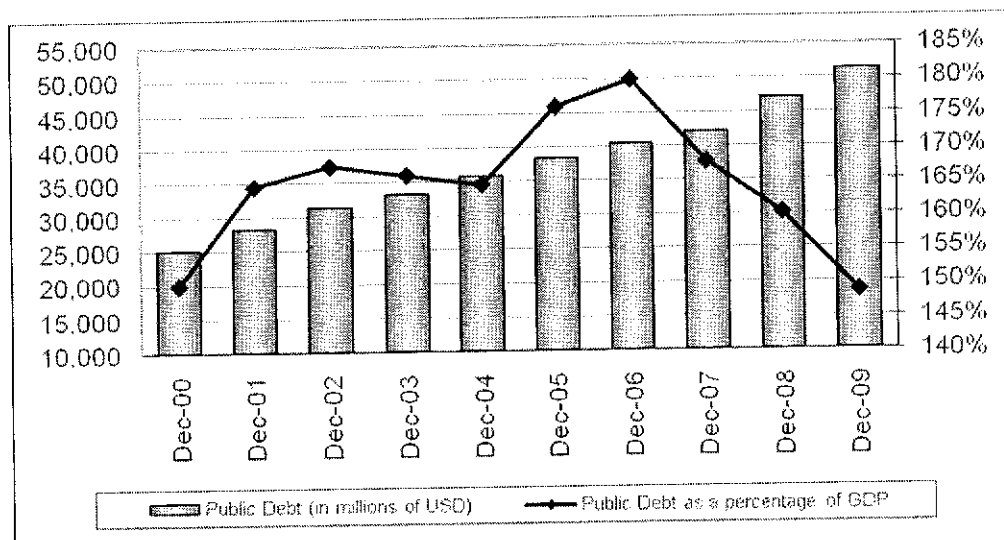
¹⁵⁵ Berthélemy, J.C., et al., 2007. “Exploring Lebanon’s Growth Prospects”. Policy Research Working Paper 4332-World Bank.

¹⁵⁶ Berthélemy, J.C. et al., 2007. Op.cit.

Debt and Monetary Policy

The issue of public debt has been of particularly high concern since the mid-nineties. The prevailing political and economic conditions, coupled with the absence of growth-enhancing structural reforms that address the public sector administration and interventions, exacerbate the state of public debt and increase the threat of its un-sustainability. Furthermore, the financing needs of the government have increased sharply as a result of the Israeli aggression in 2006 at a time where it was already facing huge short term debt obligations. By December 2009 the Lebanese debt had surpassed USD 51000 billion, i.e. nearly 150% of the GDP¹⁵⁷, one of the highest ratios in the world (refer to figure below).

Figure 16 Public Debt as a percentage of GDP



Source: Ministry of Finance, Debt and Debt Markets, QIII 2009; Budget proposal 2010

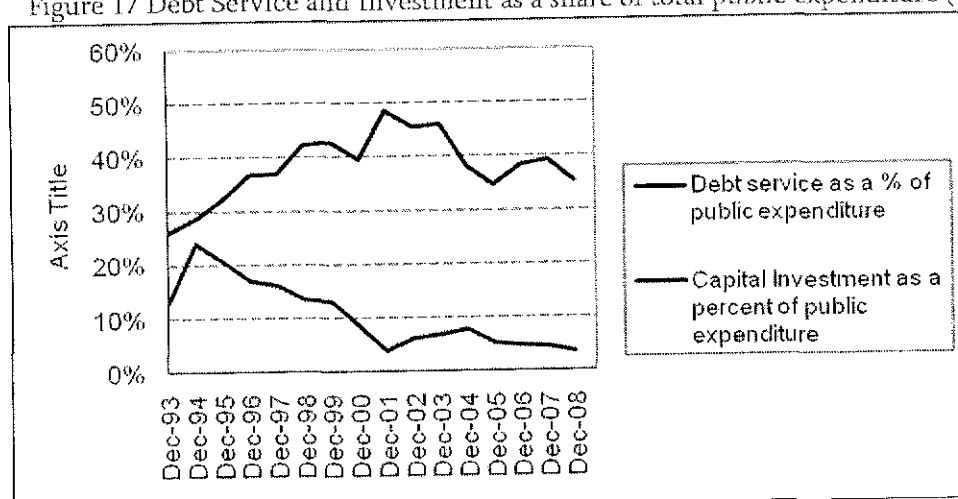
This high amount of debt remains especially costly for the Lebanese people for two reasons:

- 1- The interest rates paid by the Lebanese government on its debts are unjustifiably high even when one takes into account the country risk. In fact during the 1993-2005 period the weighted nominal yield on Lebanese pound Treasury Bills reached an

¹⁵⁷ Ministry of Finance, 2009. *Debts and Debt Markets*, QIII 2009, Beirut: Ministry of Finance.

average of 11.2% in real terms.¹⁵⁸ These high interest rates exercise a strong upward pressure on the rates that Lebanese borrowers are charged by the banks. More importantly the interest rates translate into high debt service charges that take up a significant portion of the budget. Debt service represented 12.9% of GDP in 2009, increasing from 12.2% in 2008¹⁵⁹. This represents nearly 35% of expenditure (refer to the figure) which entails that the government has little margin for discretion in terms of decision making with the budget and investment spending. This necessarily takes away from government investing in the country in terms of infrastructure or other and spending on social services such as health and education. Indeed around 42% of the cumulative spending of the government between 1993 and 2009 has gone to interest on the debt, and another 34% on public employee wages, while only 13% has gone into investment (see figure and table below).¹⁶⁰

Figure 17 Debt Service and Investment as a share of total public expenditure (1993-2008)



Source: Gaspard, T., "Prosperity for Lebanon: An Action Plan", in Nassas R., 2007 "Emerging Lebanon: Towards and Economic and Social Vision", Annahar, Beirut.

¹⁵⁹ EFG-Hermes cited in the Daily Star, 2010, "Lebanon's 2010 fiscal deficit to worsen on higher spending". February 11, 2010. Access March 30, 2010.

¹⁶⁰ Gaspard T., 2007. Prosperity for Lebanon: an Action Plan, in Nassnas, R., 2007. *Emerging Lebanon: Towards an Economic and Social Vision*, Beirut: Annahar. These numbers were updated by Toufic Gaspard.

Table 4 Government expenditures 1993-2009 (In billions and in %)¹⁶¹

Expenditure category	Cumulative spending	In %
Interest	42	37%
Wages	34	30%
Investment	13	11%
Consumption, transfers	26	23%
Total expenditure	115	100%

2- Public debt has crowded out private borrowing for productive investment, and has thus limited economic growth potential. At the same time, these effects have accelerated the flow of domestic and foreign capital into the high-profit government treasury bills rather than towards productive employment-generating activities. They have also contributed to aggravating the distortions in the structure of the GDP, and internal and external price structures.

The interest rate problem is further exacerbated by a controversial association between the rigid monetary stabilization policy and an expansionary public expenditure policy especially during the years 1991-1997. Normally a fixed exchange rate policy should be associated with restrained public spending with the expectation that interest rates would eventually fall in line with economic growth (real GDP growth).¹⁶² However continuously increasing government spending has produced precarious implications on fiscal issues, the public deficit and public debt, while no tangible progress has been achieved so far in terms of public sector reform. This contradictory monetary policy affects incentives for investment of the private sector, especially in the field of production of tradable goods and services.

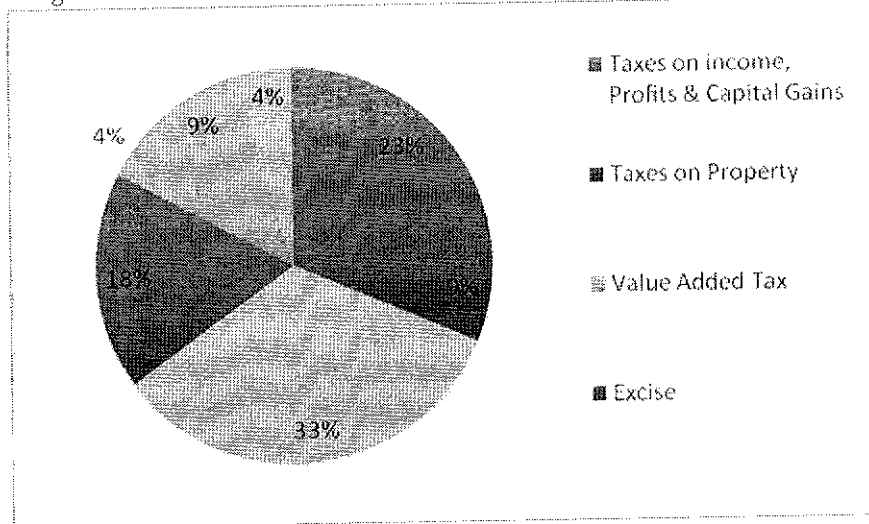
¹⁶¹ These numbers were updated by Toufic Gaspard.

¹⁶² Gaspard, T., 2007. *Op.cit.*

Fiscal Policy

On the whole, in 2009, tax revenues represented a mere 17% of the Lebanese GDP most of which came from the Value-Added tax (VAT) representing 33% of total tax revenues¹⁶³. This implies that there is a greater burden (relative to resource) on the middle class and the poor than on the rich – and there is an inverse relationship between the tax rate and the taxpayer’s ability to pay as measured by assets, consumption or income. The 2010 budget proposal retains similar tax revenue distributions, still relying on the VAT as the greatest share of said revenues (31%).

Figure 18 Distribution of tax revenues 2010 budget proposal



Source: Ministry of Finance (MOF), *2010 Budget proposal*, Directorate General of Finance (DGF).

The reason for which it is problematic that VAT represents the largest share of revenues is due to fact that unlike a progressive income tax, it does not differentiate between rich and poor as mentioned above. On the contrary, the poor are more negatively affected by the VAT- despite the introduction of exemptions on specific items of current consumption- since it is a fixed rate whereby the same amount is paid by all on the same goods. As such, middle and lower income households tend to spend a bigger share of their income on goods which are subject to VAT than that of the rich class- while many luxury goods purchased by the rich are

¹⁶³ Ministry of Finance (MOF), *2010 Budget proposal*, Beirut: Directorate General of Finance (DGF).

left untaxed. In fact taxes on income, profit and capital gains all together represented a mere 21% of total tax revenues in Lebanon; in other words, around only 3.5% of GDP, which is indicative of a regressive tax system. The 2010 budget proposal aims for taxes on income, profit and capital gains to represent 23% of total tax revenues, similar to the 2009 budget proposal which did not materialize¹⁶⁴.

Infrastructure

What adds to the deterioration of quality of life as well as the environment is the mismanaged and unreliable infrastructure in Lebanon. This mismanagement causes the economy great losses in terms of competitiveness on the Arab and global markets, potential economies of scale, and chances of development for non-central Lebanese regions. This further hampers chances for real equitable and balanced development beyond what is represented in GDP growth. The rest of this section outlines the challenges faced in four major sectors of infrastructure.

Electricity tariffs in Lebanon are some of the highest in the region as is the cost of production which is only surpassed by those of Morocco and West Bank and Gaza. This imposes a great economic burden on the Lebanese public. Further than that however, this electricity is unreliable as daily blackouts are the norm in the country. The reasons behind this unreliability are: "Inadequate spare capacity and overload, incomplete networks, failure to optimize evacuation energy and failure to import energy"¹⁶⁵, namely fuel and gas oil which are at the mercy of fluctuating oil prices. Power cuts force households as well as businesses to subscribe to generators whose costs cut into their incomes and profits, and take away from their saving and investment ability. Add to this that a large number of households cannot even afford to subscribe to generators and are therefore left with no heat or air conditioning, no light, no means to preserve their food. Moreover, EDL registers colossal losses which in

¹⁶⁴ Ibid

¹⁶⁵ CDR. Development Programme 2006-2009. *Draft Vision Report- Annex.*

2008 amounted to 1.860 billion USD according to the Minister of Energy and Water, further burdening an already tight budget.¹⁶⁶

Another major infrastructure problem is that of the deficient network of roads which fails to efficiently connect the Lebanese regions. Transport in Lebanon further suffers from serious quality issues which worsen as one moves away from Beirut. This leads to a “loss of investments, reduction in road capacities and safety and inefficiency in providing proper road transport services”.¹⁶⁷ The lack of a single unit that oversees all public works results in lack of coordination among the projects of the various entities responsible for infrastructure maintenance (Ministries of Energy and Water, Public Works, CDR, etc.). This generates serious economic losses to the government, which has to needlessly cover the cost of an excavation several times thereby diverting resources from more productive uses.

An infrastructural problem which Lebanon faces on a daily basis is that of water, whether drinking or waste water. Even though Lebanon is one of the few countries in the region which benefits from heavy rainfall, most of this water is lost to the sea due to lack of adequate and proper infrastructure to retain it and transform it into drinkable water.¹⁶⁸ This is in part due to the inability to recover costs “reflected in the financial deficits run by three of the four Regional Water Authorities”¹⁶⁹, forcing the government to step in and cover costs. Furthermore, there are major health concerns in Lebanon due to poor water quality. “In addition to health impacts, poor water quality increases the costs of water treatment and encourages or forces people to buy more bottled water than they normally buy if they had access to good quality drinking water.”¹⁷⁰

Finally, in this era of rapid modernization and advanced technology, Lebanon is still lagging in terms of information-communication technology (ICT)¹⁷¹. While the telecom issue in

¹⁶⁶ “Bassil: Electricity costs the economy \$5.75 billion annually”, *Daily Star*, Friday February 12, 2010 .

¹⁶⁷ CDR, 2005. Development Program 2006-2009, *Draft vision Main report*. Beirut: CDR.

¹⁶⁸ The World Bank, 2009. “Lebanon Social Impact Analysis – Electricity and Water Sectors”.

¹⁶⁹ The World Bank, 2009. “Lebanon Social Impact Analysis – Electricity and Water Sectors”, p.28.

¹⁷⁰ Ministry of the Environment, 2001. *Lebanon State of the Environment*, Beirut: MEHE.

¹⁷¹ ESCWA, 2007. *National Profile of the Information Society in Lebanon*. Beirut: ESCWA.

Lebanon does not negatively impact the livelihoods of people on the same scale of the above mentioned infrastructural problems, it nevertheless prevents the Lebanese economy from developing to its full potential. A major issue plaguing ICT in Lebanon is the lack of a public entity in charge of ICT development and coordination. The Lebanese pay high rates when it comes to the fixed and mobile lines as well as the internet. Hence, even though Lebanon enjoys a modern network of fixed telecommunication lines¹⁷², the Lebanese public still suffers from high prices which are not matched by the quality of services required. Internet services in Lebanon “are currently available at low data rates [...], high prices [...], and low penetration relative to relevant comparator countries”¹⁷³ Similarly, mobile services in Lebanon are experiencing a slowdown in terms of growth of penetration. Such high prices and only relatively adequate service generates economic losses for Lebanon in terms of lost investment.

Having said the above, it must be noted that the government seems keen on increasing investment in infrastructure. This is apparent in the 2010 budget proposal which presents increases in expenditures in this sector. For example, proposed investment in electricity has increased tremendously from 4 billion L.L to 483 billion L.L between 2009 and 2010. Similar grand increases may be witnessed in the water sector as well as transport and roads. These increases are aimed to rectify the current problems infrastructure in Lebanon faces. However, more investment alone will not rectify the structural problems which are present in the management and administration of these sectors.

Labor Productivity

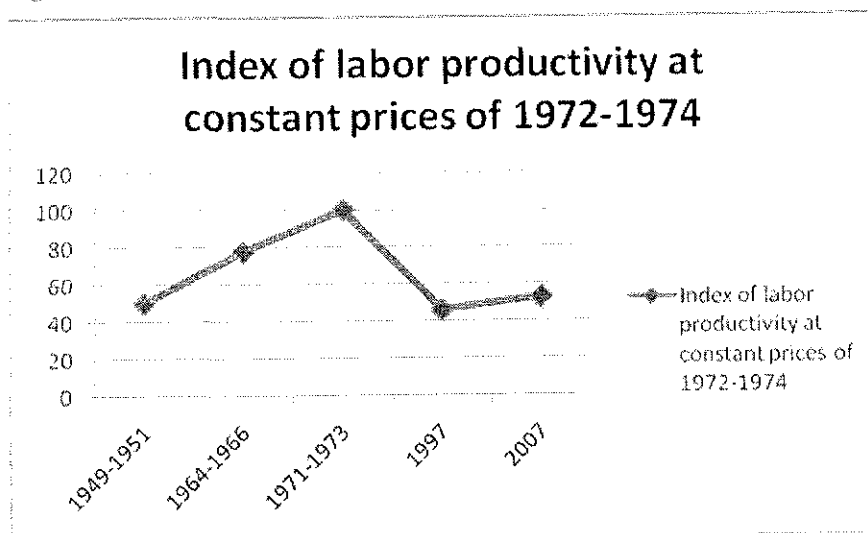
Furthermore, the Lebanese economy suffers from low labor productivity. At constant prices of 1972-1974, the index of labor productivity in the 50s was 50 but decreased to 46 in 1997.

¹⁷² Ibid

¹⁷³ The World Bank, 2009. “Economic and Fiscal Impact of Introducing Broadband Networks and Services in Lebanon”.

What is more striking is that in the 10 years following, labor productivity only grew to 53¹⁷⁴; i.e. half the productivity of the early 70s and only slightly higher than in 1997.

Figure 19 Labor productivity at constant prices of 72-74 (1950-2007)



The weak labor productivity may be related to a number of factors such as the status of the public institutions, regional distribution of economic activities, fiscal and monetary policies and market structures. It is notable for instance that although the share of university degree holders among Lebanese employees has increased 6 fold since 1970, the labor productivity index is currently half what it was at the time as previously noted.

Table 5 Employment Structure by Educational Attainment and Work Status (In % of total employment)¹⁷⁵

Education Level	1970	1997	2007
Primary	80	45.2	35.5
Intermediate	9.4	21.1	22.6
Secondary	6.3	17.4	18
University	4.3	16.2	23.8

Source: For 1970 and 1997: Nasnas, R., (2007) *Emerging Lebanon: Towards an economic and social vision*, Annahar, Beirut; for 2007, Central Administration for Statistics, (2008) *Living Conditions of Households 2007*, Beirut.

¹⁷⁴ While the labor productivity up to 1997 was taken from Toufic Gaspard, CRI calculated the labor productivity for 2007 based on production levels provided by the National Accounts and the labor force based on "L'emigration des jeunes Libanais et leur Projets d'Avenir" by Choghig Kasparian .

¹⁷⁵ For 1970 and 1997: Nasnas, Roger. 2007. "Emerging Lebanon: Towards an economic and social vision". Beirut. An-nahar. For 2007: Central Administration for Statistics 2008. "Living Conditions of Households 2007".

The Development of a Comprehensive Social Strategy in Lebanon

Although unemployment has been relatively stable reaching 8.9% by 2007 the phenomenon is significantly more pronounced among the youth whose unemployment level is over 20%.¹⁷⁶ Moreover, “the only sectors where employment levels expanded between 1997 and 2007 were the services and transport and telecom sectors – 80% and 20% of net new jobs”.¹⁷⁷

Poverty and Weak Social Spending in Lebanon

Recent growth rates in the economy have not been accompanied by a decrease in poverty or an increase in wages or standard of living for many. In 2004-2005, 8% of the Lebanese population were living in extreme poverty (less than 2 USD per person per day), and 28.5% living under the upper poverty line¹⁷⁸. The deterioration in livelihood conditions is not affecting only those living under the poverty line (and more specifically under the lower poverty line), but is also threatening large social groups that are located immediately above the upper poverty line and who are highly sensitive to internal and external shocks.

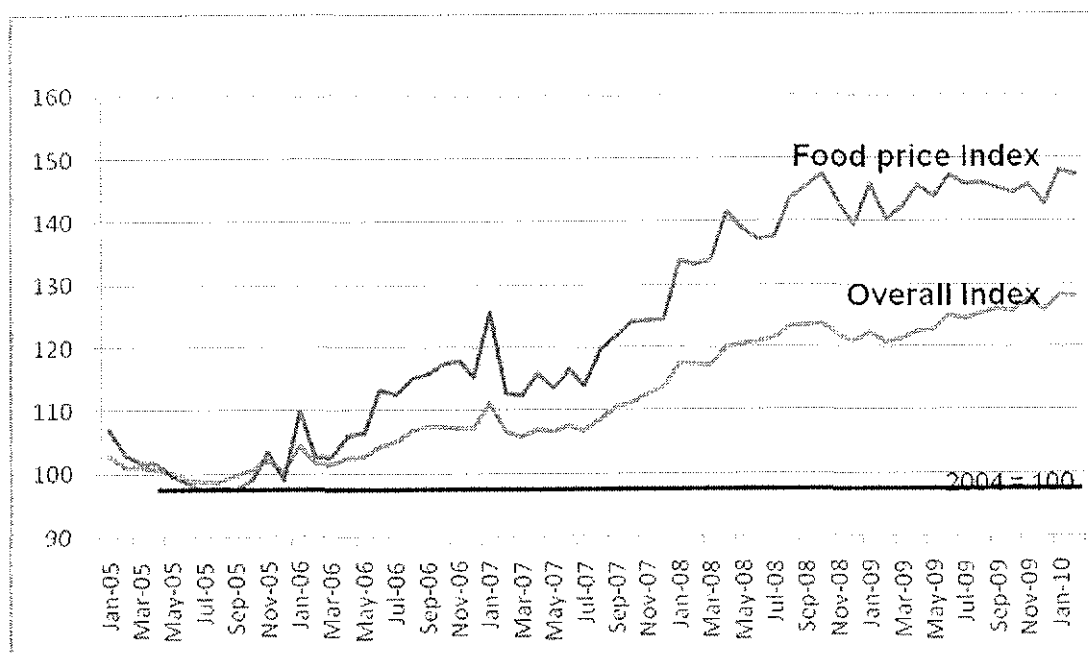
As presented in the figure below, the food component of the consumer price index is the major contributor to the increase in the CPI. This implies that the middle and low classes of the society are being affected the most by the increase in prices since the major portion of their expenditures is most often spent on food. It may also be argued however that headcount poverty tended to increase after 2005 because of the differential path of growth of the food price index and the overall CPI. The poor are much more sensitive to food price increases than other groups due to the elasticity of food components.

¹⁷⁶ The World Bank. “Good Jobs needed: The Role of Macro, Investment, Education, Labor and Social Protection Policies”.

¹⁷⁷ Ibid.

¹⁷⁸ According to UNDP’s “Poverty, Growth and Income Distribution in Lebanon” (2008). “The upper poverty line is defined as the value of the basket of goods and services actually consumed by households whose food and energy intake is equal to the minimum requirement of 2200 calories per person per day. At the official exchange rate this poverty line translates into about 4USD per capita per day”

Figure 20 Variations in the Consumer Price Index and Food Price Index (2005-2010)



While the Lebanese economy has recently been on a path of growth, social policies failed to a great extent in bridging the gap between economic growth and social development and in alleviating the different forms of poverty, vulnerability and social exclusion. Economic growth and monetary gains have not trickled down to the less fortunate. The liberal economic system found in Lebanon has created significant income distribution disparities within the country. Regional disparities in Lebanon are significant. “For example, whereas poverty rates are insignificant in the capital, Beirut, they are very high in Akkar. In general the North governorate has been lagging behind the rest of the country and thus its poverty rate has become high”.¹⁷⁹ “As such, in the absence of deliberate policies to shape the pattern of growth, there [is] no guarantee that growth would trickle down in amounts sufficient to begin to address poverty, let alone equity.”¹⁸⁰ Regional disparities however are not only reflected in skewed distribution of income and wealth but also in socio-cultural matters

¹⁷⁹ UNDP, 2008. *Poverty, Growth and Income Distribution in Lebanon*, Beirut: UNDP.

¹⁸⁰ Mkandawire, T., 2001. *Op.cit.*

seeing as most economic, “political and cultural activities continue to be concentrated in Beirut and its surrounding areas of Mount Lebanon”.¹⁸¹

The aforementioned issues become even more pertinent when one notes that Lebanon and its vulnerable population are not prepared for emergency situations (which is common in Lebanon). Not only is Lebanon unprepared for war relief efforts, but it also lacks the proper plan and know-how to deal with natural disasters (earthquakes, tsunamis etc.) The absence of an emergency preparedness policy threatens the already vulnerable populations since they are the ones who most lack proper infrastructure, security, or even the capability to leave the country.

While relief efforts are not directly linked to a social strategy, emergency preparedness comprises of more than just post-disaster efforts. Emergency preparedness also focuses on prevention and mitigation, some of which may be achieved through social development and the amelioration of conditions of the vulnerable populations and society as a whole. A social strategy which aims to improve people’s conditions and uplift them from poverty may play an essential role in preparing people for emergencies and thus limiting the number of fatalities, injuries and long term degradation of quality of life.

Currently there are only fragmented emergency plans in Lebanon. The Ministry of Health has a plan, the Army another and the High Relief Committee a third. There needs to be however a single unified plan across the various government ministries. Under this plan, each ministry would have a role according to its mandate and capabilities. Such a plan would assess the needs and capabilities of most vulnerable groups, strengthen their capacity to cope and attempt to prevent and mitigate the negative consequences of any disaster. “In Lebanon [...], most resources are often directed at relief, rehabilitation and reconstruction efforts in the aftermath of a disaster and not enough effort is directed at prevention, reduction, and control measures that can reduce the consequences of a disaster”.¹⁸²

¹⁸¹ Gaspard, T., 2007. *Op.cit.*

¹⁸² UNDP, 2008. “Primary Needs Assessment report- Disaster Risk Management”.

Government social spending

Having said the above, it must be noted that it is unclear how much the government spends on the social sector. There is a lack of consistency and unity in the definitions as well as calculations of social spending published by the Ministry of Finance. The Lebanese government adopts at least three different definitions of social spending in each of the following three official sources:

- “Social Action Plan: Toward Strengthening Social Safety Nets and Access to Basic Social Services” (2007)
- the “Social Sector Expenditure Annex” (2004-2009) from the budget report proposal
- the tables of Functional Classification of Expenditures in budget proposal reports (under the heading of Community and Social Services).

Below we will detail the results of each of these definitions and approaches and assess the results concerning social spending.

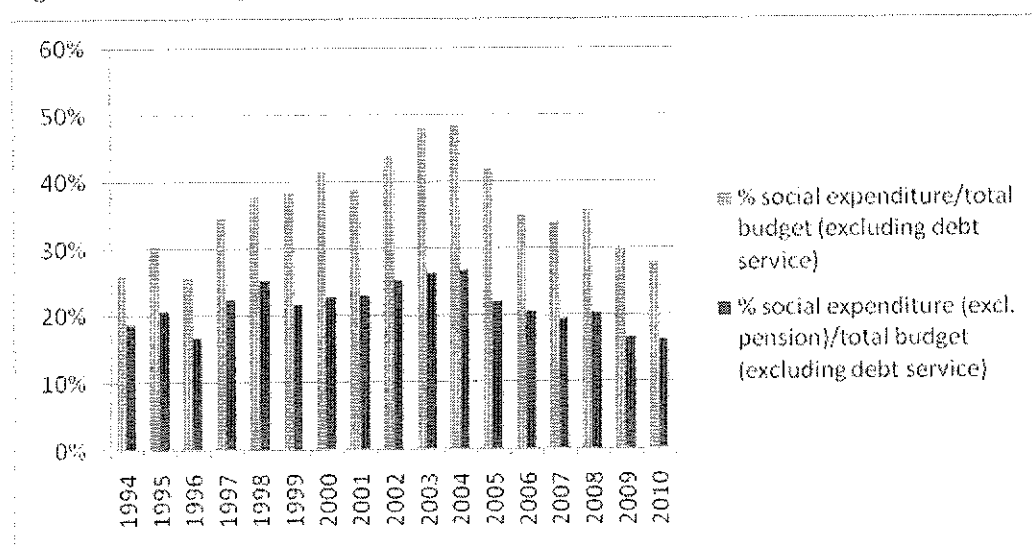
Social Action Plan's definition of social spending

In the definition of the Social Action Plan, social spending includes the budgets of the Ministries in charge of social issues (i.e. Ministry of Education, Ministry of Health, and the Ministry of Social Affairs and Ministry of Culture) as well as pensions and end of service indemnity. Firstly, it is debatable whether pension should be included in the understanding of social spending seeing as it represents expenses of the government as an employer and is linked to employee contributions. However, whether pension is included or not, social spending as a share of total expenditures (excluding debt service) begins to decrease from 2005 onwards¹⁸³. Indeed, social spending including pension decreases from 42% to 28% as a share of total expenditures (excluding debt service) between 2005 and 2010. On the other hand excluding pension and end of service indemnity which represent around 40% of the

¹⁸³ The CRI team replicated the formula used in the Social Action Plan and extended it beyond 2005.

social expenditures results in a share that decreases from 22% to 16% between 2005 and 2010 (see figure below).

Figure 21 Social Expenditure as a share of expenditures

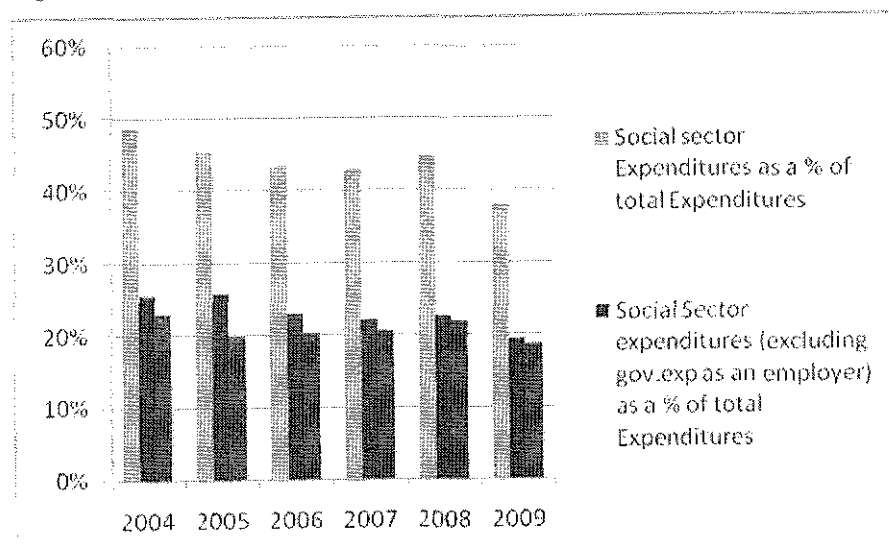


Source: The numbers for the years 1994 to 2005 were taken from the “Social Action Plan- Towards Strengthening Social Safety Nets and Access to Basic Social Services”. The numbers for 2006 onwards were compiled from the budget law, budget proposals and reports published on the website of the Ministry of Finance.

Social Expenditure Annex’s definition of social spending

If one takes a closer look at the social spending according to the government’s “Main social expenditures” in the budget proposal reports, similar discrepancies may be observed. According to this heading, social expenditure represents about 38% of total expenditures in 2009, a decrease from 49% in 2004. However, it is important to shed light on the fact that this social spending includes expenses of the government as an employer (for example expenses on hospitalization of public sector employees). These benefits are not widely available to the Lebanese people but rather to public sector employees. Thus, excluding such expenses significantly decreases social spending from 38% to 19% in 2009 (down from 26% in 2004). In other words, half of the Lebanese government’s social spending goes toward social benefits of public employees and the other half consists of social spending for the whole of the Lebanese population. In 2009, the expenditure of the government as an employer represented 19% of total expenditures, similarly to social spending.

Figure 22 Social Sector expenditures as a share of total expenditures



Source: Ministry of Finance (MOF), *Budget proposal*, (from 2004 to 2010), Directorate General of Finance (DGF).

Budget functional classification's definition of social expenditures

According to the functional classification of expenditures which are available in the budget proposal report for some selected years only (2004, 2005, 2008, 2009, and 2010) under the heading of community and social services, social sector expenditures are also on a decreasing trend. In 2004, social spending represented 31% of expenditures (excluding debt service), while in 2010, according to the newest budget proposal, social spending is not meant to surpass 19% of total expenditures excluding debt service.

As such it is evident that even if an agreement is reached over which definition to adopt, there are several problems apparent in the calculations of the social spending of each definition. However, the common factor among all these representations of social spending is its decreasing trend as a share of expenditures and as a share of GDP, registered from 2005 till today. There is a need for a unified definition of governmental social spending that ensures transparency and accountability. Moreover, care should be taken in future to ensure that social investment does not take a back seat to other government priorities.

	2004	2009
Social Action Plan		
Total social expenditure including pension as a share of Total expenditures (excluding debt service)	48%	30%
Total social expenditure excluding pension as a share of total expenditures (excluding debt service)	27%	17%
“Social Sector Expenditure Annex”		
Total social expenditure (including expenses of government as an employer) as a share of total expenditures (excluding debt service)	49%	38%
Total social expenditure (excluding expenses of government as an employer) as a share of total expenditures (excluding debt service)	26%	19%
Budget Functional Classification		
Community and Social Services as a share of total expenditures (excluding debt service)	39%	19%

10.2. Structure of the element

Based on a review of the major characteristics of the Lebanese economy and an assessment of their social impact, an element was developed whose aim is to promote the implementation of economic policies conducive to social development. Following is a description of the main tenants of this element.

Encourage Socio-Economic Development

Develop a lobbying strategy that targets government entities, private sector stakeholders, and civil society organizations pushing for the establishment of conditions conducive to balanced economic and social development.

- Q Lobby for the revival of productive economic sectors through the establishment of efficient road, communication, power and irrigation infrastructures and support institutional reform, administrative and fiscal decentralization, and local empowerment.
- Q Promote development in rural areas through lobbying for regional investment incentives and balanced credit facilities and work toward streamlined and effective social initiatives through the coordination of international and national nongovernmental efforts and the creation of a spirit of solidarity and responsibility within communities

Since the measures that address the issues identified in the above situational analysis fall outside the scope allowed for a social strategy, this document will only offer suggested lines of intervention which ought to be addressed in the broader agenda of the government. As it was previously argued, the economic and social reform agendas have to go hand in hand, as many social problems are rooted in or exacerbated by what are essentially economic issues. Thus the measures proposed by this document will not achieve the expected results unless they are embedded in a larger countrywide reform program that addresses the axes identified below:

Socio-Economic Development

- MOVE TOWARDS A MORE EQUITABLE AND EFFICIENT FISCAL POLICY
- FORMULATE SPECIFIC STRATEGIES FOR PRODUCTIVE SECTORS
- RATIONALIZE AND PRIORITIZE INFRASTRUCTURE DEVELOPMENT
- PROMOTE BALANCED REGIONAL DEVELOPMENT
- INSTITUTIONALIZE COORDINATION OF SOCIO-ECONOMIC DEVELOPMENT

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1.

Methodology

The methodology followed in formulating the social strategy consisted of three major phases: 1) laying the foundations, 2) consultations and consensus building, and 3) elaboration of the final strategy and action plan. It is to be noted that the process of strategy formulation was iterative rather than linear, as new documents were continuously being reviewed and additional interviews were being conducted. The structure was therefore progressively updated and shaped through this dynamic process.

1. Laying the foundations

1.1. Review of existing studies, strategies, and reports

Four types of documents were compiled to be included in the initial literature review (refer to the list of documents in annex 2):

1. National strategies prepared by various ministries and teams of experts, e.g. Lebanon's strategy for social development (Information International/ESFD, 2004), the National Physical Master Plan (CDR, 2004), the strategies of the Ministries of Public Health and Education and Higher Education, etc.
2. Related studies and reports covering various social topics such as “The National Human Development Report 2008-2009: Toward a Citizen’s State” (UNDP, 2009), Tomorrow’s Lebanon (Nasnas et al., 2007), Poverty and Inequality in Lebanon (MoSA and UNDP, 2008), etc.
3. International strategies developed by countries like Malaysia, UAE, Oman, Ireland, South Korea, etc.
4. Academic papers outlining the major social policy-making debates such as Mkandawire, “Targeting and Universalism in Poverty Reduction” (UNRISD, 2005).

In order to facilitate the use of the major documents in the subsequent formulation of the strategy, a template summarizing the major points tackled in each source was developed (Figure 23). In addition, the major recommendations presented in each major document were extracted and organized into a matrix that served two main purposes¹⁸⁴:

1. Drawing a picture of the general consensus reached by the various subject matter experts regarding the manner of addressing the major social issues of the country.
2. Testing the basic structure of the social strategy following its initial development (section 1.2)

Following the initial desk review, the list of references was continuously updated with new sources, whenever they were referred to the team by a stakeholder or uncovered by additional search when the need arose for specific research on a topic of interest. A bibliography section is included at the end of the report, listing all the documents that were reviewed during the process of desk review and the subsequent drafting of the social strategy.

¹⁸⁴ This matrix was used as an internal tool by the CRI team and shared with the technical team of the Inter-Ministerial Committee.

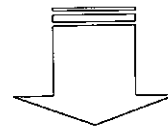
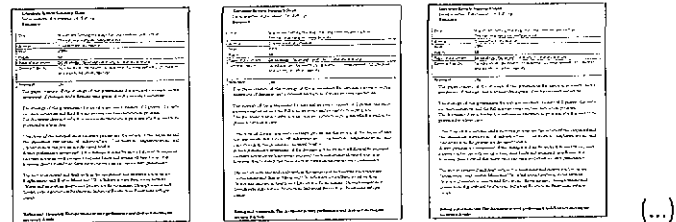
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Figure 23 Literature Review Process

Step 1 Each study was summarized following a template specifying major points and recommendations

Literature Review Summary Sheet	
Serial number of document: 24-Raft-csp	
Summary:	
Title	Stockholm-Setting the stage for long term reconstruction: The national early recovery process
Author	Government of Lebanon
Year	2006
Pages	44
Type of document	(a) strategy, (b) analytical study, (c) statistical study
General topic(s)	(a) education, (b) health, (c) poverty, (d) employment, (e) children and youth, (e) other, specify:
Reviewer	IBK
The paper consists of the strategy of the government for national recovery, sector assessment of damages, and a detailed description of sector recovery initiatives.	
The strategy of the government for national recovery consists of 2 phases: the early recovery initiatives and the full-scale recovery and reconstruction program. The document does not refer to a national reconstruction program which is said to be presented at a later date.	
Objectives of the national early recovery process are the return of the displaced and the minimum restoration of infrastructure. Coordination, implementation, and contribution to the process are discussed briefly.	
A very preliminary assessment of the damages is done by sector followed by required recovery activities with necessary required funds and estimated time frame. It is however clearly stated that these early recovery initiatives are very preliminary.	
The sectors reviewed and dealt with in the assessment and recovery activities are: Displacement and Shelter, Mines and UXOs, Infrastructure, Basic social services (Water and sanitation, health and education), Environment, Unemployment and livelihoods, Agricultural Production, Industrial Production, Palestinian refugee camps.	
Rating and comments: The document is very preliminary and does not encompass necessary details.	

The initial bibliography consisted of more than 40 documents



Step 2 The recommendations of the reviewed documents were extracted and compiled and a structure was built with six elements and two transversal pillars

Achieve Better Health	Strengthen Social Protection Mechanisms	Provide Opportunities for Equitable & Safe Employment	Revitalize Communities & Encourage the Development of Social Capital	
[Text]	[Text]	[Text]	[Text]	Targeted
[Text]	[Text]	[Text]	[Text]	
[Text]	[Text]	[Text]	[Text]	Univers
[Text]	[Text]	[Text]	[Text]	
[Text]	[Text]	[Text]	[Text]	

1.2. Developing the structure of the strategy

Based on a review of the major social policy documents, a theoretical framework was developed leading to a rationale and a mission statement for the social development strategy. Once the main underpinnings of the strategy were elaborated, a basic skeleton of a structure consisting of six elements and two transversal pillars was developed. This structure was tested using the matrix of recommendations generated in light of the review of existing documents (task 1.1) in order to ensure first that the various elements cover all the topics that should be part of a comprehensive social strategy and second that there is no significant overlap between the various elements.

1.3. Drafting situational analyses for each element

A brief situational analysis outlining the major challenges that should be addressed was developed for every element. It is noteworthy to point out that the various documents reviewed during the desk study revealed a general consensus among the various sources regarding the major issues to be addressed within the elements. However, where most of these strategies and policy papers fell short was in the provision of implementable measures to deal with these various problems. For this purpose, the descriptive and diagnostic portion of the strategy document was kept as concise as possible and the major part of the team's effort was dedicated to the development of a solid framework of elements, priority objectives, and implementable interventions along with their detailed action plans (Figure 1).

1.4. Securing the Inter-Ministerial Committee's (IMC) approval of the structure

Two meetings were held during which the technical committee of the IMC's comments on the structure of the strategy were obtained and incorporated. Following this process, the basic structure of the strategy consisting of the six elements, two pillars, and a vision statement developed collaboratively by the IMC and the study team were approved.

1.5. Developing the objectives under each element

A set of objectives addressing the major issues outlined in the situational analysis was developed under each element. A numbering system was developed to differentiate the various elements and the different levels within each element.

The ability of these objectives to cover bases of each element and the phrasing of each objective were tested and validated during the interviews with concerned stakeholders that were conducted in the second phase of the project.

2. Consultations and Consensus-Building

This phase consisted of interviews with a total of 30 stakeholders from various areas of expertise and three focus groups with education experts, social center directors, and Palestinian NGOs¹⁸⁵. The profiles of interviewees included government officials, NGO directors, private sector experts, international organization members, union leaders, etc. These stakeholders were consulted as to: 1) their opinions regarding the ability of the developed objectives to span the major issues of each element; 2) the phrasing of these objectives; and 3) their views as to the priorities within each element based on two specific criteria, namely the foreseen impact of these objectives and the success potential of efforts toward their achievement during a medium period (4-6 years). The contents of these interviews were then used to update the structure and phrasing of the objectives and inform the selection of priorities within each element.

At the end of the consultations phase, a tally was made of the number of individuals consulted within each element (Table 6**Error! Reference source not found.**)¹⁸⁶. Interviewees were classified either as specific if they are experts in a certain subject-matter, e.g. health, or general if their expertise spans a number of subjects. The results are presented in the following table:

¹⁸⁵ Focus groups were only conducted for topics in which group interaction was deemed beneficial and practical.

¹⁸⁶ Focus groups were not included in Table 1 to avoid misrepresenting the number of stakeholders per element.

Table 6 List of in-depth interviews per element and type of interview¹⁸⁷

Element	Specific interviews	Global interviews	Total interviews
Health	6	5	11
Social protection	3	6	9
Youth	3	6	9
Employment	4	5	9
Communities	9	4	13
Socio-Economic	2		2
Total	27	26	53

3. Selection of priorities

Once the objectives under each element were finalized and validated in the consensus-building phase, the process of selecting a number of priority objectives began. The timeframe for the social strategy was decided to extend over a period of five years, accordingly it was crucial to select a set of priority objectives and design action plans that are implementable within a time span of five years.

In the beginning of the process, an attempt was made to prioritize by creating a formula that incorporates a number of variables measuring the impact and feasibility of the various objectives. The formula was developed on the basis of two variables:

- 1) Impact - measured by:
 - Coverage (How many residents would be impacted by such an objective?)
 - Depth (What would be the magnitude of impact on targeted individuals' quality of life?)
- 2) Feasibility - measured by:
 - Cost (What is the approximate cost of implementation?)
 - Consensus (to what extent is there political consensus? To what extent is the objective controversial?)
 - Progress

¹⁸⁷ While 30 interviews were conducted, global interviews covered several elements and thus the total number of interviews per element reached 53.

A score of High (3) Medium (2) and low (1) was used for rating each variable. The cumulative score would determine the priority of the objective. The research team attempted to rate these five variables for each objective and ran into several obstacles:

- 1) The difficulty of assessing the cost of objectives that encompass several projects especially when many of the projects have never been the subject of feasibility or costing studies.
- 2) The inability to measure the progress achieved by the government especially in light of the dearth of official reporting.
- 3) The difficulty of assigning weights to the various variables of the formula: is depth of impact to be given the same weight as cost?

In light of these difficulties, the study team was forced to forgo this formula and develop another semi-quantitative tool that allows selection from among the set of objectives.

3.1. Synergy tool

This tool was designed in an effort to measure synergy between the 53 objectives identified by the strategy. A 53x53 matrix was developed and for every possible pair of objectives, the following question was asked: 'Does the achievement of objective x directly contribute to the achievement of objective y?' If the answer was 'yes' the cell was given a value of '1' and if the answer was 'no' the cell was given a value of '0'. At the end, a score was computed for every objective with this score denoting the percentage of the 53 objectives which would be helped if that objective was achieved. For instance, the objective 'Strengthen labor market institutions' received a score of 25%, meaning that the achievement of this objective would help the achievement of 25% of the 52 other objectives, or 13 objectives in all. The results of this tool were then used to rank the 53 objectives with the first 22 objectives (scores equal to or superior to 17%) identified as upstream objectives which should have priority of implementation based on their positive effect on the achievement of all the others (

Figure 24).

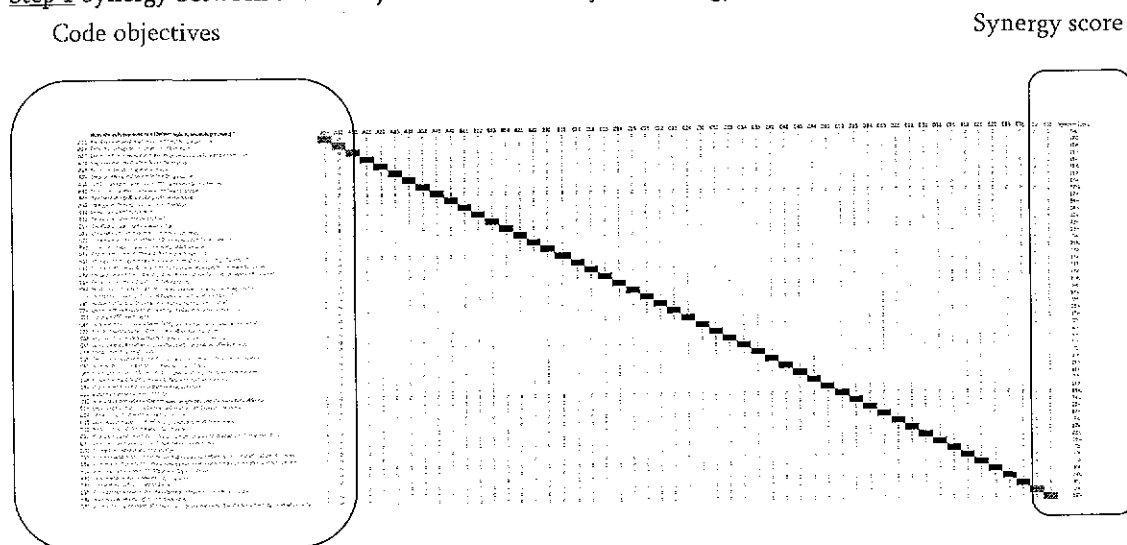
3.2. Generation of the priority list

The synergy tool has several advantages not the least of which is the fact that it takes into account the relationship between the objectives regardless of the element they fall under thereby acknowledging the fact that social protection for instance affects health and vice versa which is one of the main reasons for designing a social strategy, i.e. a comprehensive and integrated approach. This tool also provides hints as to the objectives that should be given priority thereby increasing the efficiency of the policy-making process. However, the synergy tool should not be the only basis for selection of priorities as it fails to take into account several important criteria such as: the impact of a certain objective most in terms of breadth (number of individuals impacted) and depth (magnitude of impact for an individual); the level of feasibility of an objective in terms of the budget required for implementing it, the political consensus behind it, the progress already achieved toward its implementation, etc.

For that reason the priority list generated by the synergy tool was reviewed in light of the literature produced by various public entities and subject experts, the opinions given by the various interviewed stakeholders, and the identification of a certain objective (or parts of it) as priorities by the current government as reflected in its official program. Another concern that was taken into account was the inclusion of objectives from every element of the strategy in order to preserve the comprehensiveness of the approach. The priority objectives selected as a result of this process are revealed in a special subsection within each element.

Figure 24 Synergy Process and Results

Step 1 Synergy between the 53 objectives identified by the strategy



Step 2 First 22 objectives with scores equal to or superior to 17%

The Development of a Comprehensive Social Strategy in Lebanon

Code	Ref	Title	Score Synergy
B	B11	Develop a pension scheme	34%
B	B12	Develop an unemployment fund	34%
D	D13	Encourage and enforce formalization of enterprises and workers	34%
B	B32	Strengthen the governance and the institutional capacity of the MSSF	32%
B	B13	Develop a disability insurance fund	30%
E	E21	Reinforce a Lebanese identity shared by all citizens	30%
D	D14	Work towards strengthening job security	28%
O	D31	Empower and assure the independence of labor unions	28%
D	D32	Strengthen labor market institutions	25%
B	B14	Eliminate discrimination in protection schemes	24%
E	E23	Strengthen judicial independence	23%
A	A31	Work toward the unification of health insurance schemes	21%
B	B81	Redefine the role of the MOSA (3 major functions)	21%
C	C14	Work towards achieving free compulsory basic education for ages 6-15	19%
E	E33	Assess the urgent needs of urban slums (including camps) and address them by order of priority	19%
A	A12	Ensure coverage to those who need it most	17%
A	A41	Reinforce the policy making role of the MoH	17%
A	A42	Strengthen the regulatory role of the MoH	17%
C	C24	Improve the mobility between VTE, General Education and labor market	17%
D	D15	Ensure continuous on-the-job improvement of labor force skills	17%
D	D22	Reduce inequalities in the work conditions of Lebanese, Arab and foreign workers	17%
C	C11	Improve efficiency & competence of human resources in General Education	15%
C	C34	Enhance LU teaching tools	15%
A	A32	Promote cost effectiveness in the health sector	13%
B	B21	Design a poverty targeting mechanism and provide assistance	13%
C	C13	Enhance General Education teaching tools	13%
C	C28	Enhance VTE teaching tools	13%
D	D12	Strengthen the relationship between wages and the standard cost of living	13%
A	A13	Enhance the coverage and quality of ambulatory health care services	11%
A	A21	Regulate the registration & pricing of drugs	11%
A	A22	Promote the use of generic drugs	11%
A	A23	Enforce ethical guidelines in the drug market	11%
C	C12	Enhance the utilization and quality of educational facilities in General Education	11%
C	C23	Improve efficiency & competence of human resources in VTE	11%
C	C42	Eradicate the worst forms of child labor and keep children off the streets	11%
C	C43	Protect and guide children at conflict with the law or at risk	11%
D	D11	Ensure a safe work environment	11%
C	C22	Enhance the utilization and quality of educational facilities in VTE	9%
C	C31	Conduct institutional reform in the Lebanese University	9%
C	C33	Enhance the utilization and quality of educational facilities in the LU	9%
C	C35	Enhance interconnection between labor market and University Education	9%
D	D21	Reduce inequalities in work opportunity	8%
B	B22	Improve the quality and coverage of PWD services	8%
C	C15	Increase access to public kindergartens starting at the age of 3	8%
C	C41	Address issues related to institutionalized children	8%
E	E22	Create and promote shared public spaces	8%
A	A11	Regulate the quality of in-patient health care services	6%
C	C32	Improve efficiency & competence of human resources in LU	6%
E	E11	Preserve and promote natural heritage as an essential resource in national development	6%
E	E12	Preserve and promote cultural heritage as an essential resource in national development	6%
E	E31	Promote home ownership by middle and lower-income households	4%
C	C44	Protect children from violence and exploitation	2%
E	E32	Address ownership rights of Palestinians	2%